

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)

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 RM4 million for the six months ended 31 May 2020 (the “**2020 Interim 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 six months ended 31 May 2020 (the “**2020 Interim Revenue**”) of approximately 64.7% as compared with that of the corresponding period of 2019.

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

- (i) the outbreak of COVID-19 pandemic in the early 2020 and the enforcement of the Movement Control Order by the Government of Malaysia effective from 18 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 and gross profit from the system integration and development segment due to the completion of several substantial projects and the intense competition in securing new projects;
- (iii) delay of new projects as further consideration have to be made by those customers in secrecy information sectors in light of the release of the Risk management in technology (RMiT) measures by the Central Bank of Malaysia;
- (iv) the increase in sales and marketing expenses as the Group has engaged in more marketing and promotional activities during the period for the purpose of identifying and securing potential customers, negotiating for new projects and bidding new tenders; and
- (v) the increase in amortisation of 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 six months ended 31 May 2020. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the six months ended 31 May 2020, which is expected to be published on or around 10 July 2020.

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, 6 July 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 website of the Company at www.mindtellech.com.