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BoardWare

BoardWare Intelligence Technology Limited

博維智慧科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1204)

PROFIT WARNING

This announcement is made by BoardWare Intelligence Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) hereby notifies the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the information currently available (including but not limited to the unaudited consolidated financial information of the Group for the year ended 31 December 2024 (“**FY2024**”)), the Group expects to record a decrease of no more than 90% in the profit before tax for FY2024, as compared to that of approximately HK\$7.4 million for the year ended 31 December 2023.

The expected decrease in the Group’s profit before tax was mainly due to the combined effect of (i) the increase in research and development (“**R&D**”) expenses due to the increasing investment by the Group in the R&D of the technologies of Brain-Computer Interface and Artificial Intelligence; (ii) the increase in administrative expenses resulting from the increase in employee benefit expenses, the increase in legal and professional expenses and the increase in the depreciation of property, plant and equipment; and (iii) the increase in distribution and selling expenses resulting from the increase in salaries payable to the salespersons and commission expenses and the increase in marketing expenses. The effects of the aforesaid factors were partially offset by (i) the increase in gross profit margin resulting from the increase in weight of revenue from higher profit businesses such as Managed service; and (ii) the increase in other income resulting from the increase in government grant received by the Group related to R&D activities.

Although the investment in R&D may exert short-term pressure on profitability, it represents a strategic investment by the Group to maintain its technological competency and drive long-term sustainable development. After these products under development are launched in the market, we believe it will lay a solid foundation for future business growth. The Group will continue to prioritize innovation and technological advancement to ensure it remains at the forefront of a rapidly evolving market, thereby creating enduring value for the Shareholders.

As the Company is still in the process of finalising the annual results of the Group for FY2024, the information contained in this announcement is only based on preliminary assessment by the Board with reference to the unaudited consolidated financial information of the Group for FY2024 and on the information available for the time being. The Group's final results are subject to review by the Board, the audit committee of the Board and the Company's independent auditor. Therefore, the actual financial results of the Group for FY2024 may differ from what is disclosed in this announcement. Further details of the Group's financial results and performances for FY2024 will be disclosed in the Group's annual results announcement which is expected to be announced in late March 2025.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
BoardWare Intelligence Technology Limited
Chao Ka Chon
Chairman and Executive Director

Hong Kong, 21 March 2025

As at the date of this announcement, the Board comprises Mr. Chao Ka Chon, Ms. Chiu Koon Chi, Ms. Lei Sok Han and Mr. Ng Hong Kei as executive Directors; Mr. Li Haodong as non-executive Director; and Mr. Man Wing Pong, Dr. U Seng Pan and Mr. Suen Chi Wai as independent non-executive Directors.