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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)

**INSIDE INFORMATION
PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDER**



華升證券

CHINA SUNRISE SECURITIES

SOLE PLACING AGENT

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDER

The Board was informed by Mr. Yang, the executive Director and one of the controlling Shareholders (as defined in the Listing Rules) that the Vendors has entered into the Placing Agreement on 18 August 2023 (after trading hours) with the Placing Agent, pursuant to which the Vendors have agreed to appoint the Placing Agent, and the Placing Agent has agreed to act, as the sole placing agent of the Vendors for the purpose of procuring Placee(s) to purchase the Placing Shares at a price not less than the Indicative Placing Price on a best effort basis subject to the terms and conditions set out in the Placing Agreement.

UNDERTAKINGS BY THE PLACING AGENT

Pursuant to the Placing Agreement, the Placing Agent undertakes that it shall use its best endeavours to ensure, among others, that:

- (i) each Placee(s) and its/their ultimate beneficial owner(s) shall not be a chief executive, director, substantial shareholder of the Company or any of its subsidiaries and not a nominee of the foregoing;
- (ii) the Placee(s) and its/their ultimate beneficial owner(s) shall be third part(ies) independent of the Company and its connected person(s);
- (iii) the Placee(s) and its/their ultimate beneficial owner(s) shall be third part(ies) independent of the Vendors and their respective associates;
- (iv) the Placee(s) and its/their ultimate beneficial owner(s) shall not be acting in concert with (as defined under the Takeovers Code) any of the persons referred to in (i) to (iii) above;
- (v) the Placee(s) and its/their ultimate beneficial owner(s) shall not be accustomed to take instructions from any of the persons referred to in (i) to (iii) above in relation to acquisition, disposal, voting or any other disposition of securities of the Company;
- (vi) the purchase of the Placing Shares by the Placee(s) and its/their ultimate beneficial owner(s) shall not be funded or financed or backed, directly or indirectly, by any of the persons referred to in (i) to (iii) above.

PLACING PERIOD

The period of Placing will commence upon the execution of the Placing Agreement and end at 4:00 p.m. on 8 September 2023 (or such longer period as the Vendors and the Placing Agent may agree in writing), unless the Placing Agreement is terminated by the parties thereto pursuant to its terms.

EFFECT ON SHAREHOLDING OF THE COMPANY

As at the date of this announcement, the Placing Shares are beneficially owned by the Vendors. Assuming only 10% of the entire issued share capital of the Company are placed to Placee(s), Mr. Yang and through Microware International Holdings Limited, will hold approximately 44.13% of the entire issued share capital of the Company and will remain as the controlling Shareholder upon completion of the Placing.

Assuming all of the Placing Shares are placed to Placee(s), Mr. Yang and through Microware International Holdings Limited, will not hold any Shares and will cease to be the controlling Shareholder upon completion of the Placing.

The Company does not expect that the Placing will have any adverse effect on the business operations of the Company and its subsidiaries.

Completion of the Placing is subject to the Placing Agreement not being terminated in accordance with the terms thereof and to the satisfaction of conditions under the Placing Agreement. Therefore, the Placing Agreement may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Company”	Microware Group Limited (stock code: 1985), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indicative Placing Price”	HK\$1.29 per Placing Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yang”	Yang Peter Shun Tsing, the executive Director and one of the controlling shareholders of the Company (as defined in the Listing Rules)
“Placee(s)”	any professional, institutional, corporate or other investor(s) procured by the Placing Agent to purchase the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing”	the offer by way of a private placing of the Placing Shares outside the United States to the selected Placee(s) procured by the Placing Agent subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	China Sunrise Securities (International) Limited, a licenced corporation incorporated in Hong Kong to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 18 August 2023 entered into between the Vendors and the Placing Agent in relation to the Placing
“Placing Shares”	the Shares beneficially owned by the Vendors and to be placed by the Placing Agent pursuant to the Placing Agreement, representing approximately not less than 10% and not more than 54.13% of the entire issued share capital of the Company as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning given to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs
“United States”	means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

“Vendors” Microware International Holdings Limited, a company incorporated in the British Virgin Islands which is beneficially and wholly owned by Mr. Yang

“%” per cent

By order of the Board
Microware Group Limited
Chu Ming Ho

Chairman, executive Director and Chief Executive Officer

Hong Kong, 18 August 2023

As at the date of this announcement, the executive Directors are Mr. Chu Ming Ho, Mr. Wang Guangbo, Mr. Yang Peter Shun Tsing, Mr. Au Man Wah and Mr. Cheng Wing Fai; the non-executive Director is Mr. Wan Yiu Hon; and the independent non-executive Directors are Mr. Cheng Tak Chung, Ms. Li Wai Man, Mr. Li Richard King Hang and Mr. Lu Junbo.