VIXTEL TECHNOLOGIES HOLDINGS LIMITED
飛思達科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1782)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by Vixtel Technologies Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to the Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the Group's unaudited consolidated management accounts, the Group is expected to record a decline of approximately 50% in its net profit for the year ended 31 December 2019 (the "**Year**") as compared with its net profit for the year ended 31 December 2018. The decrease is mainly attributable to (i) the continuous delay in placing orders for the Group's Application Performance Management products and services by the major customers of the Group, who are telecommunication operators in China, due to major infrastructure of 5G networks commencing from the second half of the Year. While the Group's income in the second half of the Year recovered as compared with that for the first half of the Year, it was still unable to offset the impact of the decrease in income arising from the continuous delay of orders from customers; and (ii) the increase in the research and development expenses during the Year for the development of relevant 5G Application Performance Management products and the related market. The Board believes that such effect is temporary and will not have major impact on the long term performance of the Group.

As the Company is still in the process of finalizing its consolidated results for the Year, the information contained in this announcement is only based on the preliminary assessment by the Board according to the Group's unaudited consolidated management accounts, which have not been reviewed or audited by the independent auditor and the audit committee of the Company. Shareholders and potential investors are advised to read the Group's annual results announcement for the Year, which is expected to be published on or around 27 March 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Vixtel Technologies Holdings Limited
Yue Yong
Chairman

Hong Kong, 31 January 2020

As at the date of this announcement, the executive Directors are Mr. Yue Yong, Mr. Sie Tak Kwan and Mr. Guan Haiqing; the non-executive Director is Mr. Liang Judong; and the independent non-executive Directors are Mr. Cheung Hon Fai, Professor Lam Kin Man and Mr. Shen Qi.