



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

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;

- (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:

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

Notes:

- On 11 March 2025, each of Mr. Chen Jianyong and Mr. Han Shaoye gave their Irrevocable Undertakings.
- 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.
- 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

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;

- (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.

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

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.

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.

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.

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