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MINDTELL TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8611)

PROFIT WARNING

This announcement is made by Mindtell Technology Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Based on the information currently available to the board of directors (the “**Directors**”) of the Company (the “**Board**”) and upon the preliminary review of the latest unaudited consolidated management accounts of the Group, the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record (i) a loss of approximately RM1.5 million for the three months ended 29 February 2020 (the “**2020 First Quarterly Loss**”), as compared to a profit of approximately RM1.9 million for the corresponding period of 2019; and (ii) a decrease in revenue for the three months ended 29 February 2020 (the “**2020 First Quarterly Revenue**”) of approximately 60.8% as compared with that of the corresponding period of 2019.

The expected 2020 First Quarterly Loss and decrease in 2020 First Quarterly Revenue were mainly due to the following reasons:

- (i) the significant decrease in revenue and gross profit from the system integration and development segment due to the completion of several substantial projects and the intense competition to secure new projects;

- (ii) delay of new projects as further consideration had to be made by the customers in secrecy information sectors with regard to the release of Risk management in technology (RMiT) measures by the Central Bank of Malaysia;
- (iii) the outbreak of COVID-19 in the early 2020 hindered the seeking out of potential customers and negotiation of new projects;
- (iv) the increase in sales and marketing expenses as the Group has engaged in more marketing and promotion activities during the period for the purpose of identifying and securing potential customers, negotiating new projects and bidding new tenders; and
- (v) the increase in amortisation of intangible assets.

The information contained in this announcement is only based on the information currently available to the Board, including the preliminary unaudited consolidated management account of the Group, which has not been audited or reviewed by the auditors and the audit committee of the Company.

The Company is still in the process of finalising the Group's financial results for the three months ended 29 February 2020. Shareholders and potential investors of the Company are advised to read carefully the quarterly results announcement of the Company for the three months ended 29 February 2020, which is expected to be published on or around 6 April 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

By Order of the Board
Mindtell Technology Limited
Chong Yee Ping
Chairman

Hong Kong, 3 April 2020

As at the date of this announcement, the executive Directors are Mr. Chong Yee Ping and Mr. Liu Yan Chee James; the non-executive Directors are Mr. Siah Jiin Shyang and Mr. Lam Pang; and the independent non-executive Directors are Mr. Chan San Ping, Ms. Ho Suet Man Stella and Mr. Su Chi Wen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days after the date of publication and on the website of the Company at www.mindtellttech.com.