MICROWARE

Microware Group Limited
美高域集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1985)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

HIGHLIGHTS

- The total revenue of the Group amounted to approximately HK$1,301.0 million for the Year, representing a decrease of approximately HK$190.4 million or 12.8% as compared to approximately HK$1,491.4 million for the Previous Year.

- The profit and total comprehensive income of the Group for the Year was approximately HK$28.5 million, representing an increase of approximately HK$22.1 million or 345.3% as compared to approximately HK$6.4 million for the Previous Year.

- Basic earnings per Share for the Year was HK$0.10, as compared to HK$0.03 for the Previous Year.

- The Board resolved not to recommend the payment of a final dividend for the Year to the Shareholders.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Microware Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2026 (the "**Year**"), together with the comparative figures for the year ended 31 March 2025 (the "**Previous Year**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31 March 2026

	NOTES	**2026** ***HK$'000***	2025 *HK$'000*
Revenue	*3*	**1,301,049**	1,491,387
Cost of sales		**(1,128,613)**	(1,303,131)
Gross profit		**172,436**	188,256
Other income		**5,435**	5,537
Other gains and losses, net		**4,278**	(2,297)
Other expenses		**(80)**	(28)
Distribution and selling expenses		**(76,879)**	(81,381)
Administrative expenses		**(61,691)**	(80,652)
Research and development expenses		**(351)**	(4,708)
Share of results of an associate		**(469)**	–
Finance cost		**(5,836)**	(6,618)
Profit before taxation		**36,843**	18,109
Taxation	*4*	**(6,638)**	(9,952)
Profit for the year attributable to owners of the Company	*5*	**30,205**	8,157
Other comprehensive (expenses)/income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss on investments in equity instruments at FVTOCI		**(6,900)**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**5,145**	(1,737)
Other comprehensive expenses for the year, net of income tax		**(1,755)**	(1,737)
Profit and total comprehensive income for the year attributable to owners of the Company		**28,450**	6,420
Earnings per share			
Basic and diluted (HK$)	*7*	**0.10**	0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	NOTES	2026 HK$'000	2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**14,395**	25,401
Intangible assets		**9,431**	619
Investment in an associate		**1,796**	–
Other financial assets		**49,728**	59,837
Finance lease receivables		**–**	5,951
Prepayments and deposits	*8*	**4,309**	5,164
Derivative financial instrument		**–**	43
Deferred tax assets		**467**	260
		80,126	97,275
CURRENT ASSETS			
Inventories		**86,598**	80,235
Finance lease receivables		**5,951**	13,561
Trade and other receivables, prepayments and deposits	*8*	**300,177**	311,103
Tax recoverable		**11,082**	–
Other financial assets		**13,481**	3,856
Pledged bank deposits		**75,193**	54,757
Time deposits		**5,780**	5,627
Cash and cash equivalents		**68,058**	160,920
		566,320	630,059
CURRENT LIABILITIES			
Trade and other payables and accruals	*9*	**203,072**	304,568
Contract liabilities	*10*	**87,659**	121,646
Tax liabilities		**4,765**	4,054
Lease liabilities		**16,881**	28,359
Bank borrowings		**85,324**	22,509
		397,701	481,136
NET CURRENT ASSETS		**168,619**	148,923
TOTAL ASSETS LESS CURRENT LIABILITIES		**248,745**	246,198
NON-CURRENT LIABILITIES			
Derivative financial instrument		**1,206**	–
Contract liabilities	*10*	**4,214**	4,390
Lease liabilities		**4,064**	19,191
Bank borrowings		**12,480**	–
		21,964	23,581
NET ASSETS		**226,781**	222,617
CAPITAL AND RESERVES			
Share capital	*11*	**3,000**	3,000
Reserves		**223,781**	219,617
Equity attributable to owners of the Company		**226,781**	222,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. GENERAL INFORMATION

Microware Group Limited (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 20 January 2016. The addresses of the Company's registered office and the principal place of business are at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Unit 1701, 17/F, BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, respectively.

The Company's parent and ultimate parent is Weiye Holdings Group Limited (incorporated in the British Virgin Islands) and its ultimate controlling party is Mr. Wang Guangbo, who is an executive director of the Company.

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") is principally engaged in the provision of information technology ("**IT**") infrastructure solution services and IT managed services in Hong Kong.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard 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.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to HKAS 21	Translation to Hyperinflationary presentation currency[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

The Directors anticipate that the application of the all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

Segment information

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company who are also the chief operating decision makers (the "**CODM**") that are used to make strategic decisions. Information reported to the CODM is based on the business lines operating by the Group. No operating segments have been aggregated to form the following reportable segments.

Details of the Group's operating and reportable segments are as follows:

(1) IT infrastructure solution services business refers to the procurement of semiconductor products, procurement of hardware and software by the Group and such procurement together with provision of design of solutions; and

(2) IT managed services business refers to the provision of design of solutions, provision of maintenance and/or support services to IT systems of the customers.

An analysis of the Group's operating and reportable segment revenue and segment results is set out as below:

For the year ended 31 March 2026

	Segment of IT infrastructure solution services business *HK$'000*	**Segment of IT managed services business** *HK$'000*	**Total** *HK$'000*
Segment revenue	1,157,915	143,134	1,301,049
Segment results	89,600	12,708	102,308
Other income			5,435
Other gains and losses, net			4,278
Other expenses			(80)
Certain distribution and selling expenses			(6,751)
Administrative expenses			(61,691)
Research and development expenses			(351)
Share of results of an associate			(469)
Finance cost			(5,836)
Profit before taxation			36,843

For the year ended 31 March 2025

	Segment of IT infrastructure solution services business *HK$'000*	Segment of IT managed services business *HK$'000*	Total *HK$'000*
Segment revenue	1,348,307	143,080	1,491,387
Segment results	101,292	10,845	112,137
Other income			5,537
Other gains and losses, net			(2,297)
Other expenses			(28)
Certain distribution and selling expenses			(5,262)
Administrative expenses			(80,652)
Research and development expenses			(4,708)
Finance cost			(6,618)
Profit before taxation			18,109

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of other income, other gains and losses, net, other expenses, certain distribution and selling expenses, research and development expenses, administrative expenses, share of results of an associate and finance cost.

No analysis of the Group's assets and liabilities by reportable segments is disclosed as it is not regularly provided to the CODM for review.

4. TAXATION

	2026 ***HK$'000***	2025 *HK$'000*
Hong Kong Profits Tax:		
Current tax	**6,776**	10,140
The PRC Enterprise Income Tax	**69**	4
Deferred tax	**(207)**	(192)
	6,638	9,952

Hong Kong

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime (i.e. other subsidiaries of the Group) will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime for the years ended 31 March 2026 and 2025.

The PRC

The Group's subsidiaries in the PRC are subject to corporate income tax at the rate of 25% for the Group's financial years ended 31 March 2026 and 2025.

5. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2026	2025
	HK$'000	*HK$'000*
Staff costs:		
Directors' remuneration	**7,380**	29,655
Equity-settled share-based payments (excluding directors)	**5,714**	15,357
Other staff costs	**131,174**	133,401
Retirement benefits scheme contributions (excluding directors)	**4,837**	3,682
	149,105	182,095
Auditor's remuneration		
– Audit services	**1,800**	3,200
– Non-audit services	**–**	735
Cost of inventories recognised as an expense *(note a)*	**1,013,663**	1,175,660
Depreciation of property, plant and equipment	**13,484**	14,425
Interest expenses on lease liabilities	**2,269**	2,972
Interest expenses on bank borrowings	**3,567**	3,646

note:

(a) During the year ended 31 March 2026, allowance for inventories of HK$90,000 is charged (2025: reversal of allowance for inventories of HK$113,000 is credited) to profit or loss.

6. DIVIDENDS

	2026	2025
	HK$'000	*HK$'000*
Dividends for ordinary shareholders of the Company recognized as distribution during the year:		
2025 Special dividend – HK$0.10 per share	**30,000**	–

The Board decided not to declare a dividend for the year ended 31 March 2026.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2026	2025
	HK$'000	*HK$'000*
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**30,205**	8,157

	2026	2025
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**300,000**	270,746

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the treasury shares repurchased during the year ended 31 March 2025.

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares for the year ended 31 March 2026. No diluted earnings per share for the year ended 31 March 2025 were presented as there were no potential ordinary shares in issue for the year 2025.

8. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2026	2025
	HK$'000	*HK$'000*
Trade receivables from contracts with customers	**187,893**	189,497
Less: Allowance for credit losses	**(36)**	(153)
	187,857	189,344
Rental and utilities deposits	**2,211**	1,756
Prepayments for costs of maintenance services	**37,464**	32,669
Prepayment for procurement of semiconductor products	**–**	45,113
Prepayment to suppliers	**64,713**	39,312
Others	**12,241**	8,073
Total trade and other receivables, deposits and prepayments	**304,486**	316,267
Analysed as:		
Current	**300,177**	311,103
Non-current (including prepayments for costs of maintenance services, rental and utilities deposits)	**4,309**	5,164
	304,486	316,267

As at 1 April 2024, trade receivables from contracts with customers amounted to HK$159,301,000.

Before accepting any new customer, the Group performs a credit review to assess the potential customer's credit quality and defines credit limits by customer. Limits and credit rating to customers are reviewed on a regular basis. The Group generally allows credit period of 7 to 90 days to its customers.

The following is an ageing analysis of trade receivables from third parties net of allowance for impairment losses presented based on the invoice date at the end of the reporting period:

	2026	2025
	HK$'000	*HK$'000*
0 to 30 days	**120,681**	105,169
31 to 60 days	**16,120**	30,193
61 to 90 days	**13,676**	11,140
91 to 120 days	**5,765**	24,467
121 to 180 days	**20,167**	11,062
Over 180 days	**11,448**	7,313
	187,857	189,344

9. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an analysis of trade and other payables and accruals:

	2026	2025
	HK$'000	*HK$'000*
Trade payables	**155,794**	248,769
Accrued staff costs	**21,068**	25,082
Accrued purchases	**6,893**	11,760
Others	**19,317**	18,957
	203,072	304,568

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

	2026	2025
	HK$'000	*HK$'000*
0 to 30 days	**65,672**	134,430
31 to 60 days	**54,827**	74,310
61 to 90 days	**27,601**	38,637
Over 90 days	**7,694**	1,392
	155,794	248,769

10. CONTRACT LIABILITIES

	2026	2025
	HK$'000	*HK$'000*
Current	**87,659**	121,646
Non-current	**4,214**	4,390
	91,873	126,036

As at 1 April 2024, contract liabilities amounted to HK$99,020,000.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

During the year ended 31 March 2026, the Group has recognised revenue of HK$121,646,000 (2025: HK$95,099,000) that was included in the contract liabilities balance at the beginning of the year.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Procurement of hardware and software, design of solution/maintenance and/or support services

The Group typically receives 20% – 30% of the contract value as deposits and advance payments for the procurement of hardware and software, design of solution/maintenance and/or support services when the purchase order is entered into, while the amount of deposits may be varied depending on the business relationship with the customers. The deposits and advance payments result in contract liabilities being recognised until the customer obtains control of hardware and software, or until revenue recognised on the relevant contract exceeds the amounts of deposit and advance payments.

The significant decrease (2025: increase) in contract liabilities in the current year was mainly due to the decrease (2025: increase) in sales order from customers resulting a decrease in contract liabilities.

11. SHARE CAPITAL

The share capital as at 31 March 2025 and 2026 represented the share capital of the Company with the details as follows:

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2024, 31 March 2025 and 2026	**5,000,000,000**	**50,000**
Issued and fully paid:		
At 1 April 2024, 31 March 2025 and 2026	**300,000,000**	**3,000**

12. PERFORMANCE GUARANTEES

As at 31 March 2026, the performance guarantees of the Group of HK$13,962,000 (2025: HK$20,295,000) were given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and their customers. If the Group fails to provide satisfactory performance to their customers to whom performance guarantees have been given, such customers may demand the bank to pay them the sum or sum stipulated in such demand. The Group will become liable to compensate the bank accordingly. The performance guarantee will be released upon completion of the contract works.

As at 31 March 2026 and 2025, the directors of the Company did not consider that it is probable that a claim will be made against the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of IT infrastructure solutions services and IT managed services in Hong Kong and Chinese Mainland. The Group strives to provide a one-stop IT experience which begins with (i) consultation and advice; (ii) semiconductor products, hardware and/or software procurement; (iii) implementation; and (iv) management and maintenance of the IT infrastructure solutions.

The Group is a well-established IT infrastructure solutions provider based in Hong Kong. As at 31 March 2026, the Group has maintained qualified technical and sales staff to ensure that the Group keeps abreast of the advanced technology development with its vendors. In addition, the Group has received a number of remarkable awards of top performance and enterprise solutions from the vendors and charity organisation as set out below:

Presented by	Awards
Schneider Electric	2025 APC Outstanding GOV Segment Partner Award
Schneider Electric	2025 APC Outstanding Achievement Award
Adobe	2025 Adobe Top Acquisition Reseller of the Year
Hewlett Packard Enterprise	FY25 Best Performer Award – Storage IP Solutions Pioneer
Hewlett Packard Enterprise	FY25 HPE CSLV Excellence Award – Top Order Performance (Attach/IB/New Solution)
HP Inc. Hong Kong Limited	FY25 Best Contributor to A4 Commercial Print Market Share award
Check Point	2025 Distinguished Professional Partner Award
Kaspersky	2025 Outstanding Partner (Government Segment)
Dell	2025 Loyalty Excellence Award – Hong Kong
Blackpanda	Excellence Award (Hong Kong)
Hewlett Packard Enterprise	2025 HPE Storage Solution Provider of the Year for Asia Pacific
Lenovo	FY2425 Top IDG Partner Champion

The IT infrastructure solutions industry in Hong Kong is highly competitive and fragmented. In particular, the Board believes that the business environment of Hong Kong is challenging. The trend of accelerating the adoption of artificial intelligence technology is expected to be irreversible, the Group will continue to deepen its AI-related research and industry deployment in the Chinese Mainland and Hong Kong. The Group's management team will continuously take proactive actions with an aim to improve the Group's operations and results.

FINANCIAL REVIEW

Revenue

The total revenue of the Group amounted to approximately HK$1,301.0 million for the Year, representing a decrease of approximately HK$190.4 million or 12.8% as compared to approximately HK$1,491.4 million for the Previous Year. The decrease in total revenue was mainly due to the decrease in revenue of the business segment of IT infrastructure solution services which was approximately HK$1,158.0 million for the Year, representing a decrease of approximately HK$190.3 million or 14.1% as compared to approximately HK$1,348.3 million for the Previous Year. The revenue of the business segment of IT managed services was approximately HK$143.1 million for the Year, remaining stable compared to the Previous Year. For the Year, the business segments of IT infrastructure solutions services and IT managed services contributed approximately 89.0% and 11.0% to the total revenue of the Group, respectively.

Cost of sales

The total cost of sales of the Group for the Year was approximately HK$1,128.6 million, representing a decrease of approximately HK$174.5 million or 13.4% from approximately HK$1,303.1 million for the Previous Year. The decrease in total cost of sales was mainly due to the decrease in cost of the business segment of IT infrastructure solution services which was approximately HK$1,015.2 million for the Year, representing a decrease of approximately HK$170.8 million or 14.4% as compared to approximately HK$1,186.0 million for the Previous Year. The cost of the business segment of IT managed services was approximately HK$113.4 million, representing a decrease of approximately HK$3.6 million or 3.1% as compared to approximately HK$117.0 million for the Previous Year.

Gross profit and gross profit margin

The gross profit of the Group for the Year was approximately HK$172.4 million, representing a decrease of approximately HK$15.9 million or 8.4% from approximately HK$188.3 million for the Previous Year. Such decrease was mainly due to the decrease in the revenue of the business segment of IT infrastructure solution services.

The gross profit of the business segment of IT infrastructure solution services was approximately HK$143.3 million, representing a decrease of approximately HK$18.9 million or 11.7% as compared to approximately HK$162.2 million for the Previous Year. The gross profit of the business segment of IT managed services was approximately HK$29.1 million, representing an increase of approximately HK$3.0 million or 11.5% as compared to approximately HK$26.1 million for the Previous Year.

Operating expenses

The total operating expenses of the Group for the Year was approximately HK$138.9 million, representing a decrease of approximately HK$27.8 million or 16.7% as compared to approximately HK$166.7 million for the Previous Year. Such decrease was due to the decrease in the distribution and selling expenses, research and development expenses and the administrative expenses.

Profit for the Year

The profit and total comprehensive income of the Group for the Year was approximately HK$28.5 million, representing an increase of approximately HK$22.1 million or 345.3% as compared to approximately HK$6.4 million for the Previous Year. Such increase was mainly due to the decrease in the operating expenses, the increases in other gains and losses, net, and the exchange differences arising from translation of foreign operations, as well as the increase in related business volume driven by successful AI R&D initiatives.

Liquidity and financial resources

Capital Structure

During the Year, the Group financed its operations through a combination of internally generated cash flows and bank borrowings. As at 31 March 2026, the Group's total bank borrowings amounted to approximately HK$97.8 million (31 March 2025: HK$22.5 million), and were denominated in Hong Kong Dollars ("**HK$**").

The details of the share capital of the Company during the Year and the Previous Year are set out in note 11 on page 13 of this announcement.

Cash position

The Group recorded net current assets of approximately HK$168.6 million as at 31 March 2026, while the net current assets of the Group as at 31 March 2025 was approximately HK$148.9 million. As at 31 March 2026, the Group had cash and cash equivalents of approximately HK$68.1 million (31 March 2025: HK$160.9 million). Most of the cash and cash equivalents of the Group were denominated in HK$, United States Dollars ("**US$**") and Renminbi ("**RMB**").

Capital expenditure

During the Year, the Group's total capital expenditure amounted to approximately HK$0.5 million (the Previous Year: HK$7.0 million).

Gearing ratio

The net gearing ratio was 43.1% which is total interest-bearing bank loans divided by the total equity and multiplied by 100% as at 31 March 2026, and it was 10.11% as at 31 March 2025.

Performance guarantees

The Group's performance guarantees as at 31 March 2026 are set out in note 12 on page 13 of this announcement.

Contingent liabilities

The Group had no contingent liabilities as at 31 March 2026 (as at 31 March 2025: Nil).

Pledge of assets

As at 31 March 2026, certain of the Group's bank deposits totaling HK$75.2 million (31 March 2025: HK$54.8 million) were pledged to secure derivative financial instruments and performance guarantees which will be released upon the maturity of the derivative financial instruments and completion of the contract works, respectively.

Foreign exchange risk

The Group's transactions are mainly denominated and settled in HK$, US$ and RMB. Foreign exchange exposure of the Group to US$ will continue to be minimal as long as the policy of the Hong Kong Government to link HK$ to US$ remains in effect. During the Year, the Group has entered into the HK$/US$ net-settled structured foreign currency forward contracts with banks in Hong Kong in order to mitigate foreign exchange exposure as a result of purchases made from certain suppliers in its regular course of business. The fair value changes of the derivative financial instruments comprised realised gain (loss) and unrealised fair value gain (loss) on the HK$/US$ net-settled structured foreign currency forward contracts entered into by the Group.

As a portion of the Group's revenues and expenses are denominated in RMB, fluctuations in the RMB exchange rate against other currencies may affect the Group's financial results and cash flows.

HUMAN RESOURCES

As at 31 March 2026, the Group had a total of 270 employees (31 March 2025: 242 employees). For the Year, the total staff costs including Directors' emoluments was approximately HK$149.1 million (Previous Year: HK$182.1 million). The Group offers a competitive remuneration package to its employees, including mandatory provident funds in accordance with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and medical insurance coverage to employees who are retained after the probation period. The Group will review the performance of its employees and make reference to such performance reviews in its salary and/or promotional review in order to attract and retain talented employees.

In order to promote overall efficiency, employee loyalty and retention, employees of the Group are required to attend orientation sessions when they first join the Group and may attend other training courses held onsite or externally. The Group has also implemented (i) an educational subsidy programme to its employees to allow them to enrol in courses relating to IT services from external organisations; (ii) a university education subsidy programme for the children of its employees; and (iii) a medical check programme for its employees.

The Company adopted a share option scheme (the "**Share Option Scheme**") on 15 February 2017 and a share award scheme on 16 January 2024 (the "**Share Award Scheme**"). As such, share options or awards may be granted to eligible employees of the Group pursuant to the Share Option Scheme or the Share Award Scheme. On 3 January 2025, an aggregate of 29,998,000 shares of the Company (the "**Shares**"), representing approximately 10% of the issued Shares of the Company, were granted to ten awardees, including the Directors, senior management of the Company and its subsidiaries, under the Share Award Scheme. On 15 August 2025, under the Share Option Scheme, the Company granted an aggregate of 15,000,000 options (the "**Options**") to five eligible participants (the "**Grantees**") to subscribe for ordinary Shares with a par value of HK$0.01 each in the share capital of the Company, subject to acceptance of the options by the Grantees. After the grant of the Options, the number of Shares available for future grant with respect to the scheme mandate limit of the Share Option Scheme is 15,000,000.

DIVIDEND

The Board resolved not to recommend the payment of a final dividend for the Year to the shareholders of the Company (the "**Shareholders**") (Previous Year: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the rights of the Shareholders to attend and vote at the annual general meeting of the Company ("**AGM**"), the register of members of the Company will be closed from Monday, 24 August 2026 to Thursday, 27 August 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration no later than 4:30 p.m. on Friday, 21 August 2026.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments during the Year.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

MATERIAL LITIGATION

As of the date of this announcement, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

FUTURE OUTLOOK

During the Year, amid the threat of geopolitical tension and protectionist policies significantly affecting the global economic landscape, Hong Kong's economy was inevitably affected by this adverse environment. However, the growth of the economy in 2025 was recorded at 3.45% and according to the latest forecast made by the HKSAR Government, the growth of the economy for 2026 is projected to be between 2.5% and 3.5%. One of the key drivers attributable to this growth is the resilient global demand for AI-related electronic products.

The trend of accelerating the adoption of artificial intelligence technology and the increasing emphasis on technology localization in the world are expected to be irreversible. The Group, staying at the forefront of innovation, pioneered and deepened its AI-related research and industry deployment in the Chinese Mainland and Hong Kong last year and has gradually obtained the expected satisfactory outcomes.

Looking ahead, the Group will be fully committed to keeping client needs at the core and continuing to deepen its core business and AI-related business in the Guangdong – Hong Kong – Macao Greater Bay Area and Southeast Asia by leveraging its IT expertise and AI deployment to expand its technology portfolio. Meanwhile, the Group will keep on optimizing its resources and workflows and adopting cost control measures to enhance operational and cost effectiveness. The Group expects that all these measures will foster resilience and sustainable growth when navigating the complexities of a challenging and rapidly changing global economy and therefore enhance long-term shareholder value.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and permitted under the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange, was held by the public at all times during the Year and as of the date of this announcement.

EVENT AFTER THE REPORTING PERIOD

There was no significant event affecting the Group that had occurred since the end of the Year and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving good corporate governance practices by emphasising its accountability, transparency, independence, responsibility and fairness. The Company's corporate governance practices are based on the principles and code provisions (the "**Code Provisions**") in the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to Listing Rules.

The Company complied with the CG Code throughout the Year, except for Code Provision C.2.1 of the CG Code, details of which are set out below.

Code Provision C.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer. Mr. Wang Guangbo, an executive Director and chairman of the Board, will assume the duties and responsibilities of the chief executive officer of the Company in the overall management, strategic planning and the day-to-day business operation of the Group. Given his extensive experience and knowledge in the information technology industry, the Board believes that Mr. Wang Guangbo will provide a broader perspective on strategic matters and enable efficient decision-making to meet the dynamic needs of the Group's business. Therefore, the Directors consider that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. Notwithstanding the deviation, the Board is of the view that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the securities dealing code for its Directors.

Having made specific enquiry to all Directors, all Directors confirmed that they have fully complied with the required standards and provisions as set out in the Model Code during the Year.

SCOPE OF WORK OF MESSRS. HLB HODGSON IMPEY CHENG LIMITED

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 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the Year as approved by the Board of Directors on 30 June 2026. The work performed by Messrs. HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. HLB Hodgson Impey Cheng Limited on the preliminary announcement.

REVIEW OF THE ANNUAL RESULTS

The audit committee of the Board (the "**Audit Committee**") has reviewed the annual results for the Year with the Company's management and considered that such results have been prepared in accordance with the applicable accounting standards and requirements with sufficient disclosure. The Audit Committee has been established in compliance with Rule 3.21 of the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Lan Jia, Mr. Dai Bin, and Mr. Xu Jianwen. Ms. Lan Jia serves as the chairlady of the Audit Committee. The primary responsibilities of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting system, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the Group's policies and to perform other duties and responsibilities as assigned by the Board.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at **www.hkexnews.hk** and on the Company's website at **www.microware1985.com**. The annual report of the Company for the Year containing all the relevant information required by the Listing Rules will be despatched to the Shareholders and also published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Microware Group Limited
Wang Guangbo
Chairman and executive Director

Hong Kong, 30 June 2026

As at the date of this announcement, the executive Directors is Mr. Wang Guangbo, the non-executive Director is Mr. Wang Zhi and the independent non-executive Directors are Mr. Dai Bin, Mr. Xu Jianwen and Ms. Lan Jia.