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

BoardWare

BoardWare Intelligence Technology Limited
博 維 智 慧 科 技 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1204)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

Revenue of the Group decreased from approximately HK$321.4 million for FP2025 to approximately HK$316.0 million for FP2026, representing a decrease of approximately HK$5.4 million or 1.7% as compared to that of FP2025.

Gross profit of the Group decreased from approximately HK$69.9 million for FP2025 to approximately HK$65.8 million for FP2026, representing a decrease of approximately HK$4.1 million or 5.9% as compared to that of FP2025.

Profit for the period of the Group increased from approximately HK$0.8 million for FP2025 to approximately HK$1.3 million for FP2026, representing an increase of approximately HK$0.5 million or 62.5% as compared to that of FP2025.

Net profit margin of the Group for FP2026 increased from approximately 0.2% to approximately 0.4%, representing an increase of approximately 0.2 percentage point as compared to that of FP2025.

Basic earnings per Share attributable to the Shareholders increased from approximately HK0.16 cent for FP2025 to approximately HK0.25 cent for FP2026, representing an increase of approximately HK0.09 cent or 56.3% as compared to that of FP2025.

As at 30 June 2026, cash and cash equivalents of the Group amounted to approximately HK$107.4 million (31 December 2025: approximately HK$66.4 million), representing an increase of approximately HK$41.0 million or 61.7%.

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 2026 ("**FP2026**") with the comparative figures for the corresponding period in 2025 ("**FP2025**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue			
Contracts with customers	3	**308,089**	321,440
Leases		**7,953**	–
Total revenue		**316,042**	321,440
Cost of sales and services		**(250,248)**	(251,554)
Gross profit		**65,794**	69,886
Other income		**7,964**	5,590
Distribution and selling expenses		**(21,373)**	(20,551)
Administrative expenses		**(35,372)**	(41,883)
Research and development expenses		**(11,054)**	(8,944)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		**(2,712)**	(929)
Other gains and losses, net		**(539)**	(1,384)
Share of results of joint ventures		**(172)**	(24)
Finance costs	5	**(1,174)**	(921)
Profit before tax		**1,362**	840
Income tax expense	6	**(92)**	(55)
Profit for the period	7	**1,270**	785
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operation		**2,113**	606
Other comprehensive income for the period		**2,113**	606
Total comprehensive income for the period		**3,383**	1,391
		HK cents	*HK cents*
Earnings per share	9		
Basic		**0.25**	0.16

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**As at 30 June 2026** ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment		**36,258**	40,655
Investment property		**5,092**	4,771
Right-of-use assets		**7,774**	7,428
Intangible assets		**2,822**	2,985
Interests in joint ventures		**11**	30
Financial assets at fair value through profit or loss ("**FVTPL**")		**–**	109
Finance lease receivables		**15,145**	12,311
Deposits paid for purchase of property, plant and equipment		**10,278**	10,278
Deposits and prepayments		**6,388**	6,556
Deferred tax assets		**659**	475
Contract assets		**3,639**	11,496
Amount due from a joint venture		**7,224**	6,817
		95,290	103,911
Current Assets			
Inventories		**13,865**	8,775
Finance lease receivables		**12,540**	17,906
Financial assets at FVTPL		**8,120**	–
Trade receivables	10	**174,664**	220,605
Deposits, prepayments and other receivables		**60,435**	64,552
Contract assets		**162,241**	141,613
Contract costs		**8,766**	11,092
Amount due from a joint venture		**831**	126
Pledged bank deposits		**26,071**	62,583
Cash and cash equivalents		**107,423**	66,449
		574,956	593,701
Total Assets		**670,246**	697,612

	Notes	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	11	**5,000**	5,000
Share premium and reserves		**343,449**	340,066
Total Equity		**348,449**	345,066
Non-current Liabilities			
Borrowings	13	**4,789**	5,042
Deferred tax liabilities		**80**	54
Lease liabilities		**2,898**	2,116
Contract liabilities		**7,731**	6,926
		15,498	14,138
Current Liabilities			
Trade and other payables	12	**200,202**	215,941
Borrowings	13	**54,447**	79,352
Lease liabilities		**5,053**	5,171
Contract liabilities		**44,948**	36,544
Tax payable		**1,649**	1,400
		306,299	338,408
Total Liabilities		**321,797**	352,546
Total Equity and Liabilities		**670,246**	697,612

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 Chinese Mainland.

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* as issued by the International Accounting Standards 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 FP2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025 ("**FY2025**").

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Types of goods or services		
Enterprise IT solutions		
Professional IT services	**145,765**	119,644
Managed services	**26,197**	24,270
IT maintenance and consultancy services	**44,351**	26,881
	216,313	170,795
Distribution and resale		
Distribution	**46,057**	58,027
Resale	**45,719**	92,618
	91,776	150,645
Total	**308,089**	321,440

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
A point in time	**107,400**	163,585
Over time	**200,689**	157,855
Total	**308,089**	321,440

Geographical markets

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

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Macau	**211,985**	222,691
Hong Kong	**76,263**	75,457
Chinese Mainland	**19,739**	23,292
Others	**102**	–
Total	**308,089**	321,440

4. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker of the Group, for the purposes of resource allocation and performance assessment focuses on revenue analysis by products and services. Other than the Group's results and financial position as a whole, no discrete financial information is provided. 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 Chinese Mainland.

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	
			As at	As at
	Six months ended 30 June		**30 June**	31 December
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Macau	**219,938**	222,691	**51,469**	64,359
Hong Kong	**76,263**	75,457	**8,775**	6,068
Chinese Mainland	**19,739**	23,292	**8,371**	9,572
Others	**102**	–	**14**	20
Total	**316,042**	321,440	**68,629**	80,019

Revenue from external customers represents the aggregate of revenue from contracts with customers and leases.

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	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**–***	42,879
Customer B	**43,785**	–*

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

5. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**927**	649
Interest on lease liabilities	**240**	251
Other finance costs	**7**	21
Total	**1,174**	921

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax		
– Macau Complementary Tax	**18**	–
– Enterprise Income Tax of the People's Republic of China	**2**	–
	20	–
Overprovision in prior years	**–**	(47)
	20	(47)
Deferred taxation	**72**	102
	92	55

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 Macanese Pataca ("**MOP**") 32,000 but below MOP300,000, and thereafter at a fixed rate of 12%. During FP2026 and FP2025, the Macau tax authority introduced a one-time incentive that raised the tax-exempt income ceiling from MOP32,000 to MOP600,000. Consequently, taxable 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 estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Chinese Mainland

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulations of the EIT Law, the subsidiaries in Chinese Mainland are subject to enterprise income tax at 25% for both periods.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Auditors' remuneration – Audit services	**875**	1,050
Auditors' remuneration – Non-audit services	**343**	212
Amortisation of intangible assets	**487**	323
Depreciation of property, plant and equipment	**7,434**	5,328
Depreciation of right-of-use assets	**4,057**	4,328
Employee benefit expenses	**77,589**	73,673
Expense relating to short-term leases	**157**	143
Write-down of inventories	**62**	12

8. DIVIDEND

No dividends were paid, declared or proposed during FP2026. The Directors have determined not to declare an interim dividend for FP2026 (for FP2025: 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$1,270,000 (for FP2025: HK$785,000) and the weighted average number of ordinary shares calculated below.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**500,000,000**	500,000,000

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

10. TRADE RECEIVABLES

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables		
Contracts with customers	**181,817**	224,699
Less: allowance for credit losses	**(7,153)**	(4,094)
	174,664	220,605

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

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Up to 3 months	**102,763**	106,762
Over 3 months and within 6 months	**32,946**	74,774
Over 6 months and within 1 year	**18,334**	36,311
Over 1 year	**27,774**	6,852
	181,817	224,699

11. SHARE CAPITAL

	Number of Shares *'000*	Nominal value of Shares *HK$'000*
Ordinary Shares of HK$0.01 each		
Authorised		
At 1 January 2025 (Audited), 31 December 2025 (Audited) and 30 June 2026 (Unaudited)	10,000,000	100,000

	Number of Shares *'000*	Nominal value of Shares *HK$'000*
Issued and fully paid		
At 1 January 2025 (Audited), 31 December 2025 (Audited) and 30 June 2026 (Unaudited)	500,000	5,000

12. TRADE AND OTHER PAYABLES

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Trade payables	**178,417**	187,046
Salaries payable	**8,391**	14,503
Accrued expenses	**5,251**	5,830
Other taxes payable	**765**	1,924
Other payables	**7,378**	6,638
	200,202	215,941

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

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

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Within 1 month	**125,657**	133,245
Over 1 month and within 3 months	**31,975**	28,050
Over 3 months and within 1 year	**10,287**	20,536
Over 1 year	**10,498**	5,215
	178,417	187,046

13. BORROWINGS

	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
The carrying amounts of bank borrowings are repayable:		
Within 1 year	**54,447**	79,352
Within a period of more than 1 year but not exceeding 5 years	**4,789**	5,042
	59,236	84,394

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

Denominated in	Interest rate per annum	As at 30 June 2026 *HK$'000* (Unaudited)	As at 31 December 2025 *HK$'000* (Audited)
HK$	Prime Rate minus 1.50%	**27,410**	64,312
RMB	Loan Prime Rate minus 0.40%	**10,257**	10,175
RMB	Loan Prime Rate minus 0.70%	**11,123**	–
RMB	Fixed rate at 2.30% (As at 31 December 2025: fixed rate at 2.60%)	**10,446**	9,907
		59,236	84,394

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Information technology ("**IT**") solutions involve the design, supply, integration, operation and maintenance of IT systems. IT solutions can be primarily categorised into two segments: (i) enterprise-grade design and implementation solutions and services provided to corporate customers in which different computing systems and software applications are either physically or functionally linked together to act as a coordinated whole ("**Enterprise IT Solutions**"), and (ii) distribution and resale of hardware and software. Enterprise IT solutions can be further grouped as (i) Professional IT services, (ii) Managed services, and (iii) IT maintenance and consultancy services.

As a Macau-based leading technology company, the Group remains at the forefront of technological innovation. Leveraging our core businesses – including IT solutions, artificial intelligence ("**AI**"), cybersecurity, brain-computer interface ("**BCI**"), and engineering intelligence – we are strategically aligned with the latest global technology trends and the Macau SAR government's evolving policies to foster a diversified economy.

Global Technology Trends Reshaping the Industry Landscape

The year 2026 is widely regarded as the "Year Zero" for AI Agents. AI technology is evolving from discriminative classification and generative dialogue into Agentic AI, which possesses autonomous perception, planning and execution capabilities. Enterprises are shifting their digital transformation mindset away from a computing power arms race focused on hardware specifications and model scale, and towards solving operational pain points and delivering effective outcomes. 2026 marks a pivotal shift from AI-assisted tools to deep AI integration across all facets of business and society. This "AI+" phase is characterised by several key trends that directly inform the Group's strategic direction:

(i) The Rise of Agentic AI and Engineering Intelligence

Digital transformation has moved beyond technology integration; it is now about cultivating "engineering intelligence". The Board believes that enterprises are increasingly exploring the deployment of AI agents in production environments, and that multi-agent collaboration may become an important capability for organisations adopting AI-driven operating models. Industry leaders have proposed a new AI metric – Daily Active Agents ("**DAA**") – which measures AI not how many users open a product each day, but how many agents are completing real tasks and delivering results on behalf of humans. AI is evolving from a "chat tool" into a true productivity engine that can work and deliver outcomes. Developers are transitioning from code producers to strategic orchestrators, managing fleets of AI agents to solve end-to-end problems. At the human to agent ratio level, the Group believes that AI agents may increasingly assist employees in performing routine and specialised tasks. At the same time, the underlying capabilities supporting agent applications are being upgraded – enterprises need to optimise computing power scheduling, rationally allocate AI supercomputing resources, and fully adopt cloud financial operations (“**FinOps**”) to ensure that computing power is used where it matters most.

(ii) Cybersecurity’s Paradigm Shift – From “Intrusion” to “Login”

The threat landscape has fundamentally changed. According to the *2026 Global Incident Response Report* published by a leading international cybersecurity organisation, AI is compressing the attack timeline – in the fastest case investigated, attackers moved from initial access to data exfiltration in just 72 minutes, four times faster than the previous year. Identity credentials have become a primary attack vector, with identity weaknesses playing a material role in nearly 90% of investigations. In most cases, attackers do not “break in”; they “log in” using stolen credentials and tokens. The Cloud Security Alliance (“**CSA**”) listed “Insufficient Identity and Access Management” as the top cloud threat among its 2026 Top 11 Cloud Threats. Non-human identities (“**NHIs**”) now outnumber human users, adding further complexity to enterprise identity governance. Moreover, the *2026 State of Identity Security Report* published by Sophos shows that 71% of surveyed organisations experienced at least one identity-related breach in the past year. As autonomous AI agents penetrate enterprise operations, traditional reactive blocking models are no longer sufficient to counter machine-speed attacks; autonomous defence systems will be critical in combating AI-driven identity attacks, data poisoning, and quantum risks.

(iii) Practical Implementation and Consumerisation of BCI and AI in Specialised Domains

BCI technology is rapidly evolving from experimental signal translation into dynamic bidirectional systems. In 2026, the global BCI market is projected to more than double from approximately US$3 billion in 2025 to over US$6 billion by 2030. China has approved the world’s first invasive BCI medical device for market launch, marking the entry of this emerging technology into clinical application. In July 2026, Shanghai Huashan Hospital performed the world’s first commercial BCI implantation surgery. In the non-invasive domain, BCI technology is increasingly being explored for integration into wearable devices such as headphones and smart glasses, giving rise to considerations concerning neural data privacy and governance. Certain BCI-enabled smart-glasses technologies are designed to interpret neural and other biological signals to support hands-free command and control. The Group believes that the continued development of such technologies may broaden the potential application of natural human-computer interaction. On the consumer front, the first national “BCI technology-enabled spectator experience” was launched in 2026, bringing cutting-edge technology from professional fields into the public sphere. AI glasses are becoming one of the key native terminals for natural human-computer interaction and an important vehicle for the future consumerisation of BCI.

(iv) The Evolution of AI Infrastructure and Governance

Global AI competition has shifted from model capabilities to computing power governance. Gartner estimates that global AI spending will reach US$2.52 trillion in 2026, up 44% year-on-year, with AI inference demand surpassing model training for the first time – signalling that enterprise AI has entered a phase of large-scale commercialisation. However, the Group believes that many enterprises continue to face challenges in optimising GPU utilisation. As AI agents handle more core business data, enterprises are adopting a "balanced hybrid" computing power strategy, favouring private clouds and on-premises deployments for sensitive information. At the same time, there is growing recognition of the need for robust AI governance to manage regulatory volatility and the risks associated with generative AI reliability. Embedded security and governance controls are becoming standard expectations for enterprise AI infrastructure.

Macau's Strategic Policy Initiatives: A Catalyst for Growth

The Macau SAR government is proactively driving economic diversification through landmark policies that create a fertile ground for technology enterprises. The Group is well-positioned to benefit significantly from these initiatives:

(i) Establishment of the MOP20 Billion Government Guidance Fund

In alignment with the national "15th Five-Year Plan", the Macau government announced in 2026 the establishment of a Government Guidance Fund. The Fund will be initially capitalised with MOP11 billion from the accumulated surplus of fiscal reserves, together with the first tranche of social capital, with a target total size of MOP20 billion. The Fund adheres to the principles of "government guidance, market operation, prudent decision making, and performance orientation", embracing a philosophy of "long-termism" and "patient capital". It will strategically invest in emerging industries, industrial transformation and upgrading projects, technology commercialisation programmes, and tech start-ups. In May 2026, "Macau Investment Management Co., Ltd." was formally established to advance the Fund's structure, and the government aims to complete the Fund's setup within the year. As a certified "Key Technology Enterprise" and recipient of the "Merit Medal – Commerce and Industry", the Group is ideally positioned to leverage this Fund to accelerate our research and development ("**R&D**") and expansion plans.

(ii) Deepening Integration with Hengqin and Cross-Border Data Breakthroughs

The "Macau Platform + Hengqin Space" model is gaining tangible momentum. In 2026, the Guangdong-Macau In-Depth Cooperation Zone in Hengqin was selected as one of the first national pilots for international cooperation in the data sector. In May this year, the Guangdong Pilot Free Trade Zone issued its negative list for cross-border data transfers, and in June Hengqin released implementing rules that clarify a convenient "report first use afterwards" pathway – enterprises may self-assess against the list and, if eligible, proceed with cross-border data transfers, with a post-event report required within 15 working days. This significantly reduces compliance costs and time. Under the pilot scheme, leveraging the unique advantages of "Macau + Hengqin", Hengqin will take Brazil as a breakthrough point and focus on Portuguese- and Spanish-speaking countries to build a new hub and channel for international cooperation in the data sector. The Group expects that, leveraging Hengqin's policy advantages, we will accelerate cross-border data flows, create more application scenarios for our clients, and drive demand for our technological solutions. This policy supports our work of integrating "Macau Data + Hengqin Computing Power + Greater Bay Area Application Scenarios" to assist the Hengqin government in its plan to build an international digital trade hub.

(iii) Supporting Innovation through the "First-Store Economy" and "1+4" Sector-Specific Policies

Macau is comprehensively advancing the "1+4" strategy for appropriate economic diversification. In the first half of 2026, the Commerce and Investment Promotion Institute received 194 new investment plans from enterprises in Macau, representing a 7% year-on-year increase; over 60% of these were "1+4" sector investment plans, up more than 40% compared with the same period last year, with high-tech industry projects recording multiple fold growth. The "First-Store Economy Scheme" is actively attracting international brands with new business formats, indirectly boosting demand for the sophisticated IT and AI solutions the Group provides. Furthermore, Macau is planning the "Macau Science and Technology R&D Industrial Park" and drafting the *Third Five Year Plan for Economic and Social Development of the Macau Special Administrative Region (2026–2030)*, providing systematic planning and policy support for the development of the technology industry.

BUSINESS OUTLOOK

Capitalising on these powerful tailwinds from both global trends and local policies, the Group is executing a clear strategy to solidify our market leadership and drive sustainable growth.

(i) IT Solutions and Engineering Intelligence: Capturing Enterprise Demand

Demand for IT solutions in the Greater Bay Area is surging as enterprises accelerate digitalisation to improve efficiency. The Group is responding by moving beyond traditional system integration and embedding "engineering intelligence" into our offerings. Keeping pace with the forefront of technological development, we have led the team in executing strategic initiatives in the field of artificial intelligence, independently developing a full-stack AI technology system encompassing underlying frameworks, application platforms, and end-user devices. In 2025, we successfully launched two core platforms – BoardWare AI Unify Framework and TerraMind AI Agent Platform – empowering the entire process from hardware resource orchestration to enterprise-level intelligent applications, helping clients transition from passive IT infrastructure to predictive, intelligent operations. As enterprises shift from a computing power arms race to focusing on application advantages, the value of our platforms will become even more prominent. Our Professional IT services, Managed services, and IT maintenance and consultancy services are being enhanced with AI-driven analytics to provide proactive problem-solving and operational optimisation for our clients in Macau, Hong Kong, and Chinese Mainland. We will continue to benefit from the substantial investments by gaming concessionaires in non-gaming and smart venue technologies, as well as the broader digital transformation across all sectors.

(ii) AI and BCI: Commercialising Innovation

The Group's focused investment in R&D has begun to translate into tangible product outcomes. With AI being applied across an increasing number of sectors, the potential market for AI-enabled glasses continues to evolve. The Group's AI glasses are designed to support applications in various cultural tourism scenarios and to serve as an enabling platform for a range of AI-driven applications. The Group's subsidiary, Barco Technologies Limited* ("**Barco**"), has made meaningful progress in developing Barcosense series BCI-enabled AI glasses. The relevant products have progressed through product development and functional prototype testing. These products are designed to address the practical needs of cultural tourism and other related sectors. In addition, the Group's digital human interaction solution, Stager Digital Human, together with its full-stack large-model native platform, is expected to create further application opportunities in the cultural tourism and retail industries. During the period, the Group expanded its product portfolio with the introduction of the BarcoOne Dynamic Agent Collaboration Platform, which enables dynamic coordination and collaboration among multiple AI agents. The Group also made progress in the commercialisation of Transform AI, its intelligent document processing and verification solution. During the period, the Group secured an order from a water utility company and was in commercial discussions with several prospective government department customers. Subject to the progress of such discussions, the Group expects to secure further orders in the second half of the year. Certain of these technologies have received innovation project funding

* *For identification purposes only*

support from the Science and Technology Development Fund of Macau ("**FDCT**"), reflecting recognition of their technical merits and alignment with market demand for practical AI applications.

In the field of AI, the Group has achieved progress in the development and application of relevant technologies and believes that the ongoing market-driven evolution of its business model may have a positive impact on the Group. However, the timing and extent of any such impact remain subject to market conditions and execution considerations, and no assurance can be given as to the achievement of specific financial outcomes. Looking ahead, the Group will continue to deploy resources to develop more scalable business models and products through technological innovation, market validation and commercialisation, with a view to expanding its presence in Chinese Mainland, Hong Kong, Macau and overseas markets. Subject to market conditions and internal approvals, the Group intends to prudently establish business teams in markets outside Hong Kong and Macau in alignment with its product market strategies, thereby laying a foundation for its international development.

(iii) Cybersecurity: Adapting to the New Threat Paradigm

In response to the global shift from "intrusion" to "login", the Group is strengthening its cybersecurity portfolio. We are developing solutions that address the new attack surfaces created by Agentic AI and the proliferation of unmanaged AI agents. Considering that identity verification has become the central battleground in 2026 and that 71% of enterprises experienced at least one identity-related breach in the past year, our focus is on helping clients build robust identity and access management frameworks and deploy AI-driven threat intelligence to proactively defend against sophisticated, AI-powered attacks. This proactive stance is essential for protecting our clients' critical assets in an increasingly complex threat environment.

(iv) Seizing Policy Opportunities in Chinese Mainland especially Hengqin

The policy breakthroughs in cross-border data flow are a game-changer. Our wholly-owned subsidiary in Hengqin, BoardWare Information System (Zhuhai) Limited*, a certified "Specialized, Sophisticated, and Innovative SME", is perfectly positioned to be the execution arm for this new model. We will actively develop cross-border data services, leveraging Hengqin's computing power and the Greater Bay Area's rich application scenarios. This will not only expand our footprint in Chinese Mainland but also create a unique value proposition for clients requiring secure, compliant, and high-speed data processing across borders. Hengqin's selection as one of the first national pilots for international cooperation in the data sector and the formal opening of the "report first use afterwards" facilitation channel for outbound data transfers provide unprecedented policy dividends for our cross-border data services business.

* *For identification purposes only*

In addition, the Group is exploring potential investment opportunities relating to a data and supercomputing centre in the Hengqin Guangdong-Macau In-Depth Cooperation Zone through a proposed joint venture arrangement, leveraging concepts such as national cross-border data and data offshore. The initiative is currently at a preliminary planning and feasibility assessment stage, and no binding agreement has been entered into as at the date of this announcement. The Group believes that there is potential market demand for cross-border data and supercomputing centres. Subject to regulatory approvals, market conditions and project execution, the initiative, if proceeded, may contribute to the Group's longer-term growth. However, no definitive investment timetable, capital commitment or return projection has been determined at this stage.

(v) Alignment with the "1+4" Industrial Diversification and Growth Strategy

In alignment with the Macau SAR Government's ongoing promotion of the "1+4" industrial diversification policy, the Group, as a Macau-based listed technology company, will continue to support the development of the local technology industry by exploring opportunities to collaborate in the introduction and application of advanced technologies, including AI and BCI. In the first half of 2026, high-tech industry projects in Macau recorded multiple fold growth, and the full chain cooperation model of "Macau R&D + Hengqin transformation + Zhuhai implementation + global markets" is rapidly taking shape. Looking ahead, the Group remains open to potential equity partnerships with leading domestic and international enterprises, with a view to expanding the application scope of its products and services in IT, AI, BCI and other related fields. Any such potential collaboration will be subject to commercial discussions, due diligence, applicable regulatory requirements and internal approval procedures. At the same time, the Group intends to further explore international markets through channel partnerships, primarily focusing on Portuguese- and Spanish-speaking countries and Southeast Asia – which is highly aligned with Hengqin's strategic direction of taking Brazil as a breakthrough point and building a new hub for international data cooperation with Portuguese- and Spanish-speaking nations. The Group will evaluate opportunities to extend its overseas market presence beyond traditional IT solutions and into emerging technology areas, including AI and BCI, while prudently assessing market conditions, regulatory environments and execution risks.

Looking ahead, the Group is confident in its growth trajectory. By aligning our deep technical expertise in IT solutions, AI, BCI, and cybersecurity with the transformative policies of the Macau SAR government and the inexorable trends of the global tech industry, we are well-equipped to capture emerging opportunities. Our recognition as a key technology enterprise by the Macau SAR Government, coupled with our strategic positioning in Hengqin, provides a robust foundation for creating sustainable value for our Shareholders and contributing meaningfully to the region's technological and economic diversification.

BUSINESS REVIEW

The Group provides reliable, end-to-end and high-quality Enterprise IT solutions, covering Professional IT services, Managed services, and IT maintenance and consultancy services. By customer nature, customers of the Group's Enterprise IT solutions comprise (i) end-users such as telecommunication companies and technology companies in the technology, media and telecommunications sector, gaming and hotel brands, banks and financial institutions, commercial customers in the private sector, as well as governmental bodies and educational institutions in the public sector; and (ii) intermediaries such as solution companies which outsource the relevant work to the Group.

Depending on the nature of services provided, the Group prices its Enterprise IT solutions on a per-project basis, an actual-usage basis and/or fixed lump-sum or recurring service fees. The Group also provides standalone or extended IT maintenance services to customers, the majority of whom are customers of its Professional IT services business and distribution business.

In addition, the Group acts as a distributor and reseller of hardware and software products in Macau, Hong Kong and Chinese Mainland. Through its distribution business, the Group distributes mobility, cybersecurity and related technology products to downstream solution providers and resellers. Through its resale business, the Group procures hardware and software products for sale to end-users based on customer purchase orders.

The Group aspires to be a leading Enterprise IT solutions provider in Macau, Hong Kong and Chinese Mainland by providing comprehensive technology solutions that enable customers to improve operational efficiency, accelerate digital transformation and capture opportunities arising from AI and emerging technologies.

To improve operational efficiency, the Group continuously monitors project execution and working capital management. During FP2026, the Group's days of sales outstanding, which is calculated based on the sum of the average trade receivables and average contract assets, divided by revenue and multiplied by days of the period, was approximately 204.5 days, while inventory turnover days was approximately 8.2 days.

During FP2026, the Group continued to provide comprehensive and high-quality Enterprise IT solutions as well as distribution and resale services to customers in Macau, Hong Kong and Chinese Mainland.

Revenue of the Group for FP2026 was approximately HK$316.0 million, representing a decrease of approximately HK$5.4 million or 1.7% as compared to approximately HK$321.4 million for FP2025.

The following table sets out a breakdown of the Group's revenue by business line and nature:

	FP2026		FP2025	
	HK$'000	***%***	*HK$'000*	*%*
Enterprise IT solutions				
Professional IT services	**145,765**	**46.1**	119,644	37.2
Managed services and lease income from IT equipment	**34,150**	**10.8**	24,270	7.6
IT maintenance and consultancy services	**44,351**	**14.0**	26,881	8.4
	224,266	**71.0**	170,795	53.2
Distribution and resale				
Distribution	**46,057**	**14.6**	58,027	18.0
Resale	**45,719**	**14.5**	92,618	28.8
	91,776	**29.0**	150,645	46.8
Total	**316,042**	**100.0**	321,440	100.0

Enterprise IT Solutions

Revenue from Enterprise IT solutions was approximately HK$224.3 million for FP2026, as compared to approximately HK$170.8 million for FP2025, representing an increase of approximately HK$53.5 million or 31.3%.

Such increase was mainly attributable to the net effect of (i) the increase in revenue from Professional IT services by approximately HK$26.2 million or 21.9%; (ii) the increase in revenue from Managed services and lease income from IT equipment by approximately HK$9.9 million or 40.7%; and (iii) the increase in revenue from IT maintenance and consultancy services by approximately HK$17.5 million or 65.1%.

The increase in revenue from Professional IT services was primarily driven by the fulfilment of performance obligations under several high-value contracts awarded at the end of last year. Revenue recognised from these contracts represented a significant portion of the Group's Professional IT services revenue during FP2026. The Group expects these contracts to continue contributing meaningfully to revenue in the second half of FP2026.

The increase in revenue from Managed services and IT maintenance and consultancy services was primarily attributable to the Group's ongoing investment in these business segments, which facilitated the acquisition of several government-sector contracts at the end of last year. Furthermore, the renewal of a private cloud-as-a-service agreement with one of Macau's six gaming concessionaires contributed to the growth in Managed services revenue and IT equipment leasing income during FP2026.

The Group continued to enhance its Enterprise IT solutions capabilities through investments in AI-enabled solutions, cloud services, cybersecurity solutions and digital transformation projects. The Group believes that the growing demand for intelligent transformation and AI-related applications in Macau, Hong Kong and Chinese Mainland will continue to provide business opportunities for its Enterprise IT solutions business.

Distribution and Resale

Revenue from distribution and resale was approximately HK$91.8 million for FP2026, as compared to approximately HK$150.6 million for FP2025, representing a decrease of approximately HK$58.8 million or 39.0%.

Such decrease was mainly attributable to the rapid growth in demand for AI-related infrastructure, particularly GPU servers and high-performance computing equipment, which placed pressure on the supply chain of certain hardware products. The reduced availability and longer delivery lead times of certain products distributed and resold by the Group affected the fulfilment schedule of customer orders during FP2026 and contributed to the decrease in revenue from the distribution and resale business.

With the continuing development of AI technologies and increasing demand for computing resources, GPU servers and related infrastructure, the Group will continue to expand its product portfolio and strengthen its sourcing capabilities by identifying additional reliable suppliers and procurement channels. In light of the changing supply chain dynamics of AI-related products, the Group will endeavour to maintain a stable supply of products and enhance its ability to fulfil customer demand in a timely manner, thereby capturing opportunities arising from customers in Macau, Hong Kong and Chinese Mainland.

Innovation and Product Development Highlights

During the period, the Group continued to focus on the R&D of non-invasive BCI and AI technologies. These technologies are increasingly applied across industries such as healthcare, smart living, and digital services. The Group has allocated resources to strengthen its technological capabilities in these areas with a view to developing human-centric solutions that support both enterprise and consumer applications. Dedicated R&D teams with specialised expertise in BCI and AI have been established. Together with the Group's application development team, this organisational structure supports the advancement of proprietary technologies into products under development and early stages of commercialisation.

During the period, the Group expanded its product portfolio with the addition of BarcoOne Dynamic Agent Collaboration Platform. Accordingly, the Group continued to advance four core product lines, namely BCI AI Glasses, Stager Digital Human, TerraMind, and BarcoOne Dynamic Agent Collaboration Platform, reflecting the Group's strategic focus on integrating AI technologies with practical applications.

(i) BCI AI Glasses

The BCI AI Glasses product line integrates non-invasive BCI technology with AI in a wearable form factor. It is designed to enable intuitive human-machine interaction by combining physiological signal monitoring with AI-driven assistance for everyday use.

Barcosense AI Glasses

Barcosense AI Glasses represent the Group's first-generation BCI-enabled AI glasses. Designed as a fully functional wearable device for daily use, the product incorporates a first-person-view camera, an audio system and AI-powered voice interaction. Its key functions include visual recognition, voice activation, real-time translation and meeting transcription. Powered by the Group's TerraMind AI platform, the product provides intelligent interaction, contextual assistance and task execution across a range of daily-use scenarios.

The product also incorporates BCI-based attention monitoring and forehead bio-signal control capabilities. While offering these advanced functions, the glasses maintain an appearance, size and weight broadly comparable to conventional prescription glasses and sunglasses, making them suitable for everyday wear.

As at the date of the announcement, the Group completed the development of the product prototype. The hardware platform, comprising the camera, microphone, speakers and other key components, was developed and integrated. Core AI capabilities, including large language model-based voice interaction, visual recognition, voice activation, real-time translation and meeting transcription, were also developed. In addition, the development of the BCI-based attention monitoring and forehead bio-signal control functions was completed, together with the functional testing of the EVT3 prototype.

The product is intended for the global business-to-consumer market, with an initial focus on Europe and North America. By integrating AI-assisted functions with physiological monitoring capabilities, the product is designed to support a range of daily activities, including commuting, work, sports and travel.

Barcosense AI Glasses Pro

Barcosense AI Glasses Pro is an upgraded multimodal sensing model built upon the Group's existing BCI-enabled AI glasses platform. The product incorporates enhanced AI-based environmental and behavioural recognition capabilities, supported by multi-channel electroencephalography ("**EEG**"), electromyography ("**EMG**"), electrocardiography ("**ECG**") and blood oxygen sensing technologies. These capabilities enable more detailed analysis of users' cognitive, emotional and physiological states.

Powered by BCI and AI technologies, the product is capable of multimodal intelligent learning and self-adaptation. It is designed to provide users with more personalised and context-responsive intelligent assistance.

As at the date of the announcement, the Group completed the development of a functional prototype incorporating multimodal BCI capabilities. The integration and technical validation of multi-channel EEG, EMG, ECG and blood oxygen sensors were completed. The Group also developed multimodal state perception and recognition algorithms based on its existing platform, together with the associated algorithmic cloud platform. In addition, the development of a commercialisable prototype featuring multimodal BCI functionality was completed.

The product is intended for both business-to-business and consumer markets. For enterprise customers, the product is designed to address operational requirements in high-risk working environments, advanced manufacturing and specialised maintenance. For consumer users, its multimodal sensing and AI learning capabilities are intended to enable AI assistance to respond more accurately to users' needs, understand individual circumstances and provide support in a more natural and appropriate manner across daily-life and workplace scenarios.

(ii) BarcoOne Dynamic Agent Collaboration Platform

The BarcoOne Dynamic Agent Collaboration Platform enables dynamic coordination and collaboration among multiple AI agents. It is designed to provide personalised, proactive and context-aware AI services through continuous learning and long-term memory.

BarcoOne Large Model Intelligent Agent Application V2.0

BarcoOne is an enterprise-grade dynamic agent collaboration platform designed to support applications across a broad range of terminal devices. Building upon the Group's existing BarcoOne large model application, the platform has undergone architectural restructuring and enhancement. It adopts a central Orchestrator and multi-agent network architecture, enabling the dynamic generation, on-demand coordination and collaborative evolution of intelligent agents. The platform provides a stable, efficient and scalable operating environment for enterprise applications and consumer use scenarios, and is natively compatible with the Model Context Protocol ("**MCP**") and Agent-to-Agent ("**A2A**") protocol.

As at the date of the announcement, the Group completed the architectural restructuring and standardisation of the underlying BarcoOne platform. The next stage of development will focus on the functional development of the Orchestrator-based multi-agent coordination system and the Memory/Profile memory and learning system. The Group also plans to develop a demonstration application to validate the platform's core modules and multimodal perception, memory and learning capabilities in meeting scenarios.

The BarcoOne dynamic agent collaboration platform is intended to provide continuous contextual awareness, long-term user memory, multi-agent collaboration and ongoing learning capabilities. Through these capabilities, the platform is designed to support the development of personalised AI platforms and provide users with continuous, proactive and tailored intelligent services.

(iii) Stager Digital Human

Stager Digital Human is the Group's virtual digital human solution, combining 3D modelling, computer graphics and AI technologies to create digital avatars for enterprise applications. The solution is designed to enhance digital interaction experiences through more personalised virtual interfaces.

AI Virtual Digital Human

AI Virtual Digital Human is a high-fidelity 3D virtual entity developed using the Group's proprietary 3D modelling, computer graphics, motion capture and AI rendering technologies. The platform supports voice interaction, industry-specific large language model training, and the synchronised presentation of facial expressions and body movements to meet the requirements of professional interaction scenarios.

As at the date of the announcement, the core technology framework reached the initial deployment stage. The four principal technical components, namely modelling, animation, speech synthesis and interaction, were completed. Multimodal interaction and industry knowledge integration were also implemented. The platform is currently being prepared for enterprise-level customisation and deployment.

The solution primarily targets business-to-business customers and is intended for commercial applications in retail premises, hotels and cultural tourism venues. During the period, the Group engaged with several prospective customers in the cultural tourism sector and the government sector in Macau and Chinese Mainland and expects to secure orders in the second half of the year.

(iv) TerraMind

The Group began deploying AI-related businesses and investing in AI technologies, including model training and AI agent development, as early as two years ago. During the year, the Group launched its first independently developed AI agent, TerraMind, and commenced its market introduction under a products-and-services integrated model.

TerraMind is the Group's AI agent ecosystem, comprising a suite of tools and platforms designed to automate knowledge-based tasks and enhance productivity across enterprise and consumer applications. This product line reflects the Group's continued focus on developing practical, scalable and secure AI solutions.

TerraMind Agent Platform

TerraMind Agent Platform is an enterprise-grade low-code/no-code platform for building customised AI assistants. It features visual workflow orchestration, vector database management, multi-model LLM integration, and knowledge base management functions.

As at the date of this announcement, TerraMind Agent Platform was launched and became operational. A basic version of the evaluation module was completed and delivered to users. The Group entered into discussions with potential customers regarding commercial arrangements, and the platform will continue to undergo iterative enhancement based on user feedback.

The platform is designed for B2B customers, including enterprises, government agencies, and large organisations, as well as individual developers and advanced users seeking customised AI solutions. Pilot deployments and user testing are ongoing.

Computer Use

Computer Use is a desktop AI assistant designed to support office productivity. Key features include multilingual support in Mandarin, Cantonese, and English, application guidance, meeting transcription and summarisation, and browser-based task automation.

During the period, development progressed to an advanced stage. Core meeting assistant functionality was completed and underwent internal testing. Initial versions of the browser agent and coworking modules were developed, with further feature iterations planned.

The solution adopts a hybrid commercial approach, targeting B2B use cases such as government and enterprise meeting documentation, while also offering a personal version for individual users.

Transform AI

Transform AI is an intelligent form processing and validation system designed to automate the conversion of paper-based documents into structured digital data. The system incorporates an AI-driven validation engine that applies natural language-based rules to verify extracted information.

During the period, the system remained under active development, with continued optimisation of the user interface and core functions. R&D efforts focused on enhancing OCR capabilities, including intelligent data extraction and automated information verification.

The solution is primarily positioned for government-sector customers and is intended to support application processing and document verification workflows in high-volume administrative environments. During the period, the Group secured an order from a water utility company and was in commercial discussions with several prospective government department customers. Subject to the progress of such discussions, the Group expects to secure further orders in the second half of the year.

During the period, the Group made steady progress across its research and development initiatives, with several proprietary products progressing towards commercialisation. The Group will continue to advance product development and market validation in support of its long-term growth.

FINANCIAL REVIEW

Revenue

Revenue decreased by approximately HK$5.4 million or 1.7% to approximately HK$316.0 million for FP2026 from approximately HK$321.4 million for FP2025.

The decrease was primarily attributable to the net effect of the increase in revenue generated from the Enterprise IT solutions business by approximately HK$53.5 million and the decrease in revenue generated from the distribution and resale business by approximately HK$58.8 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$1.4 million or 0.6% to approximately HK$250.2 million for FP2026 from approximately HK$251.6 million for FP2025.

The decrease was mainly attributable to the decline in revenue during FP2026, which resulted in a corresponding reduction in the costs incurred for the provision of services and sale of products. The decrease was partially offset by increased hardware procurement costs associated with the growing demand for AI-related infrastructure solutions.

Gross Profit and Gross Profit Margin

Gross profit decreased by approximately HK$4.1 million or 5.9% to approximately HK$65.8 million for FP2026 from approximately HK$69.9 million for FP2025.

The decrease in gross profit was primarily attributable to (i) a decline in revenue from the distribution and resale business; and (ii) an increase in hardware costs resulting from the rapid growth in demand for AI-related infrastructure, which led to a lower gross profit margin for the relevant business segment.

As a result, the gross profit margin decreased from approximately 21.7% for FP2025 to approximately 20.8% for FP2026.

Other Income

Other income increased by approximately HK$2.4 million or 42.9% to approximately HK$8.0 million for FP2026 from approximately HK$5.6 million for FP2025.

The increase was mainly attributable to the increase in government grants related to certain subsidiaries' R&D projects in Macau and Chinese Mainland by approximately HK$1.6 million.

Distribution and Selling Expenses

Distribution and selling expenses increased by approximately HK$0.8 million or 3.9% to approximately HK$21.4 million for FP2026 from approximately HK$20.6 million for FP2025.

The increase was mainly attributable to higher staff costs of approximately HK$0.9 million for the sales and marketing team, driven primarily by annual salary increments for sales personnel during FP2026.

Administrative Expenses

Administrative expenses decreased by approximately HK$6.5 million, or 15.5%, from approximately HK$41.9 million in FP2025 to approximately HK$35.4 million in FP2026. The decrease was primarily attributable to the reduction in employee benefits expenses of approximately HK$6.0 million, together with decreases in legal and professional fees and consultancy fees. The decrease was partially offset by higher depreciation of right-of-use assets and increased network security maintenance expenses incurred during FP2026.

Research and Development Expenses

Research and development expenses increased by approximately HK$2.1 million or 23.6% to approximately HK$11.0 million for FP2026 from approximately HK$8.9 million for FP2025.

The increase was primarily attributable to (i) higher staff costs related to R&D activities of approximately HK$0.2 million as a result of increased investment in AI technologies; and (ii) additional depreciation expense of approximately HK$2.4 million in respect of computer equipment acquired for R&D projects during the second half of FP2025.

Impairment Losses under ECL Model, Net of Reversal

Impairment losses under the ECL model, net of reversal, increased by approximately HK$1.8 million, or 200.0%, to approximately HK$2.7 million for FP2026 from approximately HK$0.9 million for FP2025.

The increase was primarily attributable to a higher allowance for credit losses on trade receivables following the impairment assessment performed in accordance with IFRS 9 as at 30 June 2026.

Finance Costs

Finance costs increased by approximately HK$0.3 million or 33.3% to approximately HK$1.2 million for FP2026 from approximately HK$0.9 million for FP2025.

The increase was mainly attributable to an increase in interest expenses from bank borrowings by approximately HK$0.3 million.

Other Gains and Losses, Net

Other net losses decreased by approximately HK$0.9 million, or 64.3%, to approximately HK$0.5 million for FP2026 from approximately HK$1.4 million for FP2025. The decrease was mainly attributable to lower net foreign exchange losses recognised during FP2026.

Income Tax Expense

Income tax expense increased by approximately HK$37,000 or 67.3%, to approximately HK$92,000 in FP2026 from approximately HK$55,000 in FP2025. As a result, the effective tax rate increased slightly from 6.6% in FP2025 to 6.8% in FP2026. The increase in income tax expense was primarily attributable to the increase in taxable profits during FP2026.

Profit for the Period

As a result of the foregoing reasons, profit for the period of the Group for FP2026 was approximately HK$1.3 million, as compared to approximately HK$0.8 million for FP2025, representing an increase of approximately HK$0.5 million or 62.5%.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout FP2026. The Group strives to reduce exposure to credit risk by assessing the potential customers' credit quality, defining credit limit by customer and conducting 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 2026, the Group had cash and cash equivalents of approximately HK$107.4 million (31 December 2025: approximately HK$66.4 million) that were mainly denominated in HK$, MOP, Renminbi ("**RMB**") and United States dollars ("**US$**"). The increase in cash and cash equivalents was mainly attributable to (i) net cash generated from operating activities, primarily driven by the collection of trade receivables from customers in relation to certain high-value contracts; and (ii) the net release of pledged bank deposits following the renewal and revision of the terms of certain banking facilities during the period, partially offset by (iii) the net repayment of bank borrowings during the period.

The gearing ratio of the Group as at 30 June 2026, which was calculated based on the total borrowings divided by total equity, multiplied by 100% as at the respective dates, was approximately 17.0% (31 December 2025: approximately 24.5%). The decrease was mainly attributable to the reduction in total bank borrowings following the net repayment of borrowings during the period.

As at 30 June 2026, the Group had total borrowings of approximately HK$59.2 million (31 December 2025: HK$84.4 million), which mainly comprised secured bank borrowings of approximately HK$37.8 million (31 December 2025: approximately HK$74.2 million) and unsecured bank borrowings of approximately HK$21.4 million (31 December 2025: approximately HK$10.2 million).

As at 30 June 2026, the Group had total lease liabilities of approximately HK$8.0 million (31 December 2025: approximately HK$7.3 million), of which short-term lease liabilities amounted to approximately HK$5.1 million (31 December 2025: approximately HK$5.2 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 that 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 in respect of its foreign currencies during FP2026 and FP2025.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had no capital commitments (31 December 2025: approximately HK$258,000) relating to the acquisition of property, plant and equipment and intangible assets contracted for but not provided in the condensed consolidated financial statements. The decrease in capital commitments was mainly attributable to the completion of all office renovation projects during the period and the absence of any office renovation projects in progress as at 30 June 2026.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group executed guarantees of approximately HK$165.0 million (31 December 2025: approximately HK$155.0 million) in favour of banks in respect of facilities granted to certain subsidiaries. As at 30 June 2026, approximately HK$33.8 million of the respective facilities (31 December 2025: approximately HK$70.7 million) had been utilised.

As at 30 June 2026, the Group had issued corporate guarantees in favour of a supplier in connection with credit terms and trade facilities granted to a subsidiary amounting to approximately HK$30.0 million (31 December 2025: nil). The outstanding payables covered by these guarantees amounted to approximately HK$17.0 million as at 30 June 2026 (31 December 2025: nil).

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

There was no significant investment, material acquisition or disposal of subsidiaries and associated companies by the Group during FP2026 and FP2025. There was no plan for material investments or capital assets as at 30 June 2026.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 360 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 310 full-time employees (including four executive Directors and excluding one non-executive Director and three independent non-executive Directors) as at 30 June 2025. 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 FP2026 were approximately HK$77.6 million compared to approximately HK$73.7 million for FP2025. Various on-the-job training 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 2026, the bank deposits of approximately HK$26.1 million (31 December 2025: approximately HK$62.6 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$5.1 million for the existing borrowings in Chinese Mainland (31 December 2025: approximately HK$4.8 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 require adjustment to the financial statements or are material to the understanding of the Group's current position.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during FP2026 and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to recommend the declaration of any interim dividend for FP2026 (FP2025: 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 FP2026 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-making which is in the best interests 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 FP2026.

SUPPLEMENTAL INFORMATION IN RELATION TO THE 2025 ANNUAL REPORT

Reference is made to the Company's annual report for FY2025 (the "**2025 Annual Report**"). The Board would like to supplement additional information with respect to the Company's share option scheme (the "**Share Option Scheme**") as disclosed in the 2025 Annual Report. Unless the context requires otherwise, capitalised terms used under this paragraph shall bear the same meanings as defined in the 2025 Annual Report.

The following information does not affect other information contained in the 2025 Annual Report. Save as disclosed below, all other information in the 2025 Annual Report remains unchanged.

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 notified 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 FP2026 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 FP2026 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 2026

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.