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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Microware Group Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or to the transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, 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 Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer. This Composite Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

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### Weiyee Holdings Group Limited

*(Incorporated in the British Virgin Islands with limited liability)*



### Microware Group Limited 美高域集團有限公司

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

(Stock code: 1985)

**COMPOSITE DOCUMENT  
RELATING TO  
THE VOLUNTARY CONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF WEIYE HOLDINGS GROUP LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
MICROWARE GROUP LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY  
WEIYE HOLDINGS GROUP LIMITED AND CERTAIN PARTIES  
ACTING IN CONCERT WITH IT)**

Financial Adviser to the Offeror



Astrum Capital Management Limited

Independent Financial Adviser to the Independent Shareholders



紅日資本有限公司

RED SUN CAPITAL LIMITED

Red Sun Capital Limited

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Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Astrum Capital Management Limited containing, among other things, details of the terms and conditions of the Offer is set out on pages 6 to 16 of this Composite Document. A letter from the Board is set out on pages 17 to 23 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Shareholders in respect of the Offer is set out on 24 to 43 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out on I-1 to I-5 in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Offer must be received by the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Monday, 19 May 2025, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the section headed "6. Overseas Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdictions. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer. The Overseas Shareholders should inform themselves of and observe any applicable legal, tax or regulatory requirements.

This Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.microware1985.com> as long as the Offer remains open. In case of any inconsistency, the English language texts of this Composite Document and the enclosed Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

28 April 2025

\* For identification purpose only



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## EXPECTED TIMETABLE

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*The timetable set out below is indicative only and may be subject to changes. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate. All references to time and date contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and date.*

Despatch date of this Composite Document and  
the accompanying Form of Acceptance and  
commencement date of the Offer (*Note 1*) . . . . . Monday, 28 April 2025

Offer opens for acceptance . . . . . Monday, 28 April 2025

Latest time and date for acceptance of the Offer on  
the first Closing Date (*Notes 3 and 7*) . . . . . by 4:00 p.m. on  
Monday, 19 May 2025

First Closing Date (*Notes 2, 3 and 7*) . . . . . Monday, 19 May 2025

Announcement of the results of the Offer as at  
the first Closing Date, or as to whether the Offer has been  
extended or become unconditional as at the first Closing Date,  
on the websites of the Stock Exchange and the Company (*Note 3*) . . . . . by 7:00 p.m. on  
Monday, 19 May 2025

Latest date for posting of remittances for the amount due  
in respect of valid acceptances received under the Offer at  
or before 4:00 p.m. on the first Closing Date assuming  
the Offer becomes or is declared unconditional on  
the first Closing Date (*Notes 4 and 7*) . . . . . Wednesday, 28 May 2025

Final Closing Date assuming the Offer becomes or is declared  
unconditional on the first Closing Date (*Note 5 and 7*) . . . . . Monday, 2 June 2025

Latest time and date for acceptance of the Offer on the  
Final Closing Date assuming the Offer becomes or is  
declared unconditional on the first Closing Date (*Notes 5 and 7*) . . . . . by 4:00 p.m. on  
Monday, 2 June 2025

Announcement of the results of the Offer as at the  
final Closing Date assuming the Offer becomes or is  
declared unconditional on the first Closing Date, on  
the websites of the Stock Exchange and the Company (*Note 5*) . . . . . by 7:00 p.m. on  
Monday, 2 June 2025

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## EXPECTED TIMETABLE

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Latest date for posting of remittances for the amount due  
in respect of valid acceptances received under the Offer at  
or before 4:00 p.m. on the final Closing Date, assuming  
the Offer becomes or is declared unconditional on  
the first Closing Date (*Notes 4 and 7*) . . . . . Wednesday, 11 June 2025

Latest time and date by which the Offer can become or be  
declared unconditional as at acceptances (*Note 6*) . . . . . by 7:00 p.m. on  
Friday, 27 June 2025

*Notes:*

1. The Offer is open for acceptance on and from Monday, 28 April 2025, being the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date.
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for giving instructions to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
3. In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date on which this Composite Document is posted. The Offer will initially remain open for acceptances until 4:00 p.m. on Monday, 19 May 2025 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any extension of the Offer, which announcement will state either the next Closing Date or, if the Offer is at that time unconditional as to acceptances, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offer is closed to those Shareholders who have not accepted the Offer.
4. Subject to the Offer becoming unconditional, remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the accepting Independent Shareholder(s) (to the address specified on the relevant Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event no later than seven (7) Business Days after the later of the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and the date on which the Offer becomes or is declared unconditional in all respects.
5. In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), the Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the Offer is closed. The Offeror has the right, subject to the Takeovers Code, to extend the Offer until such date as the Offeror determines or as permitted by the Executive, in accordance with the Takeovers Code. The Offeror will issue an announcement in relation to any extension of the Offer, which will state the next Closing Date or, if the Offer has become or is at that time declared unconditional, that the Offer will remain open until further notice.

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## EXPECTED TIMETABLE

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6. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day this Composite Document is posted. Accordingly, unless the Offer has previously become unconditional as to acceptances, the Offer will lapse on Friday, 27 June 2025 unless extended with the consent of the Executive and in accordance with the Takeovers Code. Therefore, the last day by which the Offer can become or be declared unconditional as to acceptance is Friday, 27 June 2025.
7. If there is a tropical cyclone warning signal number 8 or above, or a “black rainstorm warning” or “extreme condition” as announced by HKSAR Government:
  - (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amount due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the posting of remittances will remain on the same Business Day; or
  - (ii) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer or the latest date for posting of remittances for the amount due under the Offer in respect of valid acceptances (together, the “**Key Deadlines**”), as the case may be, the Key Deadlines will be rescheduled to the following Business Day which does not have any warnings at 12:00 noon and/or thereafter.

Save as mentioned above, if the latest time for acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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## **IMPORTANT NOTICE**

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### **NOTICE TO THE SHAREHOLDERS OUTSIDE HONG KONG**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction in relation to the Offer (including but not limited to any taxes as such person may be required to pay, and any liabilities in relation to the withholding obligation of the Offeror according to the relevant laws and regulations in any relevant jurisdiction). Please see the sections headed “6. Overseas Shareholders” in Appendix I to this Composite Document.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation and do not intend to correct or update the forward-looking statements, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

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## DEFINITIONS

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*In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise:*

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code (and “concert party(ies)” shall be construed accordingly)
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“associated company(ies)”	has the meaning ascribed to it under the Takeovers Code
“Astrum Capital”	Astrum Capital Management Limited (阿仕特朗資本管理有限公司), a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, being the financial adviser to the Offeror in respect of the Offer and the offer agent to the Offeror
“Awarded Shares”	Shares awarded under the Share Award Scheme
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the date stated in this Composite Document as the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code and/or approved by the Executive
“Company”	Microware Group Limited (美高域集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 1985)
“Composite Document”	this Composite Document issued jointly by the Offeror and the Company in relation to the Offer in accordance with the Takeovers Code and the Listing Rules
“Condition”	the condition of the Offer, as set out in the section headed “The Offer – Condition of the Offer” in the “Letter from Astrum Capital” in this Composite Document

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## DEFINITIONS

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"Deloitte"	Deloitte Touche Tohmatsu, Certified Public Accountants, Registered Public Interest Entity Auditors, Hong Kong, the auditor of the Company
"Director(s)"	the director(s) of the Company
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Facility"	a loan facility granted by Astrum Capital, Gransing Securities and Patrons Securities (as lenders) to the Offeror (as borrower) for the purpose of financing the Offer
"Facility Agreement"	the agreement dated 20 March 2025 entered into by the Offeror (as borrower), Astrum Capital, Gransing Securities and Patrons Securities (as lenders) in relation to the Facility
"Form of Acceptance"	the form of acceptance and transfer in respect of the Offer accompanying this Composite Document
"Gransing Securities"	Gransing Securities Co., Limited (國投證券有限公司), a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"HKSCC Nominee"	HKSCC Nominees Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Financial Adviser" or "Red Sun Capital"	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Shareholders and the Independent Shareholders in relation to the Offer
"Independent Shareholder(s)"	Shareholder(s) other than the Offeror and the Offeror Concert Parties

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## DEFINITIONS

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“Irrevocable Undertaking(s)”	the unconditional irrevocable undertaking(s) given by the Non-Accepting Shareholder(s) not to accept the Offer in respect of the Offer Shares held by him as described under the paragraph headed “Irrevocable Undertakings not to Accept the Offer” under “THE OFFER” as set out in the “Letter from Astrum Capital” in this Composite Document
“Last Trading Day”	20 March 2025, being the last trading day immediately prior to the publication of the Rule 3.5 Announcement
“Latest Practicable Date”	25 April 2025, being the latest practicable date prior to printing of this Composite Document for ascertaining certain information for inclusion in this Composite Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. Wang Guangbo (王廣波), an executive Director and chairman of the Board, and a substantial shareholder of the Company, as well as the sole director of the Offeror
“Non-Accepting Shares”	the Shares held by the Non-Accepting Shareholders
“Non-Accepting Shareholder(s)”	the Shareholder(s) providing unconditional irrevocable undertaking(s) to the Offeror, among others, not to accept the Offer in respect of the Offer Shares, under the Irrevocable Undertaking as described under the paragraph headed “Irrevocable Undertakings not to Accept the Offer” under “THE OFFER” as set out in the “Letter from Astrum Capital” in this Composite Document
“Offer”	the voluntary conditional cash offer being made by Astrum Capital, for and on behalf of the Offeror, to acquire all the Offer Shares in accordance with the terms and conditions set out in this Composite Document
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of the Rule 3.5 Announcement (i.e. 20 March 2025) and ending at 4:00 p.m. (Hong Kong time) on the Closing Date
“Offer Price”	the price at which the Offer is made, being HK\$1.36 per Offer Share
“Offer Share(s)”	all the Shares in issue other than those Shares already owned by the Offeror and the Offeror Concert Parties

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## DEFINITIONS

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“Offeror”	Weiyee Holdings Group Limited, a limited liability company incorporated in the British Virgin Islands and is beneficially and wholly-owned by Mr. Wang
“Offeror Concert Parties”	parties acting, or presumed to be acting, in concert with the Offeror, including Mr. Wang and Mr. Wang Zhi
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Patrons Securities”	Patrons Securities Limited (百惠證券有限公司), a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities
“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Profit Warning Announcements”	the profit warning announcements of the Company dated 15 April 2025 and 23 April 2025, in relation to, among other things, the estimate of the unaudited consolidated profit attributable to owners of the Company for the year ended 31 March 2025
“public”	has the meaning ascribed thereto under Rule 8.08(1)(a) of the Listing Rules (and “in public hands” shall be construed accordingly)
“Registrar”	Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, whose office is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period commencing from 20 September 2024, being the date falling six months preceding 20 March 2025 (being the date of the Rule 3.5 Announcement) and ending on the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.5 Announcement”	the joint announcement of the Company and the Offeror dated 20 March 2025 in relation to, among others, the Offer
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Share Award Scheme”	the share award scheme of the Company adopted on 16 January 2024, certain terms of which were amended on 23 December 2024. The principal terms and amended terms of which were set out in the announcements of the Company dated 16 January 2024 and 23 December 2024, respectively
“Share Charge”	the share charge given by the Offeror in favour of Astrum Capital, Gransing Securities and Patrons Securities in respect of the Shares which the Offeror or the Offeror Concert Parties to be acquired pursuant to the Offer
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“%”	per cent.

*Certain amounts and percentage figures included in this Composite Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain paragraphs and tables in this Composite Document may not be an arithmetic aggregation of the figures preceding them.*

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**LETTER FROM ASTRUM CAPITAL**

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Room 2704, 27/F, Tower 1, Admiralty Centre,  
18 Harcourt Road, Admiralty, Hong Kong

28 April 2025

*To Shareholders*

Dear Sir/Madam,

**THE VOLUNTARY CONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF WEIYE HOLDINGS GROUP LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
MICROWARE GROUP LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY  
WEIYE HOLDINGS GROUP LIMITED AND CERTAIN PARTIES  
ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Rule 3.5 Announcement issued by the Company and the Offeror in relation to, among others, the Offer.

This letter forms part of this Composite Document and sets out, among other things, the principal terms of the Offer, together with the information of the Offeror and the Offeror's intention regarding the Group. Further details of the terms of the Offer and procedures for acceptance are also set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Terms used in this letter shall have the same meanings as defined in this Composite Document unless the context otherwise requires.

**THE OFFER**

Astrum Capital is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code at the following Offer Price:

**For each Offer Share . . . . . HK\$1.36 in cash**

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## LETTER FROM ASTRUM CAPITAL

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If, after the date of the despatch of this Composite Document, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in the Rule 3.5 Announcement, this Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

The Offer Shares to be acquired under the Offer shall be fully paid and free from any encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of this Composite Document).

The Company confirms that as at the Latest Practicable Date, (a) it had not declared any dividend, the record date of which falls on or after the expected date of despatch of this Composite Document; and (b) it did not have any intention to make, declare or pay any future dividend or make other distributions until the close of the Offer.

**The Offeror will not increase the Offer Price for the Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.**

Further details of the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board” and the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document before reaching a decision as to whether or not to accept the Offer.

### **The Offer Price**

The Offer Price of HK\$1.36 per Offer Share represents:

- (a) a premium of approximately 6.25% over the closing price of HK\$1.28 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 11.48% over the closing price of HK\$1.220 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 9.85% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$1.238 per Share;
- (d) a premium of approximately 7.42% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.266 per Share;

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## LETTER FROM ASTRUM CAPITAL

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- (e) a premium of approximately 9.50% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.242 per Share;
- (f) a premium of approximately 9.59% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.241 per Share;
- (g) a premium of approximately 125.17% to the audited equity attributable to owners of the Company per Share of approximately HK\$0.604 as at 31 March 2024; and
- (h) a premium of approximately 113.17% to the unaudited equity attributable to owners of the Company per Share of approximately HK\$0.638 as at 30 September 2024.

### **Highest and Lowest Share Prices**

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$1.50 per Share on 31 October 2024 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.12 per Share on 20, 22 and 23 January 2025.

### **Irrevocable Undertakings not to Accept the Offer**

According to information provided to the Offeror, the Non-Accepting Shareholders are beneficially interested in 42,416,000 Non-Accepting Shares, representing approximately 14.14% of the existing issued share capital of the Company as at the Latest Practicable Date. Each Non-Accepting Shareholder has unconditionally and irrevocably undertaken to the Offeror and the Company that they (i) will not accept the Offer; (ii) will not take any other action to make the Shares available for acceptance of the Offer; and (iii) will not sell, transfer or dispose of or otherwise create any interest on the Shares before the close of the Offer. In the event that the Offer, under the circumstances permitted under the Takeovers Code, lapses or is withdrawn or the offer period in respect of the Offer ends, the Irrevocable Undertakings provided by the Non-Accepting Shareholders to the Offeror shall cease to bind them. The table below sets out the composition of the Shares and the identity of the Non-Accepting Shareholders that are subject to the Irrevocable Undertakings:

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## LETTER FROM ASTRUM CAPITAL

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No.	Name of Non-Accepting Shareholders	Number of Non-Accepting Shares	Approximate shareholding percentage (%) <sup>(Note 3)</sup>
1.	Mr. Chen Jianyong (陳鑑勇) <sup>(Note 1)</sup>	18,162,000	6.05
2.	Mr. Han Shaoye (韓少野) <sup>(Note 1)</sup>	19,754,000	6.58
3.	Mr. Dai Bin <sup>(Note 2)</sup>	1,500,000	0.5
4.	Mr. Xu Jianwen <sup>(Note 2)</sup>	1,500,000	0.5
5.	Ms. Lan Jia <sup>(Note 2)</sup>	1,500,000	0.5
<b>Total:</b>		<b>42,416,000</b>	<b>14.14</b>

*Notes:*

1. On 11 March 2025, each of Mr. Chen Jianyong and Mr. Han Shaoye gave their Irrevocable Undertakings.
2. On 18 March 2025, each of Mr. Dai Bin, Mr. Xu Jianwen, and Ms. Lan Jia gave their Irrevocable Undertakings. As at the Latest Practicable Date, Mr. Dai Bin, Mr. Xu Jianwen, and Ms. Lan Jia are independent non-executive Directors.
3. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

### Value of the Offer

Assuming that there is no change in the issued share capital of the Company (i.e. 300,000,000 Shares) from the Latest Practicable Date and up to the close of the Offer, and excluding the 91,000,000 Shares held by the Offeror and the Offeror Concert Parties, 209,000,000 Shares will be subject to the Offer and the Offer is valued at HK\$284,240,000. If the Offer is accepted in full (other than the 42,416,000 Non-Accepting Shares), the maximum consideration payable by the Offeror for the Offer is valued at HK\$226,554,240.

The Company had no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

### Confirmation of financial resources

The Offeror intends to finance the maximum consideration payable upon full acceptance of the Offer (other than the Non-Accepting Shares and the Shares already owned or agreed to be acquired by the Offeror and the Offeror Concert Parties) under the Offer in full amounting to HK\$226,554,240, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer and based on the Offer Price of HK\$1.36 per Share, partially by its internal resources in the amount of HK\$35,000,000 and partially by the Facility granted by Astrum Capital, Gransing Securities and Patrons Securities (as lenders) in the aggregate amount of HK\$192,000,000 to the Offeror (as borrower) for the purpose of financing the Offer. All the Shares to be acquired by the Offeror and the Offeror Concert Parties under the Offer; and the cash and margin securities accounts in the name of the Offeror opened and

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## LETTER FROM ASTRUM CAPITAL

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maintained with Astrum Capital will be charged in favour of Astrum Capital, Gransing Securities and Patrons Securities as a security for the Facility. Mr. Wang will also give a guarantee in favour of Astrum Capital, Gransing Securities and Patrons Securities, so as to guarantee the obligations of repayment and liabilities of the Offeror under the Facility Agreement and the Share Charge. The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the Facility will depend to any significant extent on the business of the Company.

Astrum Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offer (other than in respect of the Non-Accepting Shares).

### **Condition of the Offer**

The Offer is conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4:00 P.M. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares, which together with the Shares already held by the Offeror and the Offeror Concert Parties, would result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights of the Company as at the Closing Date. This Condition cannot be waived.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer become unconditional in all respects. The Offer must also remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period.

**WARNING: Shareholders and potential investors should be aware that the Offer is subject to the satisfaction of the Condition. Accordingly, the Offer may or may not become unconditional. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or exercising other rights in respect of the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY**

The Offeror confirms that, as at the Latest Practicable Date:

- (a) save for the 12,000,000 Awarded Shares and the 1,500,000 Awarded Shares granted and vested to Mr. Wang and Mr. Wang Zhi, respectively, with nil consideration on 3 January 2025 under the Share Award Scheme, neither the Offeror nor any person acting in concert with it has dealt for value in any Shares, warrants, options or derivatives of the Company or other securities convertible into Shares during the Relevant Period;

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## LETTER FROM ASTRUM CAPITAL

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- (b) save as disclosed in the section headed “Shareholding Structure of the Company” in the “Letter from the Board” and the section headed “2. Disclosure of Interests in the Company” in Appendix VI to in this Composite Document, none of the Offeror or the Offeror Concert Parties owns or has control or direction over any voting rights or rights over the Shares, or options, derivatives, warrants or other securities convertible into Shares;
- (c) save for the Irrevocable Undertakings provided by the Non-Accepting Shareholders not to accept the Offer, none of the Offeror or the Offeror Concert Parties has received any irrevocable commitment to accept or reject the Offer;
- (d) save for the Irrevocable Undertakings provided by the Non-Accepting Shareholders not to accept the Offer, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which may be material to the Offer;
- (e) there is no agreement or arrangement to which any of the Offeror or the Offeror Concert Parties is a party which relates to the circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (f) none of the Offeror or the Offeror Concert Parties has entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (g) other than the Offer Price to be paid by the Offeror for each Offer Share, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or the Offeror Concert Parties to the holders of the Offer Shares in connection with the Offer;
- (h) none of the Offeror or the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (j) there is no understanding, arrangement or agreement which constitutes a special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) either (1) the Offeror or the Offeror Concert Parties; or (2) the Company or its subsidiaries or associated companies.

### INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange.

The Company is the holding company of the Group. The Group is principally engaged in the provision of information technology infrastructure solutions and managed services and artificial intelligence solutions services.

Your attention is drawn to the details of the information of the Group as set out under the section headed “Information on the Group” in the “Letter from the Board” and information set out in Appendices II and V to this Composite Document.

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## LETTER FROM ASTRUM CAPITAL

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### INFORMATION OF THE OFFEROR

The Offeror is a limited liability company incorporated in the British Virgin Islands and is beneficially and wholly-owned by Mr. Wang, who is also the sole director of the Offeror. The Offeror is principally engaged in investment holding.

Mr. Wang, aged 45, was appointed as an executive Director and the vice chairman of the Board on 6 July 2023. He was appointed as chairman of the Board and chairman of the nomination committee of the Company on 11 September 2023 and a member of the remuneration committee of the Company on 28 November 2023. Mr. Wang has obtained an executive master's degree in business administration from the Business School of the National University of Singapore in 2024. Mr. Wang is the chairman of the board of directors of Shanghai Weiye Investment Group Co., Ltd (上海為燁投資集團有限公司) and the vice chairman of the Shanghai Heilongjiang Chamber of Commerce (上海市黑龍江商會). Mr. Wang has been in the field of IT marketing since 2002 and has over 20 years of experience in the IT industry.

### INTENTION OF THE OFFEROR TO MAINTAIN THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares (excluding treasury shares, if any), are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange.

The sole director of the Offeror and the new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. No such arrangements have been confirmed or put in place as at the Latest Practicable Date. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

### INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror considers and confirms that (i) it is intended that the Group will continue with the existing business of the Group; and (ii) it has no intention to (a) introduce any major changes to the existing business of the Group or (b) discontinue the employment of any of the Group's employees or (c) redeploy the fixed assets of the Group other than in its ordinary course of business. The Offeror will continue to ensure good corporate governance and monitor and review the Group's business and operations from time to time. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group. As at the date of the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into

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## LETTER FROM ASTRUM CAPITAL

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any agreements, arrangements, understandings or negotiations in relation to the injection of any assets or business into the Group, or disposal of, ceasing or downsizing of the existing business of the Group, or disposal of material assets of the Group.

As at the Latest Practicable Date, the Board comprises (i) Mr. Wang Guangbo and (ii) Mr. Huang Tianlei, as executive Directors, (iii) Mr. Wang Zhi as non-executive Director, and (iv) Mr. Dai Bin, (v) Mr. Xu Jianwen, and (vi) Ms. Lan Jia as independent non-executive Directors. The Company and the Offeror do not expect any change to the composition of the Board both before and after the close of the Offer. As at the Latest Practicable Date, no Director intends to resign from the Board.

### REASONS FOR THE OFFER

Mr. Wang was appointed as an executive Director and the vice chairman of the Board with effect from 6 July 2023 and currently holds 89,500,000 Shares directly and indirectly, representing approximately 29.83% of the existing issued share capital of the Company (without taking into account the Shares held by parties acting in concert with him). Building on his experience of over 20 years in the information technology (“IT”) industry, he has since then, gained further understanding of the reputation of the Group’s brand in the IT infrastructure solutions services and IT managed services industry and among customers, as well as the management and business operation of the Group. Mr. Wang aims to seek a controlling stake in the Company for long-term investment and expand the scope of his investments. Mr. Wang is optimistic about the future prospect of the Group and the existing management of the Group. His decision to make the Offer reflects his confidence in and commitment to the Company and also affords the shareholders with an opportunity to realize the Shares at a premium to the market price.

### ACCEPTANCES OF THE OFFER

#### Procedures for acceptance

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offer.

The duly completed and signed Form of Acceptance, should be sent, together with the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, marked “Microware Group Limited – Offer” on the envelope, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given. Your attention is drawn to “Further Terms and Procedures of Acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

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## LETTER FROM ASTRUM CAPITAL

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### **Close of the Offer**

The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of this Composite Document (or such later date to which the Executive may consent).

If the Condition is satisfied, Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

### **Effect of Accepting the Offer**

Acceptance of the Offer will constitute a warranty to the Offeror by each person accepting it that the Shares acquired under the Offer and sold by such persons are fully paid and free from any encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of this Composite Document).

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as permitted under Rule 17 and Rule 19.2 of the Takeovers Code. Rule 17 of the Takeovers Code provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the first Closing Date if the Offer has not by then become unconditional as to acceptances. Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements of making announcement relating to the Offer set out in the section headed "3. Announcements" in Appendix I to this Composite Document, the Executive may require that accepting Shareholders be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

### **Nominee registration**

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares, whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

### **Stamp Duty**

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares.

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## LETTER FROM ASTRUM CAPITAL

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### **Payment**

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the later of (i) the date on which the Offer becomes, or is declared, unconditional in all respects; and (ii) the date on which the duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent).

### **Taxation advice**

None of the Offeror, the Company, their direct and indirect shareholders and ultimate beneficial owners and parties acting in concert with any of them, Astrum Capital nor any of its respective directors, officers, associates or advisers or any persons involved in the Offer is in a position to advise Shareholders on their own tax implications in any relevant jurisdiction. Shareholders are recommended to consult their own professional advisers as to the taxation implications in any relevant jurisdiction of accepting or rejecting the Offer.

None of the Offeror, the Company, their direct and indirect shareholders and ultimate beneficial owners and parties acting in concert with any of them, Astrum Capital, the Registrar or any of their respective directors, officers, associates, advisers or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of the acceptance or rejection of the Offer by any Shareholder.

### **Compulsory acquisition**

The Offeror does not intend to exercise any right which may be available to it to acquire compulsorily any Shares not tendered for acceptance under the Offer.

### **GENERAL**

No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares will be given.

All communications, notices, the Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Shareholders at their addresses specified on the Form of Acceptance. None of the Offeror, the Company, their direct and indirect shareholders and ultimate beneficial owners and parties acting in concert with any of them, Astrum Capital, the Independent Financial Adviser, the Registrar or any of their respective directors, officers, associates or advisers, or any other person involved in the Offer, accepts any liability for any loss in postage or delay in transmission or such other liabilities whatsoever which may arise as a result. The attention of the Shareholders is drawn to "Further Terms and Procedures of Acceptance of the Offer" as set out in Appendix I to this Composite Document.

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## LETTER FROM ASTRUM CAPITAL

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### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the “Letter from the Board” as set out on pages 17 to 23 of this Composite Document, and the letter of advice by the Independent Financial Adviser to the Independent Shareholders as set out in the “Letter from the Independent Financial Adviser” on pages 24 to 43 of this Composite Document.

Yours faithfully,  
For and on behalf of  
**Astrum Capital Management Limited**  
**Pan Chik**  
*Director*

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LETTER FROM THE BOARD

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**Microwave Group Limited**

**美高域集團有限公司**

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

**(Stock code: 1985)**

*Executive Directors:*

Mr. Wang Guangbo  
Mr. Huang Tianlei

*Non-executive Director:*

Mr. Wang Zhi

*Independent non-executive Directors:*

Mr. Dai Bin  
Mr. Xu Jianwen  
Ms. Lan Jia

*Registered Office:*

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Head Office and Principal Place of  
Business in Hong Kong:*

Room 1701, 17/F  
BEA Tower, Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

28 April 2025

*To the Shareholders*

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF WEIYE HOLDINGS GROUP LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
MICROWARE GROUP LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY  
WEIYE HOLDINGS GROUP LIMITED AND CERTAIN PARTIES  
ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Rule 3.5 Announcement. Astrum Capital, for and on behalf of the Offeror, makes a voluntary conditional cash offer to acquire all the issued Shares (other than those Shares already owned by the Offeror and Offeror Concert Parties) at HK\$1.36 per Share.

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## LETTER FROM THE BOARD

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The purpose of this Composite Document of which this letter forms part is to provide you with, among other matters, the terms of the Offer, information relating to the Group and the Offeror, as well as to set out the letter from the Independent Financial Adviser containing its advice to the Independent Shareholders in respect of the Offer.

Terms used in this letter shall have the same meanings as defined in this Composite Document unless the context otherwise requires.

### THE OFFER

The “Letter from Astrum Capital” as set out on pages 6 to 16 of this Composite Document contains the information in respect of the Offer and the principal terms of the Offer are extracted below. You are recommended to refer to the “Letter from Astrum Capital”, the section headed “Further terms and procedures of acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance for further details.

As at the Latest Practicable Date, there were 300,000,000 Shares in issue, of which 209,000,000 Shares will be subject to the Offer. The Company had no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The Offer is made by Astrum Capital for and on behalf of the Offeror at the Offer Price:

**For each Offer Share . . . . . HK\$1.36 in cash**

The Offer Shares to be acquired under the Offer shall be fully paid and free from any encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of this Composite Document).

The Company confirms that as at the Latest Practicable Date, (a) it had not declared any dividend, the record date of which falls on or after the expected date of despatch of this Composite Document; and (b) it did not have any intention to make, declare or pay any future dividend or make other distributions until the close of the Offer.

### The Offer Price

Your attention is drawn to the section headed “The Offer – The Offer Price” in the “Letter from Astrum Capital” in this Composite Document.

### Highest and Lowest Share Prices

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$1.50 per Share on 31 October 2024 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.12 per Share on 20, 22 and 23 January 2025.

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## LETTER FROM THE BOARD

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### **Value of the Offer**

Your attention is drawn to the sections headed “The Offer – Value of the Offer” in the “Letter from Astrum Capital” in this Composite Document which set out the value of the Offer.

### **Condition to the Offer**

Your attention is drawn to the section headed “The Offer – Condition of the Offer” in the “Letter from Astrum Capital” in this Composite Document which sets out the condition to the Offer.

### **Reasons for and Benefits of the Offer**

Your attention is drawn to the section headed “Reasons for the Offer” in the “Letter from Astrum Capital” in this Composite Document.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

As the non-executive Director, namely Mr. Wang Zhi, is presumed to be acting in concert with the Offeror under class (6) of the definition of acting in concert under the Takeovers Code as a result of the Offer, Mr. Wang Zhi should not be a member of the independent board committee to advise the Independent Shareholders on the terms of the Offer. As the independent non-executive Directors, namely Mr. Dai Bin, Mr. Xu Jianwen and Ms. Lan Jia have all provided the Irrevocable Undertakings, they should not be members of the independent board committee to advise the Independent Shareholders on the terms of the Offer.

As an independent board committee cannot be formed to make recommendations to the Shareholders, Red Sun has been appointed by the Company to act as the Independent Financial Adviser pursuant to Rule 2.8 of the Takeovers Code to advise the Independent Shareholders in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Financial Adviser addressed to the Independent Shareholders are set out on pages 24 to 43 in this Composite Document. You are advised to read the letter and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

### **FURTHER DETAILS OF THE OFFER**

You are advised to refer to the “Letter from Astrum Capital” as set out on pages 6 to 16 of this Composite Document, “Further terms and procedures of acceptance of the Offer” as set out in Appendix I to this Composite Document and the Form of Acceptance for further terms and conditions of the Offer and the procedures for acceptance and settlement of the Offer.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange.

The Company is the holding company of the Group. The Group is principally engaged in the provision of information technology infrastructure solutions and managed services and artificial intelligence solutions services.

Your attention is drawn to the “Financial Information of the Group” and “General Information of the Group” as set out in Appendices II and V to this Composite Document, respectively.

### PROFIT ESTIMATE

As disclosed in the Profit Warning Announcements, based on the preliminary review of the Company’s latest unaudited consolidated management accounts for the year ended 31 March 2025, which has been prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 March 2024 which conform with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants, and information currently available to the Board, it is expected that the Group will record a profit before taxation for the year ended 31 March 2025 of approximately HK\$18.7 million (the “**Profit Estimate**”), as compared to the profit before taxation of approximately HK\$43.8 million for the corresponding period in 2024 (a decrease of approximately 57.3%). Such decrease was mainly due to the share-based compensation expenses of approximately HK\$38.4 million primarily attributable to the share award scheme adopted by the Company on 16 January 2024, certain terms of which were amended on 23 December 2024.

The Profit Estimate constitutes a “profit forecast” under Rule 10 of the Takeovers Code and shall be reported on by the Independent Financial Adviser and the Company’s auditors in accordance with the requirements under Rule 10 of the Takeovers Code. The Profit Estimate has been reported on by Deloitte and Red Sun Capital. Deloitte has reported that, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Estimate in accordance with the bases adopted by the Directors and the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Red Sun Capital is satisfied that the Profit Estimate has been made by the Board with due care and consideration.

Your attention is drawn to the report issued by Red Sun Capital and the letter from Deloitte on the Profit Estimate set out in Appendix III and IV to this Composite Document, respectively.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date:

Name of Shareholders	As at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares (Note 6)</i>
<b>The Offeror and the Offeror Concert Parties</b>		
Offeror	42,500,000	14.17
Mr. Wang <i>(Note 2)</i>	47,000,000 <i>(Note 3)</i>	15.66
Mr. Wang Zhi <i>(Note 4)</i>	1,500,000	0.5
<b>Sub-total</b>	<b>91,000,000</b>	<b>30.33</b>
<b>Non-Accepting Shareholders</b>		
Mr. Chen Jianyong (陳鑑勇)	18,162,000	6.05
Mr. Han Shaoye (韓少野)	19,754,000	6.58
Mr. Dai Bin <i>(Note 5)</i>	1,500,000	0.5
Mr. Xu Jianwen <i>(Note 5)</i>	1,500,000	0.5
Ms. Lan Jia <i>(Note 5)</i>	1,500,000	0.5
<b>Sub-total</b>	<b>42,416,000</b>	<b>14.14</b>
<b>Other Shareholders</b>	<b>166,584,000</b>	<b>55.53</b>
<b>Total</b>	<b>300,000,000 <i>(Note 1)</i></b>	<b>100</b>

*Notes:*

1. The percentage figures are calculated on the basis on 300,000,000 issued Shares, which represent the entire issued share capital of the Company as at the Latest Practicable Date.
2. The Offeror is a limited liability company incorporated in the British Virgin Islands and is beneficially and wholly-owned by Mr. Wang, being the chairman of the Board and an executive Director. By virtue of the SFO, Mr. Wang is deemed to be interested in the Shares held by the Offeror.
3. Including the 12,000,000 Awarded Shares granted and vested to Mr. Wang with nil consideration on 3 January 2025 under the Share Award Scheme.
4. On 3 January 2025, 1,500,000 Awarded Shares were granted and vested to Mr. Wang Zhi. As at the Latest Practicable Date, Mr. Wang Zhi is a non-executive Director. As the non-executive Director, Mr. Wang Zhi is presumed to be acting in concert with the Offeror under class (6) of the definition of acting in concert under the Takeovers Code as a result of the Offer.

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## LETTER FROM THE BOARD

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5. On 3 January 2025, 1,500,000 Awarded Shares were granted and vested to each of Mr. Dai Bin, Mr. Xu Jianwen and Ms. Lan Jia under the Share Award Scheme. As at the Latest Practicable Date, Mr. Dai Bin, Mr. Xu Jianwen, and Ms. Lan Jia are independent non-executive Directors. Save as disclosed in the table above, no other Directors hold Shares as at the Latest Practicable Date.
6. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
7. The trustee of the Share Award Scheme, namely Well Mount Holdings Limited, does not hold any Shares as at the Latest Practicable Date.

Your attention is drawn to the “Financial Information of the Group” and “General Information of the Group” as set out in Appendices II and V to this Composite Document, respectively.

### **INFORMATION OF THE OFFEROR AND INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP**

Your attention is drawn to the sections headed “Information of the Offeror” and “Intentions of the Offeror in relation to the Group” in the “Letter from Astrum Capital” as set out on pages 12 to 13 of this Composite Document.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares (excluding treasury shares, if any), are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Board is aware of the Offeror’s intentions in respect of the Group and its employees and is willing to cooperate with the Offeror and act in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Your attention is drawn to the “Letter from the Independent Financial Adviser” as set out on pages 24 to 43 of this Composite Document, which sets out its advice to the Independent Shareholder in relation to the Offer and the principal factors considered by it in arriving at its advice.

### ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from Astrum Capital” and the “Letter from the Independent Financial Adviser” as set out in this Composite Document, the accompanying Form of Acceptance and the additional information as set out in the appendices to, which form part of, this Composite Document.

Yours faithfully,  
By order of the Board  
**Microware Group Limited**  
**Wang Guangbo**  
*Chairman and executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice from the Independent Financial Adviser setting out the advice to the Independent Shareholders in respect of the Offer, which has been prepared for the purpose of inclusion in this Composite Document.*



**紅日資本有限公司**  
**RED SUN CAPITAL LIMITED**

Room 310, 3/F.,  
China Insurance Group Building,  
141 Des Voeux Road Central,  
Hong Kong  
Tel: (852) 2857 9208  
Fax: (852) 2857 9100

28 April 2025

*To: The Independent Shareholders of Microware Group Limited*

**THE VOLUNTARY CONDITIONAL CASH OFFER BY  
ASTRUM CAPITAL MANAGEMENT LIMITED  
FOR AND ON BEHALF OF THE WEIYE HOLDINGS GROUP LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
MICROWARE GROUP LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED BY  
WEIYE HOLDINGS GROUP LIMITED AND CERTAIN PARTIES  
ACTING IN CONCERT WITH IT)**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Shareholders in respect of the Offer, details of which are set out in the letter from the Board (the “**Letter from the Board**”) and the letter from Astrum Capital Management Limited (the “**Letter from Astrum Capital**”) contained in the composite document dated 28 April 2025 (the “**Composite Document**”) jointly issued by Weiye Holdings Group Limited and Microware Group Limited, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

Reference is made to the Rule 3.5 Announcement. Astrum Capital, for and on behalf of the Offeror, is making a voluntary conditional cash offer to acquire all the issued Shares (other than those Shares already owned by the Offeror and Offeror Concert Parties) at HK\$1.36 per Share.

### OUR INDEPENDENCE

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As the non-executive Director, namely Mr. Wang Zhi, is presumed to be acting in concert with the Offeror under class (6) of the definition of acting in concert under the Takeovers Code as a result of the Offer. Mr. Wang Zhi should not be a member of the independent board committee to advise the Independent Shareholders on the terms of the Offer.

As the independent non-executive Directors, namely Mr. Dai Bin, Mr. Xu Jianwen and Ms. Lan Jia have all provided the Irrevocable Undertakings, they should not be members of the independent board committee to advise the Independent Shareholders on the terms of the Offer.

As an independent board committee cannot be formed to make recommendations to the Shareholders, Red Sun Capital has been appointed by the Company to act as the Independent Financial Adviser pursuant to Rule 2.8 of the Takeovers Code to advise the Independent Shareholders in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

As at the Latest Practicable Date, we were independent from and not connected to the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer to the Independent Shareholders.

Save for the appointment of Red Sun Capital as the Independent Financial Adviser in respect of the Offer, there were no other engagements between Red Sun Capital and each of the Company and the Offeror during the past two years prior to the date of the appointment of Red Sun Capital as the Independent Financial Adviser. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby Red Sun Capital shall receive any fees or benefits from the Company, the Offeror, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them in connection with the Offer. Accordingly, we consider that we are independent from the Group pursuant to Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code.

### **BASIS AND ASSUMPTIONS OF THE ADVICE**

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Composite Document or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Composite Document have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that to their knowledge after making reasonable enquires, no material facts have been omitted from the information provided and referred to in the Composite Document. In addition, pursuant to the Listing Rules, we have taken reasonable steps to enable ourselves to reach an informed view so as to provide a reasonable basis for our opinion, which included, among others (i) the Rule 3.5 Announcement; (ii) the Composite Document; (iii) the annual report of the Company for the year ended 31 March 2024 (the “**2024 Annual Report**”); (iv) the interim report of the Company for the six months ended 30 September 2024 (the “**2024 Interim Report**”); (v) the Profit Warning Announcements; and (vi) other information obtained from the public domain.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group, and, where applicable, their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. The Shareholders will be notified of any material changes to such information and representations as well as the content of this letter as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

This letter is issued for the information of the Independent Shareholders solely in connection with their consideration of the Offer, and except for its inclusion in this Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our advice with regard to the Offer, we have taken into account the following principal factors and reasons:

#### **(A) Background and financial information of the Group**

As set out in the Letter from the Board and the 2024 Annual Report, the Company is the holding company of the Group and the Group is principally engaged in the provision of information technology (“IT”) infrastructure solutions and managed services and artificial intelligence solutions services in Hong Kong. The Group provides 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.

#### ***Extracted consolidated statements of profit or loss and other comprehensive income of the Group***

Set out below are the extracted consolidated statements of profit or loss and other comprehensive income of the Group for (i) the six months ended 30 September 2023 and 2024 as extracted from the 2024 Interim Report; and (ii) the years ended 31 March 2023 and 2024 as extracted from the 2024 Annual Report.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	For the six months ended		For the year ended	
	30 September		31 March	
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(audited)	(audited)
<b>Revenue</b>	720,738	498,563	1,234,334	1,166,848
Segment of IT infrastructure solution services business	649,071	425,475	1,088,767	1,033,933
Segment of IT managed services business	71,667	73,088	145,567	132,915
Gross profit	66,717	56,916	144,956	121,566
Profit and total comprehensive income for the year attributable to owners of the Company	13,454	11,529	36,228	33,179

### ***Financial performance for the six months ended 30 September 2023 and 2024***

As set out in the 2024 Interim Report, total revenue of the Group increased by approximately HK\$222.2 million or 44.6% from approximately HK\$498.6 million for the six months ended 30 September 2023 to approximately HK\$720.7 million for the six months ended 30 September 2024, which was mainly due to the increase in revenue from the segment of IT infrastructure solution services business.

The gross profit of the Group increased by approximately HK\$9.8 million or 17.2% from approximately HK\$56.9 million for the six months ended 30 September 2023 to approximately HK\$66.7 million for the six months ended 30 September 2024, which was mainly due to the increase in revenue of IT infrastructure solution services. The gross profit margin of the Group decreased from approximately 11.4% for the six months ended 30 September 2023 to approximately 9.3% for the six months ended 30 September 2024.

The profit and total comprehensive income of the Group increased by approximately HK\$1.9 million or 16.7% from approximately HK\$11.5 million for the six months ended 30 September 2023 to approximately HK\$13.5 million for the six months ended 30 September 2024, which was mainly due to the increase in revenue from the segment of IT infrastructure solution services business and partly offset by the increase in total operating expenses of the Group as a result of the increase in selling and distribution expenses and the administrative expenses.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial performance for the years ended 31 March 2023 and 2024*

As set out in the 2024 Annual Report, total revenue of the Group increased by approximately HK\$67.5 million or 5.8% from approximately HK\$1,166.8 million for the year ended 31 March 2023 to approximately HK\$1,234.3 million for the year ended 31 March 2024, which was mainly due to the increase in revenue from the segment of IT infrastructure solution services business.

The gross profit of the Group increased by approximately HK\$23.4 million or 19.2% from approximately HK\$121.6 million for the year ended 31 March 2023 to approximately HK\$145.0 million for the year ended 31 March 2024, which was due to the increase in gross profit of both the business segments of IT infrastructures solution services and IT managed services. The gross profit margin of the Group increased from approximately 10.4% for the year ended 31 March 2023 to approximately 11.7% for the year ended 31 March 2024.

The profit and total comprehensive income of the Group increased by approximately HK\$3.0 million or 9.2% from approximately HK\$33.2 million for the year ended 31 March 2023 to approximately HK\$36.2 million for the year ended 31 March 2024, which was mainly due to the increase in gross profit as mentioned above and partly offset by the increase in total operating expenses of the Group as a result of the increase in selling and distribution expenses and the administrative expenses.

### *Extracted consolidated statements of financial position of the Group*

	<b>As at 30 September 2024</b>	<b>As at 31 March 2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Non-current assets	86,163	13,690
Current assets	<u>550,791</u>	<u>503,249</u>
Total assets	636,954	516,939
Non-current liabilities	25,079	3,921
Current liabilities	<u>420,621</u>	<u>331,711</u>
Total liabilities	<u>445,700</u>	<u>335,632</u>
<b>Equity attributable to owners of the Company</b>	<b><u>191,254</u></b>	<b><u>181,307</u></b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As set out in the 2024 Interim Report, total assets of the Group increased by approximately HK\$120.0 million or 23.2% from approximately HK\$516.9 million as at 31 March 2024 to approximately HK\$637.0 million as at 30 September 2024. As at 30 September 2024, total assets of the Group mainly comprised of (i) trade and other receivables, prepayments and deposits of approximately HK\$328.4 million, as compared to approximately HK\$186.1 million as at 31 March 2024; (ii) cash and cash equivalents of approximately HK\$69.7 million, as compared to approximately HK\$159.8 million as at 31 March 2024; (iii) inventories of approximately HK\$62.7 million, as compared to approximately HK\$111.5 million as at 31 March 2024; (iv) pledged bank deposits of approximately HK\$56.9 million, as compared to approximately HK\$34.7 million as at 31 March 2024; and (v) equity instruments at fair value through other comprehensive income of approximately HK\$55.5 million, as compared to nil as at 31 March 2024.

Total liabilities of the Group increased by approximately HK\$110.1 million or 32.8% from approximately HK\$335.6 million as at 31 March 2024 to approximately HK\$445.7 million as at 30 September 2024. As at 30 September 2024, total liabilities of the Group mainly comprised of (i) trade and other payables and accruals of approximately HK\$223.0 million, as compared to approximately HK\$212.4 million as at 31 March 2024; (ii) bank borrowings of approximately HK\$96.4 million, as compared to approximately HK\$11.0 million as at 31 March 2024; and (iii) contract liabilities of approximately HK\$74.2 million, as compared to approximately HK\$95.1 million as at 31 March 2024.

Total equity attributable to owners of the Company increased by approximately HK\$9.9 million or 5.5% from approximately HK\$181.3 million as at 31 March 2024 to approximately HK\$191.3 million as at 30 September 2024.

### *The Profit Warning Announcements*

As disclosed in the Profit Warning Announcements, based on the preliminary review of the Company's latest unaudited consolidated management accounts for the year ended 31 March 2025, which has been prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 March 2024 which conform with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants, and information currently available to the Board, it is expected that the Group will record a profit before taxation for the year ended 31 March 2025 of approximately HK\$18.7 million, as compared to the profit before taxation of approximately HK\$43.8 million for the year ended 31 March 2024, representing a decrease of approximately 57.3%. Such decrease was mainly due to the share-based compensation expenses of approximately HK\$38.4 million primarily attributable to the share award scheme adopted by the Company on 16 January 2024, certain terms of which were amended on 23 December 2024.

Given the profit before taxation of the Company for the year ended 31 March 2025 is expected to be decreased by more than 50% as compared to the corresponding prior period, we are of the view that the Offer may provide a reasonable opportunity for Independent Shareholders to realise their investment in the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **(B) Overall economy of Hong Kong and prospects of the Group**

According to the Census and Statistics Department of Hong Kong, the total Gross Domestic Products (“GDP”) at market prices increased by approximately HK\$193.4 billion or 6.5% from approximately HK\$2,983.6 billion in 2023 to approximately HK\$3,177.0 billion in 2024, and per capita GDP at current market prices increased by approximately HK\$26,335 or 6.7% from HK\$395,907 in 2023 to HK\$422,242 in 2024<sup>1</sup>.

According to the article titled “Innovation and Technology Industry in Hong Kong” published by the Hong Kong Trade Development Council<sup>2</sup>, Hong Kong ranked fifth in Asia and 18th globally among 133 economies in World Intellectual Property Organization’s Global Innovation Index 2024. Besides, Hong Kong has consistently ranked in the top 10 of the IMD World Digital Competitiveness Ranking since 2019. These demonstrated that Hong Kong prowess and accomplishments in innovation and technology. Latest initiatives by the Hong Kong government included providing various fundings schemes to technology related companies as well as assisting technology related companies in Hong Kong and the PRC to collaborate.

Based on the latest available information at the Census and Statistics Department of Hong Kong, business receipts and other income of IT service activities and information service activities<sup>3</sup> increased by approximately HK\$9.0 billion or 11.6% from approximately HK\$77.9 billion in 2022 to approximately HK\$86.9 billion in 2023.

Despite its promising outlook, the innovation and technology industry faces challenges. According to a survey by InvestHK in 2024<sup>4</sup>, as a result of increased funding and a higher level of investment in the required infrastructure, the number of technology related start-ups increased by 10% from 2023 or 40% from 2020 to a total of 4,694. Increasing number of participants may lead to market fragmentation and intense competition in the long term.

Based on the above, we are of the view that the Offer may provide a reasonable opportunity for Independent Shareholders to realise their investment in the Company as the prospect of the Group is conservative optimistic.

### **(C) Information and intention of the Offeror and reasons for the Offer**

#### ***(i) Information of the Offeror and parties acting in concert with it***

The Offeror is a limited liability company incorporated in the British Virgin Islands and is beneficially and wholly-owned by Mr. Wang, who is also the sole director of the Offeror. The Offeror is principally engaged in investment holding.

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<sup>1</sup> Source: [https://www.censtatd.gov.hk/en/web\\_table.html?id=310-31001#310-31001\\_r](https://www.censtatd.gov.hk/en/web_table.html?id=310-31001#310-31001_r)

<sup>2</sup> Source: <https://research.hktedc.com/en/article/MzEzOTIwMDIy>

<sup>3</sup> Source: [https://www.censtatd.gov.hk/en/web\\_table.html?id=640-75103](https://www.censtatd.gov.hk/en/web_table.html?id=640-75103)

<sup>4</sup> Source: [https://www.investhk.gov.hk/media/lc0j403v/2024-startup-survey\\_en.pdf](https://www.investhk.gov.hk/media/lc0j403v/2024-startup-survey_en.pdf)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Mr. Wang, aged 45, was appointed as an executive Director and the vice chairman of the Board on 6 July 2023. He was appointed as chairman of the Board and chairman of the nomination committee of the Company on 11 September 2023 and a member of the remuneration committee of the Company on 28 November 2023. Mr. Wang has obtained an executive master's degree in business administration from the Business School of the National University of Singapore in 2024. Mr. Wang is the chairman of the board of directors of Shanghai Weiye Investment Group Co., Ltd (上海為燁投資集團有限公司) and the vice chairman of the Shanghai Heilongjiang Chamber of Commerce (上海市黑龍江商會). Mr. Wang has been in the field of IT marketing since 2002 and has over 20 years of experience in the IT industry.

**(ii) *Intentions of the Offeror in relation to the Group***

The Offeror considers and confirms that (i) it is intended that the Group will continue with the existing business of the Group; and (ii) it has no intention to (a) introduce any major changes to the existing business of the Group; (b) discontinue the employment of any of the Group's employees; or (c) redeploy the fixed assets of the Group other than in its ordinary course of business. The Offeror will continue to ensure good corporate governance and monitor and review the Group's business and operations from time to time. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to optimise the value of the Group. As at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror entered into any agreements, arrangements, understandings or negotiations in relation to the injection of any assets or business into the Group or disposal of, ceasing or downsizing of the Group's existing business.

As at the Latest Practicable Date, the Board comprises Mr. Wang and Mr. Huang Tianlei as executive Directors; Mr. Wang Zhi as non-executive Director; and Mr. Dai Bin, Mr. Xu Jianwen and Ms. Lan Jia as independent non-executive Directors. The Company and the Offeror do not expect any change to the composition of the Board both before and after the close of the Offer. As at the Latest Practicable Date, no Director intends to resign from the Board.

**(iii) *Reasons for the Offer***

Mr. Wang was appointed as an executive Director and the vice chairman of the Board with effect from 6 July 2023 and currently holds 89,500,000 Shares directly and indirectly, representing approximately 29.83% of the existing issued share capital of the Company (without taking into account the Shares held by parties acting in concert with him). Building on his experience of over 20 years in the IT industry, he has since then, gained further understanding of the reputation of the Group's brand in the IT infrastructure solutions services and IT managed services industry and among customers, as well as the management and business operation of the Group. Mr. Wang aims to seek a controlling stake in the Company for long-term investment and expand the scope of his investments. Mr. Wang is optimistic

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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about the future prospect of the Group and the existing management of the Group. His decision to make the Offer reflects his confidence in and commitment to the Company and also affords the Shareholders with an opportunity to realise the Shares at a premium to the market price.

**(iv) *Intention of the Offeror to maintain the listing status of the Company***

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares (excluding treasury shares, if any), are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange.

As set out in the Letter from Astrum Capital, the sole director of the Offeror and the new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. No such arrangements have been confirmed or put in place as at the Latest Practicable Date. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

**(v) *Our view***

Having considered that (i) Mr. Wang, the sole director of the Offeror, joined the Board since 6 July 2023 and possessed 20 years of experience in the IT industry; (ii) the Offeror had no intention to introduce any major changes to the existing business of the Group, discontinue the employment of any of the Group's employees and redeploy the fixed assets of the Group (other than in its ordinary course of business); (iii) as at the Latest Practicable Date, no investment or business opportunity had been identified; (iv) the Offeror did not expect any change to the composition of the Board both before and after the close of the Offer; and (v) Mr. Wang aims to seek a controlling stake in the Company for long-term investment, we are of the view that that there would not be substantial change in the principal business activities of the Group as a direct result of the Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**(D) Principal terms of the Offer**

As at the Latest Practicable Date, there were 300,000,000 Shares in issue, of which 209,000,000 Shares will be subject to the Offer. The Company had no outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The Offer is made by Astrum Capital for and on behalf of the Offeror at the Offer Price:

**For each Offer Share . . . . . HK\$1.36 in cash**

If, after the date of the despatch of this Composite Document, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital, in which case any reference in the Rule 3.5 Announcement, this Composite Document or any other announcement or document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced.

The Offer Shares to be acquired under the Offer shall be fully paid and free from any encumbrances and together with all rights and entitlements attaching or accruing thereto including, without limitation, the right to receive all dividends and other distributions, if any, the record date of which is on or after the date on which the Offer is made (i.e. the date of the despatch of this Composite Document).

The Company confirms that as at the Latest Practicable Date, (a) it had not declared any dividend, the record date of which falls on or after the expected date of despatch of this Composite Document; and (b) it did not have any intention to make, declare or pay any future dividend or make other distributions until the close of the Offer.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Offeror will not increase the Offer Price for the Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

The Offeror does not intend to exercise any right which may be available to it to acquire compulsorily any Shares not tendered for acceptance under the Offer.

Further details of the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

*(i) The Offer Price*

The Offer Price of HK\$1.36 per Offer Share represents:

- (a) a premium of approximately 6.25% over the closing price of HK\$1.28 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 11.48% over the closing price of HK\$1.220 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 9.85% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$1.238 per Share;
- (d) a premium of approximately 7.42% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.266 per Share;
- (e) a premium of approximately 9.50% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.242 per Share;
- (f) a premium of approximately 9.59% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day of approximately HK\$1.241 per Share;
- (g) a premium of approximately 125.17% to the audited equity attributable to owners of the Company per Share of approximately HK\$0.604 as at 31 March 2024; and
- (h) a premium of approximately 113.17% to the unaudited equity attributable to owners of the Company per Share of approximately HK\$0.638 as at 30 September 2024.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(ii) Highest and Lowest Share Prices*

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$1.50 per Share on 31 October 2024 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.12 per Share on 20, 22 and 23 January 2025.

*(iii) Condition of the Offer*

The Offer is conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares, which together with the Shares already held by the Offeror and the Offeror Concert Parties, would result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights of the Company as at the Closing Date. This Condition cannot be waived.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer become unconditional in all respects. The Offer must also remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period.

**The Offer is subject to the satisfaction of the Condition and, accordingly, the Offer may or may not become unconditional. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or exercising other rights in respect of the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

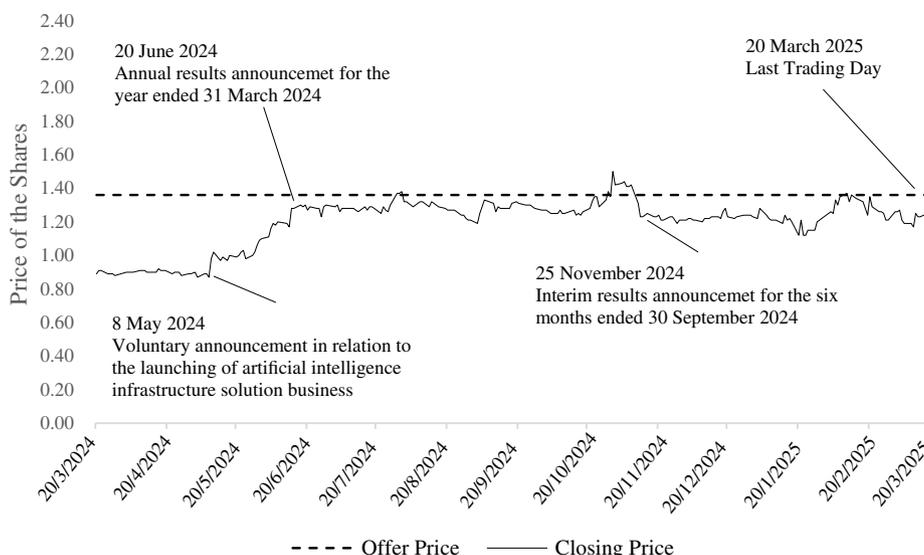
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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### (E) Analysis on historical price performance of the Shares

We have analysed the movements in the closing price of the Shares for the period from 20 March 2024 to the Last Trading Day (i.e. 20 March 2025), being the 12-month period prior to the Last Trading Day (the “**Review Period**”). We consider that a period of 12 months is adequate and long enough to illustrate the recent price movements of the Shares for a reasonable comparison between the Offer Price and the closing price of the Shares with a view to assessing the reasonableness and fairness of the Offer Price. Set out below is the analysis on the Offer Price and the closing price of the Shares during the Review Period:



Source: [www.hkex.com.hk](http://www.hkex.com.hk)

As illustrated in the chart above, closing prices of the Shares fluctuated within a range from HK\$0.870 per Share to HK\$1.500 per Share with an average closing price of approximately HK\$1.200 per Share (the “**Average Closing Price**”) during the Review Period. The Offer Price of HK\$1.360 represents a premium of approximately 13.3% to the Average Closing Price during the Review Period. Out of 245 trading days during the Review Period, there were only 12 trading days that the closing prices of the Shares was above the Offer Price.

The closing prices of the Shares remained relatively stable from the beginning of the Review Period to the early May 2024. After that, the closing price of the Share increased from HK\$0.980 on 9 May 2024, being the trading day immediately after the publication of the voluntary announcement in relation to the launching of AI infrastructure solution business, to HK\$1.29 on 21 June 2024, being the trading day immediately after the publication of the annual results announcement of the Company for the year ended 31 March 2024. The daily closing price was relatively stable, which ranged from HK\$1.190 to HK\$1.380 from 21 June 2024 to 30 October 2024. On 31 October 2024, the daily closing price reached the peak at HK\$1.500 on 31 October 2024. As discussed with the Management, they were not aware of any affairs of the Group that could potentially related to the increase in the closing price of the Shares on 31 October 2024. Subsequently, the daily closing prices of the Shares decreased to HK\$1.230 on 26 November 2024,

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being the trading day immediately after the publication of the interim results announcement of the Company for the six months ended 30 September 2024, and remained relative stable from 26 November 2024 to the Last Trading Day, with maximum closing price of HK\$1.370 and the minimum closing price of HK\$1.120.

We have also analysed the movements in the closing price of the Shares for the period from the Last Trading Day (i.e. 20 March 2025) up to the Latest Practicable Date (i.e. 25 April 2025).



As illustrated in the chart above, closing prices of the Shares fluctuated within a range from HK\$1.220 per Share to HK\$1.310 per Share with an average closing price of approximately HK\$1.296 per Share. The Offer Price of HK\$1.360 represents a premium of approximately 4.9% to the average closing price of the Share during such period.

### (F) Analysis on historical trading liquidity of the Shares

We have also reviewed the historical trading volume of the Shares during the Review Period. Set out below is number of trading days, average daily trading volume of the Shares and the percentages of average daily trading volume of the Shares as compared to the total number of issued Shares and the Shares held by the public during the Review Period:

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Month/period	Number of trading days	Average daily trading volume	Percentage of average trading volume to total number of Shares in issue <i>(Note 1)</i>	Percentage of average trading volume to total number of Shares held by public Shareholders <i>(Note 2)</i>
<b>2024</b>				
March (from 20 March 2024)	7	70,857	0.02%	0.03%
April	20	445,300	0.15%	0.19%
May	21	1,130,857	0.38%	0.49%
June	19	1,662,632	0.55%	0.71%
July	22	930,200	0.31%	0.42%
August	22	281,364	0.09%	0.13%
September	19	1,330,000	0.44%	0.60%
October	21	277,333	0.09%	0.12%
November	21	580,762	0.19%	0.26%
December	20	86,900	0.03%	0.04%
<b>2025</b>				
January	19	307,158	0.10%	0.15%
February	20	181,400	0.06%	0.09%
March (up to the Last Trading Day)	14	49,286	0.02%	0.02%
<b>Average</b>			<b>0.19%</b>	<b>0.25%</b>
<b>Maximum</b>			<b>0.55%</b>	<b>0.71%</b>
<b>Minimum</b>			<b>0.02%</b>	<b>0.02%</b>

Source: [www.hkex.com.hk](http://www.hkex.com.hk)

Notes:

1. Based on the total number of the Shares in issue at the end of month/period.
2. Based on the total number of the Shares held by public Shareholders, i.e. Shareholders other than the Offeror and parties acting in concert with it and substantial Shareholders, as at the end of relevant month/period.

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As illustrated in the table above, during the Review Period, the average daily trading volume for each month or period as a percentage to the total number of Shares in issue at the end of the respective month or period ranged from approximately 0.02% to 0.55% with an average of approximately 0.19%. The average daily trading volume for each month or period as a percentage to the total number of Shares held by public Shareholders at the end of the respective month or period ranged from approximately 0.02% to 0.71% with an average of approximately 0.25%. Based on the analysis above, we consider that the liquidity of the Shares was generally thin during the Review Period. In normal circumstances, if the Independent Shareholders dispose Shares in the open market in bulk, this may exert downward pressure on the market price of Shares.

While the Offer provides an option to the Independent Shareholders for realising their investment at the Offer Price within a short period of time, Independent Shareholders who consider to realise their investment are advised to do so in the open market instead of accepting the Offer if the trading prices of the Shares are above the Offer Price. Independent Shareholders who possess a relatively sizeable shareholdings are also advised to take into account the potential pressure on the Share price when selling in bulk or realise their shareholdings by batches.

### (G) Market comparables analysis

With a view to assess the fairness and reasonableness of the terms of the Offer Price, we have considered the price-to-book ratio (the “**P/B Ratio**”), the price-to-earnings ratio (the “**P/E Ratio**”) and enterprise value to earnings before interest, taxes, depreciation and amortization (“**Enterprise Multiple**”) of the Company and its comparable companies. P/B Ratio, P/E Ratio and Enterprise Multiple are commonly used valuation benchmarks in assessing the valuation of a company since the data for calculating these ratios can be obtained from publicly and readily available information directly to reflect the value of the companies determined by the open market.

P/B Ratio was not used as P/B Ratio is mainly used to assess the value of companies with heavy assets such as companies in real estate industries or traditional manufacturing industries.

Given that (i) the principal activities of the Group is the provision of IT infrastructure solutions services and IT managed services in Hong Kong, as all the Group’s revenue is derived from its operation in Hong Kong and all its non-current assets (excluding financial assets such as derivative financial instrument and deferred tax assets) are located in Hong Kong; and (ii) the market capitalisation of the Company was approximately HK\$366.0 million as at the Last Trading Day (based on the total issued Shares of 300,000,000 Shares and the closing price per Share of HK\$1.22), we have selected comparable companies which are (i) listed on the Main Board of the Stock Exchange without suspension of trading in its shares on the Last Trading Day or Latest Practicable Date; (ii) principally engaged in provision of IT related business/ integrated services in Hong Kong, Macao and the PRC, with over 80% of total revenue for latest financial year being generated from such business; and (iii) with market capitalisation of not more than HK\$800 million as at the Last Trading Day. Based on the above selection criteria, we have identified exhaustive list of four comparable companies (the “**Comparable Companies**”).

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We noted that no Comparable Companies matches the exact business model, scale, trading potential, target markets, product mix, and capital structure of the Company, and we have not conducted a detailed analysis of the Comparable Companies beyond these criteria. Nonetheless, having considered the Comparable Companies (i) are principally engaged in business similar to the Group, i.e. IT related consulting and business solutions; (ii) have similar market capitalisation as the Group; (iii) are listed on the Stock Exchange and hence share similar market sentiment of the Company; and (iv) represent an exhaustive list of companies meeting the aforementioned criteria, we are of the view that the Comparable Companies are comparable and representative for our analysis purpose. We set out our findings in the following table:

No	Company name (Stock code)	Principal activities	Market capitalisation (Note 1) HK\$ million	P/E Ratio (Note 2) Times	Enterprise Multiple (Note 3) Times
1	Maiyue Technology Limited (2501) (“Maiyue”)	Integrated IT solutions services provider in the education and government IT solutions markets	540.0	1,156.5	18.4
2	Computer and Technologies Holdings Limited (46)	IT services provider	425.1	14.6	6.8
3	MTT Group Holdings Limited (2350)	(i) distribution of IT products in Hong Kong, Macau and PRC; (ii) provision of system integrated solutions for IT systems	237.5	N/A	95.5
4	Vongroup Limited (318)	technology businesses, property businesses and financial services businesses	85.3	4.0	3.1
	Maximum			1,165.5	95.5
	Minimum			4.0	3.1
	Average			394.7	30.9
	Median			14.6	12.6
	<b>Excluding outlier (i.e. Maiyue)</b>				
	Maximum			14.6	95.5
	Minimum			4.0	3.1
	Average			9.3	30.9
	Median			9.3	12.6
	The Company		366.0 (Note 4)	11.3	10.7 (Note 4)

Source: [www.hkex.com.hk](http://www.hkex.com.hk)

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*Notes:*

1. The market capitalisation of the Comparable Companies was calculated based on the closing share prices and the total issued shares of the Comparable Companies as at the Last Trading Day.
2. The P/E Ratio is calculated based on the market capitalisation of the respective Comparable Companies as at the Last Trading Day divided by the revenue of the respective Comparable Company in the latest financial year.
3. Enterprise Multiple is calculated based on enterprise value, being the sum of market capitalisation and total debt less cash and cash equivalents, over earnings before interest, tax, depreciation and amortization.
4. Being the market capitalisation of the Company implied by the Offer Price.

As illustrative in the above table, the P/E Ratios of the Comparable Companies ranged from approximately 4.0 times to approximately 1,165.5 times, with an average of approximately 394.7 times and a median of approximately 14.6 times. The P/E Ratio of the Company implied by the Offer Price of approximately 11.3 times is within the range of the P/E Ratios of the Comparable Companies and lower than the average of the P/E Ratios of the Comparable Companies but near the median of the P/E Ratios of the Comparable Companies.

We noted that Maiyue has a P/E Ratio of approximately 1,165.5 times. As set out in the annual results announcement of Maiyue for the year ended 31 December 2024 published on 28 March 2025, we noted that the profit for the year attributable to equity shareholders of the company decreased by approximately RMB22.4 million or 98.1% from approximately RMB22.9 million for the year ended 31 December 2023 to approximately RMB0.4 million for the year ended 31 December 2024. Such decrease was mainly due to (i) the decrease in gross profit of approximately RMB16.9 million as a result of the decrease in gross profit and gross profit margin of certain projects undertaken due to different project requirements and circumstances, which are different from revenue from IT solutions projects by its self-developed products and projects directly engaged by its end-users, which we consider the decrease in gross profit and gross profit margin of certain projects undertaken; (ii) the recognition of the impairment loss on trade receivables and contract assets of approximately RMB24.7 million, as compared to the reversal of impairment loss on trade receivables and contract assets of RMB1.3 million in the prior year, mainly due to the increase in long-aged trade receivables as a result of the extended payment period granted by Maiyue for certain projects and the delay in settlement of trade receivables due from certain customers, and partly offset by the decrease in administrative expenses of approximately RMB16.1 million as a result of the decrease in the listing expenses and the legal and professional fees incurred after the listing.

Based on the above, we are of the view that the high P/E Ratio of Maiyue may be attributable to substantial decrease in profit for the year attributable to equity shareholders of Maiyue for the year ended 31 December 2024 as a result of decrease in gross profit margin of certain projects undertaken and the recognition of impairment loss on trade receivables and contract assets as a result of change in its finance policy. The high P/E Ratio of Maiyue may be a potential outlier as the underlying main reasons for its high P/E Ratio may not be directly attributable to the IT industry and the inclusion of which may distort our analysis.

We then re-perform the P/E Ratio analysis after taking out the P/E Ratio of Maiyue. The P/E Ratios of the Comparable Companies excluding Maiyue would then be ranged from approximately 4.0 times to approximately 14.6 times, with an average and a median of approximately 9.3 times. The P/E Ratio of the

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Company implied by the Offer Price of approximately 11.3 times is within the range of the P/E Ratios of the Comparable Companies excluding Maiyue and higher than the average and median of the P/E Ratios of the Comparable Companies excluding Maiyue.

For the Enterprise Multiple, the Enterprise Multiple of the Comparable Companies ranged from approximately 3.1 times to approximately 95.5 times, with an average of approximately 30.9 times and a median of approximately 12.6 times. The Enterprise Multiple of the Company implied by the Offer Price of approximately 10.7 times is within the range but lower than the average of Enterprise Multiple of the Comparable Companies.

Having considered that (i) the P/E Ratio of the Company implied by the Offer Price of approximately 11.3 times is within the range of, and higher than the average and median of, the P/B Ratios of the Comparable Companies excluding outlier; (ii) the Enterprise Multiple of the Company implied by the Offer Price of approximately 10.7 times is within the range of Enterprise Multiple of the Comparable Companies, we are of the view that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

### RECOMMENDATIONS

Based on the foregoing, having considered the aforementioned principal factors and reasons for the Offer, we noted that:

- (i) the Group recorded increasing profit and total comprehensive income attributable to owners of the Company for the two years ended 31 March 2023 and 2024 and for the six months ended 30 September 2023 and 2024. However, as a result of the share-based compensation expenses as set out in the section headed “Profit Warning Announcements”, the profit before taxation of the Company for the year ended 31 March 2025 is expected to decrease by more than 50% as compared to the profit before taxation of the Company for the year ended 31 March 2024. As such, we are of the view that the Offer may provide a reasonable opportunity for Independent Shareholders to realise their investment in the Company;
- (ii) the prospects of the Group as discussed in the paragraphs headed “(B) Overall economy of Hong Kong and prospects of the Group” in this letter showing the prospect of the Group is conservative optimistic;
- (iii) there would not be substantial change in the existing principal business of the Group as a direct result of the Offer based on the intention of the Offeror and reasons of the Offer as set out in the paragraphs headed “(C) Information and intention of the Offeror and reasons for the Offer” in this letter;
- (iv) the Offer Price of HK\$1.360 represents a premium of approximately 13.3% to the Average Closing Price during the Review Period, and the Offer Price was higher than the closing price of the Shares over 95% of the trading days during the Review Period;

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- (v) the liquidity of the Shares was generally thin during the Review Period and the Offer provides an option to the Independent Shareholders for realising their investment at the Offer Price within a short period of time; and
- (vi) the P/E Ratio of the Company implied by the Offer Price is higher than the average and median of the P/B Ratios of the Comparable Companies excluding outliers and the Enterprise Multiple of the Company implied by the Offer Price is within the range of Enterprise Multiple of the Comparable Companies,

we are of the view that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned based on overall principal factors and reasons for the Offer considered. Accordingly, we recommend the Independent Shareholders to accept the Offer.

Nonetheless, Independent Shareholders intending to accept the Offer are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, especially Independent Shareholders with large shareholdings.

Independent Shareholders are also reminded to read carefully the procedures for accepting the Offer as detailed in Appendix I to the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,  
For and on behalf of  
**Red Sun Capital Limited**  
**Robert Siu**  
*Managing Director*

*Mr. Robert Siu is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 25 years of experience in corporate finance industry.*

**1. PROCEDURES FOR ACCEPTANCE OF THE OFFER**

- (a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer. You should insert the total number of the Offer Shares for which the Offer is accepted. If no number is inserted or a number inserted is greater or smaller than your registered holding of Share(s) or those physical Share(s) tendered for acceptance of the Offer and you have signed the form, the form will be returned to you for correction and resubmission.
- (b) Any corrected form must be resubmitted and received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive. Subject to the Offer becomes unconditional, your Shares sold to the Offeror by way of acceptance of the Offer will be registered under the name of the Offeror or its nominee.
- (c) By signing and returning the Form of Acceptance, you warrant to the Offeror, Astrum Capital and the Company that you have not taken or omitted to take any action which will or may result in the Offeror and the Offeror Concert Parties, the Company, Astrum Capital or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the Offer or your acceptance thereof.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong marked “Microware Group Limited – Offer” on the envelope as soon as possible and in any event by not later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive.
- (e) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Offer in full or in part, you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or

other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer to the Registrar; or

- (ii) arrange for the Shares to be registered in your name by the Company, through the Registrar, and send the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your Shares have been lodged with your Investor Participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.
- (f) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer, the Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter.

If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Offer, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable authority to the Offeror to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar

and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it/they were delivered to the Registrar with the Form of Acceptance.

- (g) An acceptance of the Offer may not be counted as valid unless:
- (i) it is received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive, and the Registrar has recorded that such acceptance and any relevant documents required under paragraph (ii) below have been so received; and
  - (ii) the Form of Acceptance is duly completed and signed and is:
    - (1) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
    - (2) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraphs of this paragraph (g)(ii)); or
    - (3) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

- (h) No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares tendered for acceptance will be given.
- (i) Seller's ad valorem stamp duty for transfer of Offer Shares arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. An amount equivalent to the aforesaid stamp duty will be deducted from the cash amount payable by the Offeror to such Shareholder who accepts the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting

the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (j) If the Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar, lodged with the Form of Acceptance will be returned to the Shareholders who have accepted the Offer by ordinary post at the Shareholders' own risk as soon as possible but in any event no later than seven (7) Business Days after the Offer has lapsed.
- (k) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (l) In making their decision, the Shareholders must rely on their own examination of the Group and the terms of the Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, Astrum Capital, the Independent Financial Adviser, or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.

## **2. ACCEPTANCE PERIOD AND REVISION**

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive and in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Registrar by 4:00 p.m. on the first Closing Date (with the first Closing Date being Monday, 19 May 2025) in accordance with the instructions printed on the relevant Form of Acceptance.
- (b) The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on the first Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (c) If the Offer is extended, the announcement of such extension will state the next Closing Date or a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given to the Shareholders before the Offer is closed to those Shareholders who have not accepted the Offer.
- (d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document(s) are posted and shall not close earlier than the Closing Date.

- (e) If the Closing Date is extended, any references in this Composite Document and the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

### **3. ANNOUNCEMENTS**

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offer. The Offeror must publish an announcement in accordance with the Listing Rules and the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on Monday, 2 June 2025 stating the results of the Offer and whether the Offer has been revised, extended or has expired. The announcement will state the following:

- (a) the total number of Shares and rights over Offer Shares for which acceptances of the Offer has been received;
- (b) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and the Offeror Concert Parties before the Offer Period;
- (c) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror and the Offeror Concert Parties; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in which the Offeror and any Offeror Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of the issued share capital of the Company and the percentage of voting rights represented by these numbers of Shares.

In computing the total number of Offer Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in this Appendix I, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Listing Rules.

**4. RIGHT OF WITHDRAWAL**

The Offer is conditional upon fulfilment of the Condition set out in the “Letter from Astrum Capital” in this Composite Document and being declared unconditional in all respects. Acceptance of the Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the subparagraph (a) and (b) below:

- (a) in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the first Closing Date (with the first Closing Date being Monday, 19 May 2025) and if the Offer has not by then become unconditional as to acceptances. An acceptor of the Offer may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar; and
- (b) in the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “3. Announcements” above), the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Shareholder(s).

Save as aforesaid, acceptances of the Offer shall be irrevocable and not capable of being withdrawn.

**5. SETTLEMENT**

If you accept the Offer, settlement of the consideration (less seller’s ad valorem stamp duty) will be made by cheque as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt of a complete and valid acceptance of the Offer, or after the date on which the Offer becomes or is declared unconditional in all respects, whichever is the later. Each cheque will be despatched by ordinary post to the address specified on the relevant Form of Acceptance at his/her/its own risk.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Shareholders are recommended to consult their professional advisers if they are in doubt as to the above procedures.

**6. OVERSEAS SHAREHOLDERS**

The making of the Offer to the Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Shareholders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Shareholder in such relevant jurisdictions.

Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror and that all local laws and requirements have been complied with and that the Offer can be accepted by such Shareholder lawfully under the laws of the relevant jurisdiction. Shareholders should consult their professional advisers if in doubt.

The Shareholders are encouraged to read this Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Shareholders (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance of the Offer.

**7. NOMINEE REGISTRATION**

To ensure equality of treatment of all Shareholders, those Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

**8. TAX IMPLICATIONS**

None of the Offeror, the Company, their direct and indirect shareholders and ultimate beneficial owners and parties acting in concert with any of them, Astrum Capital, the Independent Financial Adviser, the Registrar or any of their respective directors, officers, associates or advisers or any persons involved in the Offer is in a position to advise the Shareholders on their individual tax implications. Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of the Offeror, the Company, their direct and indirect shareholders and ultimate beneficial owners and parties acting in concert with any of them, Astrum Capital, the Independent Financial Adviser, the Registrar or any of their respective directors, officers, associates or advisers or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offer. In particular, acceptance of the Offer may potentially be liable to taxation in the PRC. Each Shareholder is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Offer applicable to him/her/it. Shareholders accepting the Offer shall be responsible to complete all necessary tax reporting formalities and pay all taxes and charges due in any relevant jurisdiction.

**9. GENERAL**

- (a) All communications, notices, the Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Shareholders at their addresses, in the case of Shareholders, specified on the relevant Form of Acceptance. None of the Offeror, the Company, their direct and indirect shareholders and ultimate beneficial owners and parties acting in concert with any of them, Astrum Capital, the Independent Financial Adviser, the Registrar or any of their respective directors, officers, associates or advisers, or any other person involved in the Offer, accepts any liability for any loss in postage or delay in transmission or such other liabilities whatsoever which may arise as a result.
- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, Astrum Capital and the Company that the Shares acquired under the Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching thereto including, the right to receive in full all dividends and other distributions, if any, declared, paid or made on or after the despatch date of this Composite Document.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares it has indicated in the Form of Acceptance is the aggregate number of Shares for which such nominee has received authorisations from the beneficial owners to accept the Offer on their behalf.
- (d) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (e) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (f) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of a Shareholder will constitute such Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offer.
- (g) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Astrum Capital (or such person or persons as the Offeror and/or Astrum Capital may direct) to complete and execute any document on behalf of the person accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in either Offeror (or such person or persons as it may direct) the Shares in respect of which such person has accepted the Offer.

- (h) Save for the payment of stamp duty, settlement of the consideration to which any Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.
- (i) The Offer is made in accordance with the Takeovers Code.
- (j) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (k) Should Shareholders have any enquiries concerning administrative matters, such as dates, documentation and procedures relating to the Offer, the Shareholders may contact the Registrar, Tricor Investor Services Limited, at its hotline (852) 2980 1333 during the period from Monday, 28 April 2025 to the Closing Date between 9:00 a.m. and 6:00 p.m. (Hong Kong time) on Mondays to Fridays, excluding Hong Kong public holidays. The hotline cannot and will not provide advice on the merits of the Offer or on whether or not to accept the Offer or give financial or legal advice. If you are in any doubt as to any aspect of this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.
- (l) In making their decision, Shareholders must rely on their own examination of the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, Astrum Capital, the Independent Financial Adviser, or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.
- (m) The English text of this Composite Document and of the accompanying Form of Acceptance shall prevail over the Chinese text for the purpose of interpretation.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of certain audited consolidated financial information of the Group (i) for the three years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024 as extracted from the annual reports for the year ended 31 March 2022, 2023 and 2024 and the interim report for the six months ended 30 September 2024 published by the Company in accordance with the Listing Rules.

	For the year ended 31 March			For the six months ended 30 September
	2022 (audited) HK\$'000	2023 (audited) HK\$'000	2024 (audited) HK\$'000	2024 (unaudited) HK\$'000
Revenue	1,148,967	1,166,848	1,234,334	720,738
Profit before taxation	38,325	38,735	43,757	15,186
Profit and total comprehensive income for the year/period	31,976	33,176	36,228	12,181
Profit and total comprehensive income for the year/period attributable to owners of the Company	31,970	33,179	36,228	13,454
Earnings per share				
Basic (HK\$)	0.11	0.11	0.12	0.04

The Board has declared (i) final dividend of HK\$0.06 per Share in an aggregate amount of HK\$18.0 million for the year ended 31 March 2022 and interim dividend of HK\$0.045 per Share in an aggregate amount of HK\$13.5 million for the six months ended 30 September 2022, which had been fully paid; and (ii) final dividend of HK\$0.025 per Share in an aggregate amount of HK\$7.5 million and special dividend of HK\$0.08 per Share in an aggregate amount of HK\$24.0 million for the year ended 31 March 2023, and interim dividend of HK\$0.02 per Share in an aggregate amount of HK\$6.0 million for the six months ended 30 September 2023, which had been fully paid. The Board did not declare any final dividend for the year ended 31 March 2024 nor interim dividend for the six months ended 30 September 2024.

Save as disclosed above, there are no other items of income or expense which are material for the three years ended 31 March 2022, 2023 and 2024 and the six months ended and 30 September 2024.

The consolidated financial statements of the Group for the three years ended 31 March 2022, 2023 and 2024 were audited by Deloitte Touche Tohmatsu. There was no modified opinion, emphasis of matter, or material uncertainty related to going concern contained in the auditors' report of the Group issued by Deloitte Touche Tohmatsu for any of the three years ended 31 March 2024.

## 2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes of equity and any other primary statements are shown in (i) the audited consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2022 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 March 2023 (the “**2023 Financial Statements**”); (iii) the audited consolidated financial statements of the Group for the year ended 31 March 2024 (the “**2024 Financial Statements**”); and (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 September 2024 (the “**2024 Interim Financial Statements**”), together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2022 Financial Statements are set out on pages 75 to 137 of the annual report of the Company for the year ended 31 March 2022 (the “**2022 Annual Report**”), which was published on 22 July 2022 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0722/2022072200425.pdf>

The 2023 Financial Statements are set out on pages 48 to 109 of the annual report of the Company for the year ended 31 March 2023 (the “**2023 Annual Report**”), which was published on 13 July 2023 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0713/2023071300277.pdf>

The 2024 Financial Statements are set out on pages 55 to 119 of the annual report of the Company for the year ended 31 March 2024 (the “**2024 Annual Report**”), which was published on 15 July 2024 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0715/2024071500334.pdf>

The 2024 Interim Financial Statements are set out on pages 11 to 28 of the interim report of the Company for the six months ended 30 September 2024 (the “**2024 Interim Report**”), which was published on 11 December 2024 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1211/2024121100307.pdf>

The 2022 Financial Statements, the 2023 Financial Statements, the 2024 Financial Statements and the 2024 Interim Financial Statements (but not any other part of the 2022 Annual Report, the 2023 Annual Report, the 2024 Annual Report and the 2024 Interim Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

### 3. INDEBTEDNESS STATEMENT

As at the close of business on 28 February 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follow:

**(a) Bank borrowings and lease liabilities**

The Group had secured and guaranteed bank borrowings of approximately HK\$97.9 million, and unsecured and guaranteed bank borrowings of approximately HK\$9.0 million. In addition, the Group had outstanding secured and unguaranteed lease liabilities of approximately HK\$14.5 million, and unsecured and unguaranteed lease liabilities of approximately HK\$29.9 million as at that date.

The Group's secured bank borrowings were secured by charges over certain bank deposits, and/or securities of the Group, and the guaranteed bank borrowings were guaranteed by the Company and certain of its subsidiaries. In addition, the Group's certain lease liabilities were secured by rental deposits of the relevant leases.

**(b) Performance guarantees**

The performance guarantees of the Group of HK\$15.7 million 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. Customers can demand the bank to pay them the sum or sum stipulated in such demand if the Group fails to provide satisfactory performance to them.

The Group's performance guarantees were secured by charges over the fixed deposits of the Group.

Apart from the intra-group liabilities, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt instruments, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, lease commitments, other guarantees or other material contingent liabilities at the close of business on 28 February 2025.

The Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of the Group since 28 February 2025.

**4. MATERIAL CHANGE**

The Directors confirm that, save and except for the following information, there had been no material change in the financial or trading position or outlook of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

As disclosed in the Profit Warning Announcements, based on the preliminary review of the Company's latest unaudited consolidated management accounts for the year ended 31 March 2025, which has been prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 March 2024 which conform with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants, and information currently available to the Board, it is expected that the Group will record a profit before taxation for the year ended 31 March 2025 of approximately HK\$18.7 million (i.e. the Profit Estimate) as compared to the profit before taxation of approximately HK\$43.8 million for the corresponding period in 2024 (a decrease of approximately 57.3%). Such decrease was mainly due to the share-based compensation expenses of approximately HK\$38.4 million primarily attributable to the share award scheme adopted by the Company on 16 January 2024, certain terms of which were amended on 23 December 2024.

The Profit Warning is regarded as a profit forecast under the Takeovers Code and therefore is required to be reported on pursuant to Rule 10 of the Takeovers Code. Please refer to the "Report from Red Sun Capital" set out in Appendix III and "Letter on Profit Estimate from Deloitte" set out in Appendix IV to this Composite Document.

*The following is the full text of the report by Red Sun Capital, the Independent Financial Adviser, for the purpose of incorporation in this Composite Document.*

28 April 2025

**Microware Group Limited**

Room 1701, 17/F,  
BEA Tower, Millennium City 5,  
418 Kwun Tong Road,  
Kwun Tong, Kowloon,  
Hong Kong.

**The Board of Directors**

Dear Sirs,

We refer to the Profit Warning Announcements issued by Microware Group Limited (the “**Company**”). Terms used in this letter shall have the same meanings as those defined in the composite document jointly issued by the Company and Weiye Holdings Group Limited unless the context requires otherwise.

We refer to the statements made by the Directors in the Profit Warning Announcements and the paragraph headed “4. Material Change” as set out in Appendix II to the Composite Document that, based on the preliminary review of the Company’s latest unaudited consolidated management accounts for the year ended 31 March 2025, which has been prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 March 2024 which conform with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**Unaudited Management Accounts**”), and information currently available to the Board, it is expected that the Group will record a profit before taxation for the year ended 31 March 2025 of approximately HK\$18.7 million as compared to the profit before taxation of the Company of approximately HK\$43.8 million for the corresponding period in 2024 (a decrease of approximately 57.3%). Such decrease was mainly due to the share-based compensation expenses of approximately HK\$38.4 million primarily attributable to the share award scheme adopted by the Company on 16 January 2024, certain terms of which were amended on 23 December 2024 (the “**Profit Estimate**”). The Profit Estimate is regarded as a profit forecast under the Takeovers Code and therefore is required to be reported on pursuant to Rule 10 of the Takeovers Code.

The Profit Estimate has been prepared by the Directors after their preliminary assessment based on the Unaudited Management Accounts, which were prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Group for the year ended 31 March 2024 and information currently available to the Board. Such estimated figures have not been reviewed by the audit committee of the Board nor audited by the auditor of the Company, and hence is subject to any adjustments if necessary.

We have reviewed the Profit Estimate and other relevant information and documents, in particular, the Unaudited Management Accounts, and the basis of preparing Unaudited Management Accounts, for which the Directors are solely responsible. We have also discussed with Directors and the senior management of the Company the basis upon which the Profit Estimate has been made. We have also reviewed the letter on the Profit Estimate by Deloitte Touche Tohmatsu, the reporting accountants of the Company, addressed to the Directors dated 28 April 2025 regarding the accounting policies and calculations upon which the Profit Estimate has been made as set out in Appendix IV to the Composite Document.

Having reviewed and considered the above, we are of the opinion that the Profit Estimate has been made by the Board with due care and consideration.

We hereby give and have not withdrawn our consent to the issue of the Composite Document with the inclusion therein of this report.

Yours faithfully,

For and behalf of  
**Red Sun Capital Limited**

**Robert Siu**  
*Managing Director*

*The following is the text of a letter received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Composite Document.*

# Deloitte.

# 德勤

28 April 2025

The Board of Directors  
Microware Group Limited  
Room 1701, 17/F, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong  
Kowloon, Hong Kong

Dear Sirs,

Microware Group Limited (the “**Company**”)

## **Profit Estimate for Year Ended 31 March 2025**

We refer to the estimate of the profit before taxation of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025 (the “**Profit Estimate**”) set forth in section headed “Material Change” in Appendix II “Financial Information of the Group” to the composite document jointly issued by Weiye Holdings Group Limited and the Company dated 28 April 2025 in connection with the voluntary conditional cash offer by Astrum Capital Management Limited for and on behalf of Weiye Holdings Group Limited to acquire all the issued share of the Company (the “**Composite Document**”).

The Profit Estimate has been prepared by the directors of the Company and constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission.

## **Directors’ Responsibilities**

The Profit Estimate has been prepared by the directors of the Company based on the unaudited consolidated management accounts of the Group for the year ended 31 March 2025.

The Company’s directors are solely responsible for the Profit Estimate.

## **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled and presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 31 March 2024.

Yours faithfully,

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

**1. RESPONSIBILITY STATEMENT**

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer and the Group to the Shareholders.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Offeror and the Offeror Concert Parties), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

**2. SHARE CAPITAL**

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$50,000,000 divided into 5,000,000,000 shares of HK\$0.01 each. The number of issued and paid-up Shares as at the Latest Practicable Date was 300,000,000 Shares.

All the issued Shares are fully paid and rank *pari passu* in all respects including, in particular, the rights in respect of capital, dividend and voting.

As at the Latest Practicable Date, the Company had not issued any new Shares since 31 March 2024, being the date to which the latest audited financial statements of the Company were made up.

As at the Latest Practicable Date, there were no share options granted pursuant to the share option scheme of the Company and the Company had no outstanding convertible securities, options, warrants, derivatives or any other conversion rights in issue affecting the Shares.

### 3. MARKET PRICES

The table below sets out the closing prices of the Shares as quoted on the Stock Exchange (i) on 20 March 2025, being the Last Trading Day prior to the publication of the Rule 3.5 Announcement; (ii) on the Latest Practicable Date; and (iii) on the last trading day of each of the calendar months during the Relevant Period:

Date	Closing price per Share (HK\$)
30 September 2024	1.27
31 October 2024	1.50
29 November 2024	1.21
31 December 2024	1.23
28 January 2025	1.20
28 February 2025	1.21
20 March 2025 (being the Last Trading Day)	1.22
31 March 2025	1.31
25 April 2025 (being the Latest Practicable Date)	1.28

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$1.50 on 31 October 2024 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$1.12 on 20, 22 and 23 January 2025.

### 4. DISCLOSURE OF INTERESTS

For the purposes of paragraphs 4 to 5 in this Appendix V, “interested” and “interests” have the same meaning as ascribed to these terms in Part XV of the SFO.

#### **Directors and the chief executives’ interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, save as disclosed in “Shareholding Structure of the Company” in the “Letter from the Board” in this Composite Document and below, none of the Directors nor chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associates (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; (iii) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange; or (iv) to be disclosed in this Composite Document pursuant to the requirements of the Takeovers Code.

Name of Directors	Capacity	Number of Shares interested	Approximate percentage of shareholding
Mr. Wang Guangbo	Interest of a controlled corporation <sup>(Note 2)</sup>	42,500,000 (L)	14.17%
	Beneficial owner <sup>(Note 3)</sup>	47,000,000 (L)	15.66%
Mr. Wang Zhi	Beneficial owner <sup>(Note 4)</sup>	1,500,000 (L)	0.50%
Mr. Dai Bin	Beneficial owner <sup>(Note 5)</sup>	1,500,000 (L)	0.50%
Mr. Xu Jianwen	Beneficial owner <sup>(Note 5)</sup>	1,500,000 (L)	0.50%
Ms. Lan Jia	Beneficial owner <sup>(Note 5)</sup>	1,500,000 (L)	0.50%

*Notes:*

- (1) The Letter “L” denotes the person’s long position in the Shares. As at the Latest Practicable Date, the total number of issued Shares of the Company was 300,000,000 Shares.
- (2) These 42,500,000 Shares are held by the Offeror, which is beneficially and wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed, or taken to be, interested in all the Shares held by the Offeror.
- (3) Including the 12,000,000 Awarded Shares granted and vested to Mr. Wang with nil consideration on 3 January 2025 under the Share Award Scheme.
- (4) On 3 January 2025, 1,500,000 Awarded Shares were granted and vested to Mr. Wang Zhi. As at the Latest Practicable Date, Mr. Wang Zhi is a non-executive Director. As the non-executive Director, Mr. Wang Zhi is presumed to be acting in concert with the Offeror under class (6) of the definition of acting in concert under the Takeovers Code as a result of the Offer.
- (5) On 3 January 2025, 1,500,000 Awarded Shares were granted and vested to each of Mr. Dai Bin, Mr. Xu Jianwen and Ms. Lan Jia under the Share Award Scheme. As at the Latest Practicable Date, Mr. Dai Bin, Mr. Xu Jianwen, and Ms. Lan Jia are independent non-executive Directors. Saved as disclosed above, no other Directors hold Shares as at the Latest Practicable Date.

### Substantial Shareholders' interests and short positions in the Shares, underlying Shares and securities of the Company

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholders	Capacity	Number of Shares interested	Approximate percentage of shareholding
The Offeror <sup>(Note 2)</sup>	Beneficial owner	42,500,000 (L)	14.17%
Mr. Liu Yun	Beneficial owner	20,716,000 (L)	6.91%
Mr. Han Shaoye	Beneficial owner	19,754,000 (L)	6.58%
Mr. Chen Jianyong	Beneficial owner	18,162,000 (L)	6.05%

*Notes:*

- (1) The Letter "L" denotes the person's long position in the Shares. As at the Latest Practicable Date, the total number of issued Shares of the Company was 300,000,000 Shares.
- (2) These 42,500,000 Shares are held by the Offeror, which is beneficially and wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed, or taken to be, interested in all the Shares held by the Offeror.

As at the Latest Practicable Date, save as disclosed above, so far as was known to the Directors, no person had an interest or a short position in the Shares or the underlying Shares of the Company recorded in the register required to be kept by the Company under section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## 5. SHAREHOLDINGS

As at the Latest Practicable Date:

- (a) the Company did not hold any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror;
- (b) save as disclosed in the section headed "4. Disclosure of Interests" in this Appendix V, none of the Directors had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company nor the Offeror;
- (c) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or any advisers to the Company or persons who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an

associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers (as defined under the Takeovers Code) owned or controlled any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (d) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate;
- (e) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (f) neither the Company nor any of the Directors had borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for any borrowed Shares which had been either on-lent or sold; and
- (g) there is no understanding, arrangement or agreement which constitutes a special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) the Company or its subsidiaries or associated companies.

## **6. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS**

During the Relevant Period:

- (i) save for Mr. Wang's shareholdings in the Offeror, none of the Company, any of its subsidiaries, nor any Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives in respect of any shares of the Offeror;
- (ii) save for 12,000,000 Awarded Shares granted and vested to Mr. Wang and 1,500,000 Awarded Shares granted and vested to each of Mr. Wang Zhi, Mr. Dai Bin, Mr. Xu Jianwen and Ms. Lan Jia under the Share Award Scheme with nil consideration on 3 January 2025, none of the Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of any Shares;
- (iii) none of the subsidiaries of the Company, or pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" in the Takeovers Code (but excluding exempt principal traders and exempt fund managers) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

- (iv) no fund managers (other than exempt fund managers) connected with the Company who managed funds on a discretionary basis had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of any Shares; and
- (v) no person between whom there is arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code and the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert”, or any of the Company’s associates by virtue of classes, (2), (3) or (4) of the definition of “associate” under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

## 7. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors were aware, no litigation, arbitration or claim of material importance was pending or threatened by or against the Company or any of its subsidiaries.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) were entered into by the members of the Group within two years immediately preceding the date of the Rule 3.5 Announcement and up to and including the Latest Practicable Date and are or may be material:

- (i) On 29 August 2024, Microware (Shanghai) Artificial Intelligence Technology Co., Ltd.\* (美高域(上海)人工智能科技有限公司) (a direct wholly-owned subsidiary of the Company) (the “**Subscriber I**”) entered into a subscription agreement with Chongqing Terminus Smart Technology Inc., Co., Ltd. (重慶特斯聯智慧科技股份有限公司) (the “**Target Company**”), pursuant to which the Target Company conditionally agreed to issue and the Subscriber I conditionally agreed to subscribe for 1,750,000 shares of the Target Company at the consideration of RMB35,000,000; and
- (ii) On 29 August 2024, Shanghai Actuarial Creativity Technology Co., Ltd.\* (上海精算創圖算力科技有限公司) (a direct wholly-owned subsidiary of the Company) (the “**Subscriber II**”) entered into a subscription agreement with the Target Company, pursuant to which the Target Company conditionally agreed to issue and the Subscriber II conditionally agreed to subscribe for 750,000 shares of the Target Company at the consideration of RMB15,000,000.

## 9. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (i) no benefit (other than statutory compensation) was or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;
- (ii) there was no agreement or arrangement between any Directors and any other person which is conditional on, or dependent upon, the outcome of the Offer or is otherwise connected with the Offer; and
- (iii) there was no material contract entered into by the Offeror in which any Director has a material personal interest.

## 10. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had entered into any service contract with the Company or any of its subsidiaries or associated companies in force which (i) (including both continuous and fixed-term contracts) had been entered into, or amended within 6 months before the commencement of the Offer Period; (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period:

Name of Director	Title	Commencement date	Term of service	Amount of remuneration (Note 3)
Mr. Wang Guangbo	Executive Director	6 July 2023	3 years (Note 1)	HK\$11,500 per month
Mr. Huang Tianlei	Executive Director	26 September 2023	3 years (Note 1)	HK\$11,500 per month
Mr. Wang Zhi	Non-executive Director	26 February 2024	3 years (Note 1)	HK\$11,500 per month
Mr. Dai Bin	Independent non-executive Director	28 November 2023	3 years (Note 2)	HK\$11,500 per month
Mr. Xu Jianwen	Independent non-executive Director	5 December 2023	3 years (Note 2)	HK\$11,500 per month
Ms. Lan Jia	Independent non-executive Director	26 February 2024	3 years (Note 2)	HK\$11,500 per month

Notes:

- (1) Each of the executive Directors and non-executive Director has entered into a service agreement with the Company for an initial fixed term of three years subject to retirement by rotation and re-election at annual general meeting pursuant to the articles of association of the Company. The appointment of the executive Directors and non-executive Director will continue thereafter until terminated by either party giving not less than three months' prior written notice to the other. No variable remuneration is payable under the service agreements.

- (2) Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial fixed term of three years subject to retirement by rotation and re-election at the annual general meeting pursuant to the articles of association of the Company. The appointment of independent non-executive Directors will continue thereafter until terminated by either party giving not less than three months' prior written notice to the other. No variable remuneration is payable under the letters of appointment.

Set out below are the details of total emoluments of the Directors for the year ended 31 March 2024:

For the year ended 31 March 2024	Directors' fee <i>HK\$'000</i>	Salaries, allowance and other benefits <i>HK\$'000</i>	Bonus <sup>(Note i)</sup> <i>HK\$'000</i>	Retirement benefits scheme contribution <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Executive Directors</b>					
Mr. Wang <i>(Note ii)</i>	104	689	–	40	833
Mr. Huang Tianlei <i>(Note iii)</i>	72	180	–	8	260
<b>Non-executive Director</b>					
Mr. Wang Zhi <i>(Note iv)</i>	11	–	–	–	11
<b>Independent non-executive Directors</b>					
Mr. Dai Bin <i>(Note v)</i>	36	–	–	–	36
Mr. Xu Jianwen <i>(Note vi)</i>	44	–	–	–	44
Ms. Lan Jia <i>(Note vii)</i>	13	–	–	–	13

Notes:

- i. Bonus was determined by reference to their duties and responsibilities of the relevant individual within the Group and the Group's performance.
- ii. Mr. Wang was appointed as executive Director on 6 July 2023 and further appointed as the chairman of the Board on 11 September 2023.
- iii. Mr. Huang Tianlei was appointed as executive Director on 26 September 2023.
- iv. Mr. Wang Zhi was appointed as a non-executive Director on 26 February 2024.
- v. Mr. Dai Bin was appointed as an independent non-executive Director on 28 November 2023.
- vi. Mr. Xu Jianwen was appointed as an independent non-executive Director on 5 December 2023.
- vii. Ms. Lan Jia was appointed as an independent non-executive Director on 26 February 2024.

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any other member of the Group nor were there any other service agreements proposed to be entered into by any of the Directors which would not expire or be determinable by the Group within one year without payment of compensation (other than statutory compensation).

**11. EXPERTS AND CONSENTS**

The following are the name and qualification of the expert who has been engaged by the Company and named in this Composite Document or who has given opinion or advice which is contained in this Composite Document:

<b>Name</b>	<b>Qualifications</b>
Red Sun Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Shareholders in relation to the Offer
Deloitte	Certified Public Accountants, Certified Public Accountants, Registered Public Interest Entity Auditors, Hong Kong, the auditor of the Company

Each of Red Sun Capital and Deloitte has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter and references to its name in the form and context in which it appears.

**12. MISCELLANEOUS**

- (i) The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (ii) The address of the principal place of business of the Company in Room 1701, 17/F BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.
- (iii) The Hong Kong branch share registrar of the Company is Tricor Investor Services Limited, whose address is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iv) The principal business address of Red Sun Capital is Room 310, 3/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong.
- (v) In case of inconsistency, the English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text.

**13. DOCUMENTS ON DISPLAY**

In addition to the documents relating to the Offeror as set out in the paragraph headed “7. Documents on Display” as set out in Appendix VI to this Composite Document, copies of the following documents are available on display (i) on the website of the SFC at [www.sfc.hk](http://www.sfc.hk); and (ii) on the website of the Company at <http://www.microware1985.com> from the date of this Composite Document up to and including the Closing Date:

- (i) the amended and restated memorandum and articles of association of the Company;

- (ii) the 2022 Annual Report, the 2023 Annual Report, the 2024 Annual Report and the 2024 Interim Report;
- (iii) the “Letter from the Board”, the text of which is set out in this Composite Document;
- (iv) the “Letter from the Independent Financial Adviser”, the text of which is set out in this Composite Document;
- (v) the report from Red Sun Capital dated 28 April 2025, the text of which is set out in Appendix III to this Composite Document;
- (vi) the letter on profit estimate from Deloitte dated 28 April 2025, the text of which is set out in Appendix IV to this Composite Document;
- (vii) the service contracts referred to under the section headed “10. Directors’ Service Contracts” in this Appendix V;
- (viii) the written consents referred to under the section headed “11. Experts and Consents” in this Appendix V;
- (ix) the material contract referred to under the section headed “8. Material Contracts” in this Appendix V; and
- (x) this Composite Document and the accompanying Form of Acceptance.

## 1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that, to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors in their capacities as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. DISCLOSURE OF INTERESTS IN THE COMPANY

For the purposes of paragraphs 2 to 3 in this Appendix VI, “interested” and “interests” have the same meaning as ascribed to these terms in Part XV of the SFO.

The Offeror confirms that, as at the Latest Practicable Date, save as disclosed below, none of the Offeror, the sole director of the Offeror, nor any person acting in concert with any of them owned or controlled any Shares, convertible securities, warrants, options or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares:

	<b>As at the Latest Practicable Date</b>	
	<b>Number of Shares</b>	<b>Approximate percentage of shareholding <sup>(Note 6)</sup></b>
<b>The Offeror and the Offeror Concert Parties</b>		
Offeror	42,500,000 <sup>(Note 2)</sup> (L)	14.17%
Mr. Wang	47,000,000 <sup>(Note 3)</sup> (L)	15.66%
Mr. Wang Zhi	1,500,000 <sup>(Note 4)</sup> (L)	0.50%
<b>Sub-total</b>	<b>91,000,000 (L)</b>	<b>30.33%</b>

*Notes:*

- (1) The Letter “L” denotes the person’s long position in the Shares. As at the Latest Practicable Date, the total number of issued Shares of the Company was 300,000,000 Shares.
- (2) These 42,500,000 Shares are held by the Offeror, which is beneficially and wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed, or taken to be, interested in all the Shares held by the Offeror.
- (3) Including the 12,000,000 Awarded Shares granted and vested to Mr. Wang with nil consideration on 3 January 2025 under the Share Award Scheme.

- (4) On 3 January 2025, 1,500,000 Awarded Shares were granted and vested to Mr. Wang Zhi. As at the Latest Practicable Date, Mr. Wang Zhi is a non-executive Director. As the non-executive Director, Mr. Wang Zhi is presumed to be acting in concert with the Offeror under class (6) of the definition of acting in concert under the Takeovers Code as a result of the Offer.

### 3. OTHER INFORMATION

As at the Latest Practicable Date:

- (i) save as disclosed in the section headed “2. Disclosure of Interests in the Company” in this Appendix VI, none of the Offeror or the Offeror Concert Parties owned or had control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (ii) save for the Irrevocable Undertakings provided by the Non-Accepting Shareholders not to accept the Offer, none of the Offeror or the Offeror Concert Parties had received any irrevocable commitment to accept or reject the Offer;
- (iii) save for the Irrevocable Undertakings provided by the Non-Accepting Shareholders not to accept the Offer, there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company between any person and the Offeror or the Offeror Concert Parties;
- (iv) there was no agreement or arrangement to which the Offeror or the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke any condition to the Offer;
- (v) none of the Offeror or the Offeror Concert Parties had entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (vi) there is no understanding, arrangement or agreement which constitutes a special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) the Offeror or any of the Offeror Concert Parties;
- (vii) other than the Offer Price to be paid by the Offeror for each Offer Share, there was no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or the Offeror Concert Parties to the holders of the Offer Shares in connection with the Offer;
- (viii) save for the Irrevocable Undertakings provided by the Non-Accepting Shareholders not to accept the Offer, there was no agreement, arrangement or understanding (including compensation arrangement) which exists between the Offeror or any person acting in concert with it and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (ix) none of the Offeror or the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (x) save as disclosed in the section headed “4. Dealings in Securities” in this Appendix VI, none of the Offeror and the Offeror Concert Parties had dealt in the Shares, options, derivatives, warrants and/or other securities convertible into Shares during the Relevant Period;
- (xi) there was no arrangement whereby any Director would be given any benefit as compensation for loss of office or otherwise in connection with the Offer; and
- (xii) save for the Share Charge, the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Offer to any other persons and had no agreement, arrangement or understanding with any third party to do so.

#### 4. DEALINGS IN SECURITIES

During the Relevant Period,

- (i) save for the 12,000,000 Awarded Shares granted and vested to Mr. Wang and 1,500,000 Awarded Shares granted and vested to Mr. Wang Zhi with nil consideration on 3 January 2025 under the Share Award Scheme, none of the Offeror and the Offeror Concert Parties had dealt in the Shares, options, derivatives, warrants and/or other securities convertible into Shares; and
- (ii) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any person acting in concert with it, had dealt for value in the Shares, options, derivatives, warrants and/or other securities convertible into Shares.

#### 5. EXPERT AND CONSENT

The following is the names and qualifications of the expert who has given opinions or advice which are contained or referred in this Composite Document:

<b>Name</b>	<b>Qualifications</b>
Astrum Capital	a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, being the financial adviser to the Offeror in respect of the Offer and the offer agent to the Offeror

Astrum Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter and references to its name, in the form and context in which they respectively appear.

#### 6. GENERAL

- (a) As at the Latest Practicable Date, the Offeror was directly and wholly owned by Mr. Wang and the sole director of the Offeror is Mr. Wang. The correspondence address of Mr. Wang is Group 5, Fifth Committee, Dongfanghong Street, Wuchang Town, Wuchang City,

Heilongjiang Province, the PRC. The correspondence address of Mr. Wang in Hong Kong is Room 1701, 17/F BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.

- (b) The Offeror is a company incorporated in the British Virgin Islands with limited liability. The registered office of the Offeror is at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. The correspondence address of the Offeror in Hong Kong is Room 1701, 17/F BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.
- (c) The registered office of Astrum Capital is at Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.
- (d) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts in the case of inconsistency.

## **7. DOCUMENTS ON DISPLAY**

In addition to the documents set forth in the paragraph headed “13. Documents on Display” as set out in Appendix V to this Composite Document, copies of the following documents are available on display (i) on the website of the SFC at [www.sfc.hk](http://www.sfc.hk); and (ii) on the website of the Company at <http://www.microware1985.com> from the date of this Composite Document up to and including the Closing Date:

- (i) the memorandum and articles of association of the Offeror;
- (ii) the “Letter from Astrum Capital”, the text of which is set out in this Composite Document;
- (iii) the written consent referred to under the section headed “5. Expert and Consent” in this Appendix VI;
- (iv) Irrevocable Undertakings; and
- (v) this Composite Document and the accompanying Form of Acceptance.