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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**”), including 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 a decrease in revenue for the year ended 30 November 2019 (the “**2019 Revenue**”) of approximately 59% as compared with that of the corresponding period in 2018. The Group is also expected to record a decrease in profits before listing expenses for the year ended 30 November 2019 (the “**2019 Profit**”) of approximately 93% as compared with that of the corresponding period in 2018.

The expected decrease in 2019 Revenue and 2019 Profit were mainly due to the following reasons:

- (i) the implementation phase of the existing large-scale IT projects of the Group, including Project W (as defined in the prospectus of the Company dated 29 September 2018) have been substantially completed. Up to 30 November 2019, over 85% of the Project W has been completed and thus the revenue contribution of Project W to the total revenue of the Group decreased accordingly in which it only contributed approximately 42% of the total revenue of the Group for the year ended 30 November 2019 as compared with that of approximately 63% of the total revenue of the Group for the year ended 30 November 2018.

The Group is currently going through its business cycle of bidding new projects. During the year ended 30 November 2019, its resources were focused on completing existing engagements on hand and tender bidding processes in order to secure future revenue streams; and

- (ii) the gross profit decreased due to the increasing purchase costs and staff costs of IT specialists during the year.

The information contained in this announcement is only based on the information currently available to the Board, including the preliminary review of the 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 annual results for the year ended 30 November 2019. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the year ended 30 November 2019, which is expected to be published on or around 27 February 2020.

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

On behalf of the Board
Mindtell Technology Limited
Chong Yee Ping
Chairman

Hong Kong, 18 February 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 Company's website at www.mindtelltech.com.