

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong 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.

MINDTELL TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8611)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

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

THE MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce that on 24 January 2020, the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Ms. Ko Wai Ying Tiffany (the “**Seller**”). Pursuant to the MOU, the Company intends to purchase (or procure its wholly-owned subsidiary (the Company or such wholly-owned subsidiary nominated by the Company as the purchaser being a “**Mindtell Entity**”) to purchase) from the Seller 10,000 existing ordinary shares representing 1.0% of the issued shares (the “**Sale Shares**”) of Sky Regal Holdings Limited (天雄集團有限公司) (the “**Target Company**”, or “**JV Partner**”), a company incorporated in Hong Kong with limited liability (the “**Possible Acquisition**”). The Target Company is a provider of co-working space under the trade name “**WorkTech**” with operations in Hong Kong, Singapore, Taiwan and China. The Possible Acquisition, if materialised, may constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

Principal terms of the MOU

Date: 24 January 2020

Parties: (i) the Company; and
(ii) the Seller

To the best of the Directors' knowledge, information and belief, having made all reasonable inquiries, the Seller and the Target Company and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

Pursuant to the MOU, the Mindtell Entity may purchase the Sale Shares subject to the terms and conditions set out in the legally binding definitive share sale and purchase agreement (the "SPA") reflecting the terms, conditions and covenants relating to the Possible Acquisition.

Consideration

The consideration for the sale and purchase of the Sale Shares shall be US\$1 million to be agreed between the Seller and the Mindtell Entity in the SPA. The Company will settle the payment of consideration of US\$1 million from its internal financial resources.

Sale Shares

The Sale Shares represent a total of 10,000 existing ordinary shares and 1.0% of the issued shares of the Target Company beneficially held by the Seller.

SPA

The rights and obligations of the parties in respect of the Possible Acquisition shall be governed by the SPA to be executed among the Seller, the Mindtell Entity, and a guarantor (if any), on or before 30 April 2020.

Joint Venture in Malaysia

Upon completion of the SPA, the Seller and the Mindtell Entity shall procure that a joint venture company be incorporated in Malaysia (the "**JV Company**") by the Mindtell Entity and the Target Company. The JV Company shall be owned as to 60% by the Mindtell Entity and 40% by the Target Company. The estimated total investment in the JV Company shall be Ringgit 5.0 million (approximately HK\$9.5 million). The Mindtell Entity and the JV Partner (i.e. the Target Company) shall organize, operate and manage the JV Company in accordance with the terms and conditions in a shareholder's agreement (the "**Shareholder's Agreement**") to be entered into between the Mindtell Entity and the JV Partner. The formation of the JV Company, if materialised, may also constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

The Shareholder's Agreement shall expressly stipulate that:

- (a) the primary activity and purpose of the JV Company is to operate co-working/living space and data centers in Malaysia;
- (b) the JV Company shall set up three (3) co-working/living space/data centers in Malaysia on or before 31 December 2021; and
- (c) such other terms and conditions to be agreed upon by the parties.

Non-legally binding

The MOU does not create legally binding obligations on the Seller and the Company. Any legal commitment relating to the Possible Acquisition shall only arise as and when the SPA has been entered into by the Seller and the Mindtell Entity.

Termination

The MOU shall terminate upon execution of the SPA relating to the Possible Acquisition or on 30 April 2020, whichever is the earlier.

GENERAL

The Directors wish to emphasize that only the non-binding MOU has been entered into as at the date of this announcement. The Possible Acquisition may or may not proceed. The Possible Acquisition and the formation of the JV Company, if materialised, may each constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules on the part of the Company. **Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company.** The Company will make further announcement in respect of the Possible Acquisition as and when appropriate in accordance with the GEM Listing Rules.

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

Hong Kong, 24 January 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 of Hong Kong Limited 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 Company Announcements” 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.mindtellech.com.