

*This announcement is for information purposes only and does not constitute an offer or an invitation by any person to acquire, purchase or subscribe for securities. Potential investors should read the prospectus dated 29 September 2018 (the “**Prospectus**”) issued by Mindtell Technology Limited (the “**Company**”) for detailed information about the Company and the Share Offer before deciding whether or not to invest in the shares being offered.*

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”). The securities may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.*

Unless defined herein, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

MINDTELL TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8611)

PRICE REDUCTION ANNOUNCEMENT

Reference is made to the Prospectus of Mindtell Technology Limited dated 29 September 2018. This announcement is supplemental to and should be read in conjunction with the Prospectus.

The Company has made a Downward Offer Price Adjustment. Accordingly, the final Offer Price has been set at HK\$0.62 per Offer Share which is approximately 8.82% below the bottom end of the indicative Offer Price range (i.e. HK\$0.68 per Offer Share) (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the final Offer Price of HK\$0.62 per Offer Share, the related changes to the Share Offer are:

- (i) the net proceeds from the Share Offer to be received by the Company is reduced to approximately RM30.5 million (equivalent to approximately HK\$58.6 million). The Company intends to apply the decreased net proceeds on a pro rata basis for the purposes as disclosed in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” in the Prospectus, which are as follows:

- approximately RM3.05 million (equivalent to approximately HK\$5.86 million) (or approximately 10% of the estimated net proceeds to be received by the Company) will be used to strengthen our Group’s technical team by recruiting more IT specialists;
 - approximately RM18.3 million (equivalent to approximately HK\$35.2 million) (or approximately 60% of the estimated net proceeds to be received by the Company) will be used to purchase hardware and equipment for establishment of IT infrastructure for the provision of cloud storage and cloud computing services (the “**Purchase**”);
 - approximately RM6.1 million (equivalent to approximately HK\$11.7 million) (or approximately 20% of the estimated net proceeds to be received by the Company) will be used for research and development of advanced and adapted versions of our Group’s existing IT products;
 - approximately RM3.05 million (equivalent to approximately HK\$5.86 million) (or approximately 10% of the estimated net proceeds to be received by the Company) will be used as general working capital; and
- (ii) the market capitalisation of the Shares will be reduced to approximately HK\$241.8 million (based on 390,000,000 Shares expected to be in issue immediately upon completion of the Share Offer and the Capitalisation Issue).

As disclosed in the section headed “Future Plans and Use of Proceeds — Implementation Plan” in the Prospectus, given the reduced net proceeds from the Share Offer, there will be a shortfall of approximately RM2.0 million (equivalent to approximately HK\$3.8 million) for the Purchase (the “**Shortfall**”). The Purchase is expected not to begin until the period of six months ending 31 May 2019 and is expected to be accomplished by the end of 31 May 2020. The Company is confident that, by the time of the implementation of the Purchase, the Company will have sufficient internal financial resources to satisfy the Shortfall.

Each Director confirms that, taking into account of the final Offer Price, there is no material change of circumstances after the issue of the Prospectus and there is sufficient working capital for our requirements for at least 12 months from the date of the Prospectus under Paragraph 36 of Part A of Appendix 1 to GEM Listing Rules.

Prospective investors of the Offer Shares should note that the Joint Lead Managers shall be entitled to terminate the Public Offer Underwriting Agreement upon the occurrence of any of the events set forth in the section headed “Underwriting — Underwriting arrangements and expenses — Share Offers — Grounds for termination” in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

Assuming the Share Offer becomes unconditional in all respects and the Underwriting Agreements are not terminated in accordance with their respective terms at or before 8:00 a.m. (Hong Kong time) on Monday, 22 October 2018, dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. (Hong Kong time) on Monday, 22 October 2018. The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares is 8611.

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

Hong Kong, 16 October 2018

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

This announcement, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. 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 Company Announcements” page of GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.mindtellttech.com.