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MINDTELL TECHNOLOGY LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8611)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 7 January 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscribers pursuant to which the Company has conditionally agreed to issue and allot, and the Subscribers have conditionally agreed to subscribe for, 78,000,000 Subscription Shares at the Subscription Price of HK\$0.052 per Subscription Share.

The Subscription Price was determined after an arm's length negotiation between the Company and the Subscribers after taking into account the prospect of the Group. The Subscription Shares will be issued and allotted under the General Mandate.

The Subscription Shares represent (i) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the enlarged issued share capital of the Company immediately following the Completion, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion.

The net proceeds from the Subscription, after deducting all the relevant expenses, will amount to approximately HK\$4.0 million, which represents the net issue price of approximately HK\$0.052 per Subscription Share. The Company intends to apply the net proceeds as general working capital of the Group, including but not limited to, staff costs and other administrative expenses.

Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

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Principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date: 7 January 2025 (after trading hours)

Parties:

- (1) the Company as issuer;
- (2) Enernix Limited, the Subscriber A;
- (3) Lyu Xingjian, the Subscriber B; and
- (4) Chen Jingjun, the Subscriber C.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers and its ultimate beneficial owner are Independent Third Parties.

Subscription Shares

The Subscription Shares represent:

- (a) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Subscription, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion.

The aggregate nominal value of the Subscription Shares will be HK\$780,000.

Subscription Price

The Subscription Price of HK\$0.052 per Subscription Share represents:

- (a) a discount of approximately 7.1% to the closing price of HK\$0.056 per Share as quoted on the Stock Exchange on 6 January 2025, being the last trading day immediately before the date of the Subscription Agreement; and
- (b) a discount of approximately 7.1% to the average closing price of HK\$0.056 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) were entered into on normal commercial terms after arm's length negotiations and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions of the Subscription

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (a) the listing of the Shares of the Company has not been revoked and the Shares continue to be listed on the Stock Exchange;
- (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (c) the Company has complied with the Listing Rules in all material respects in respect of the Subscription;
- (d) all necessary and relevant approvals and consents in relation to the Subscription having been obtained by the Company and the Subscribers; and

- (e) the representations and warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the date of the Completion.

If any of the conditions precedent under the Subscription Agreement set out above is not fulfilled on or before 30 April 2025 (or such other date as may be agreed between the Company and the Subscriber in writing), all rights and obligations of the parties of the Subscription Agreement shall cease and determine and none of the parties thereto shall have any claim against the others in respect of the Subscription Agreement (save for any antecedent breaches thereof).

Completion

The Completion shall take place on a date falling on the fifth Business Day after the fulfillment of the conditions set out above (or such other date as may be agreed between the Company and the Subscriber in writing). Completion of the Subscription is subject to abovementioned conditions under the paragraph headed “Conditions of the Subscription” and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

GENERAL MANDATE

No Shareholders’ approval is required for the Subscription and the allotment and issue of the Subscription Shares by the Company, as the Subscription Shares will be issued and allotted pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 26 April 2024, under which the Directors may allot and issue up to 78,000,000 Shares (representing 20.0% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately preceding to the entering into of the Subscription Agreement, the Company has not issued any Shares under the General Mandate. The General Mandate is sufficient for the issue and allotment of the Subscription Shares.

APPLICATION FOR LISTING OF THE SUBSCRIPTION SHARES

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Subscription Shares.

INFORMATION ON THE GROUP

The Group is an IT service provider based in Malaysia and principally engaged in the design, procurement, installation and maintenance of customised systems application for corporate customers.

INFORMATION ON THE SUBSCRIBER

Subscriber A is a company incorporated under the laws in British Virgin Islands with limited liability and is primarily engaged in investment related business. Subscriber A is solely beneficially owned by Koh Chie Seng, a business owner and investor in the capital markets of Hong Kong and the PRC.

Subscriber B is a business owner and investor in the capital markets of Hong Kong and the PRC.

Subscriber C is a business owner and investor in the capital markets of Hong Kong and the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Subscribers and its ultimate beneficial owner (i) are Independent Third Parties of the Company and its connected persons; and (ii) are not interested in any shares and/or securities convertible or exchangeable into shares of the Company and/or any of its subsidiaries.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The net proceeds from the Subscription will be HK\$4.0 million. The Company intends to apply the proceeds from the Subscription as general working capital of the Group, including but limited to, staff costs and other administrative expenses.

The Directors are of the view that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 390,000,000 Shares in issue. The following is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there will be no change in the total number of Shares in issue (other than the issue of the Subscription Shares) between the date of this announcement and the date of Completion:

| | As at the date of this announcement | | Immediately after completion of the Subscription | |
|--|--|-------------------------------------|---|-------------------------------------|
| | <i>Number of Shares</i> | <i>Approx.% of shareholding</i> | <i>Number of Shares</i> | <i>Approx.% of shareholding</i> |
| Controlling Shareholder, Substantial Shareholders and Directors | | | | |
| Delicate Edge Limited | 98,280,000 | 25.20% | 98,280,000 | 21.00% |
| King Nordic Limited | 98,280,000 | 25.20% | 98,280,000 | 21.00% |
| Mr. Liu Yan Chee James | 57,720,000 | 14.80% | 57,720,000 | 12.33% |
| Mr. Lam Pang | 38,220,000 | 9.80% | 38,220,000 | 8.17% |
| Subscriber A | – | – | 45,240,000 | 9.67% |
| Subscriber B | – | – | 16,380,000 | 3.50% |
| Subscriber C | – | – | 16,380,000 | 3.50% |
| Other public Shareholders | <u>97,500,000</u> | <u>25.00%</u> | <u>97,500,000</u> | <u>20.83%</u> |
| Total | <u>390,000,000</u> | <u>100.00%</u> | <u>468,000,000</u> | <u>100.00%</u> |

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

GENERAL

Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)” has the meaning ascribed to it under the GEM Listing Rules

“Board” the board of Directors

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| “Business Day(s)” | any day on which the Stock Exchange is open for the business of dealing in securities |
| “Company” | Mindtell Technology Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8611) |
| “Completion” | completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement |
| “connected person(s)” | has the meaning ascribed to it under the GEM Listing Rules |
| “Director(s)” | director(s) of the Company |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “General Mandate” | the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its connected persons |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber A” | Enernix Limited |
| “Subscriber B” | Lyu Xingjian |

| | |
|--------------------------|---|
| “Subscriber C” | Chen Jingjun |
| “Subscription” | the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement |
| “Subscription Agreement” | the subscription agreement dated 7 January 2025 entered into between the Company and the Subscriber in relation to the Subscription |
| “Subscription Price” | HK\$0.052 per Subscription Share |
| “Subscription Shares” | an aggregate of 78,000,000 Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

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

Hong Kong, 7 January 2025

As at the date of this announcement, the executive Director is Mr. Chong Yee Ping; the non-executive Directors are Mr. Siah Jiin Shyang and Mr. Lam Pang; and the independent non-executive Directors are Dato’ Yeong Kok Hee, Mr. Siew Kin Meng and Ms. Lau Meng Hong.

This announcement, for which the Directors 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 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least seven days after the date of publication and on the Company’s website at www.mindtellttech.com.