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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 (i) a loss of not less than RM11.1 million for the year ended 30 November 2020 (the “**2020 Annual Loss**”), as compared to a profit of approximately RM1.3 million for the corresponding period of 2019; and (ii) a decrease in revenue for the year ended 30 November 2020 (the “**2020 Annual Revenue**”) of approximately 48.5% as compared with that of the corresponding period of 2019.

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

- (i) the outbreak of COVID-19 pandemic in the early 2020 and the implementation of the Movement Control Order by the Government of Malaysia since March 2020 seriously hindered the seeking out of potential customers and negotiation and securing of new projects, and adversely affected the progress of existing projects;

- (ii) the significant decrease in revenue from the system integration and development segment due to the completion of several substantial projects and the intense competition in securing new projects;
- (iii) the decrease in gross profit due to the completion of several substantial projects of system integration and development services and higher costs incurred from the delay of project progress caused by COVID-19 pandemic;
- (iv) the increase in staff costs for IT staff to focus on tendering new projects and for directors and general administrative staff after listing; and
- (v) the increase in amortisation of and the impairment loss on intangible assets.

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 accounts of the Group, which have 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 year ended 30 November 2020. 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 2020, which is expected to be published on or around 25 February 2021.

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, 19 February 2021

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 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.mindtelltech.com.