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Microware Group Limited

美高域集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1985)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE RENEWAL OF EXISTING TENANCY AGREEMENTS**

Reference is made to the announcement (the “**Announcement**”) of Microware Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 25 March 2020 in relation to renewal of the Existing Tenancy Agreements. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, on 25 March 2020, Microware HK, an indirect wholly-owned subsidiary of the Company, as tenant entered into (i) the Residential Tenancy Agreement with Mr. Yang and Mrs. Yang as landlords, in respect of the leasing of the Residential Premises and the Car Parking Space for a term of one year commencing on 1 April 2020 and expiring on 31 March 2021; and (ii) the Office Tenancy Agreement with Microware Properties as landlord in respect of the leasing of the Office Premises for a term of one year commencing on 1 April 2020 and expiring on 31 March 2021.

The Board wishes to announce that, although the lease term of each of the Tenancy Agreements is for 12 months only, the renewal of the Tenancy Agreements on 25 March 2020 constitutes a lease modification under HKFRS 16 and therefore the Group, as tenant, shall recognise the leases under the Tenancy Agreements as right-of-use assets and lease liabilities in the consolidated statement of the financial position of the Group. Accordingly, the transactions contemplated under the Tenancy Agreements should be regarded as an acquisition of assets under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules and be classified as connected transactions of the Company instead of continuing connected transactions of the Company under the application of HKFRS 16. The value of right-of-use assets recognised under the Residential

Tenancy Agreement and the Office Tenancy Agreement shall be approximately HK\$1,272,000 and HK\$6,427,080, respectively. Since the highest of the applicable percentage ratios in respect of the value of right-of-use assets under (a) the Tenancy Agreements on an aggregated basis; and (b) the Office Tenancy Agreement on a standalone basis is more than 0.1% but less than 5%, the transactions contemplated under (a) the Tenancy Agreements on an aggregated basis; and (b) the Office Tenancy Agreement on a standalone basis remain subject to reporting, annual review and announcement requirements only but are still exempt from independent Shareholders' approval under Chapter 14A of the Listing Rules.

Save for the information stated above, all the information in the Announcement remains unchanged.

By order of the Board

Microware Group Limited

Chu Ming Ho

Chairman, executive Director and chief executive officer

Hong Kong, 31 March 2020

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chu Ming Ho and Mr. Yang Peter Shun Tsing, one non-executive Director, namely Mr. Wan Yiu Hon and three independent non-executive Directors, namely Mr. Cheng Tak Chung, Ms. Li Wai Man and Mr. Li Richard King Hang.