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 60% in its net profit for the six months ended 30 June 2020 (the "**Period**") as compared with its net profit for the six months ended 30 June 2019. The decrease is mainly attributable to (i) a delay in the new orders of the Group and a decrease in its revenue as a result of the delay in work resumption and project acceptance plans of its major customers as affected by the COVID-19 pandemic; (ii) a decrease in government subsidies granted due to a decline in the Company's invoicing amount as a result of a delay in contract settlement by the customers as affected by the COVID-19 pandemic; and (iii) an increase in research and development expenses as a percentage to income during the Period as compared with the same period of last year, which were mainly invested in the development of relevant 5G and cloud network Application Performance Management (APM) products and the related market. The Board believes that the impact of the COVID-19 pandemic is temporary and will not have a material adverse impact on the long-term performance of the Group.

As the Company is still in the process of finalising its consolidated results for the Period, 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 of the Company. Shareholders and potential investors are advised to read the Group's interim results announcement for the Period, which is expected to be published on or around 28 August 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
Guan Haiqing
Chairman

Hong Kong, 31 July 2020

As at the date of this announcement, the executive Directors are Mr. Guan Haiqing, Mr. Sie Tak Kwan and Mr. Yue Yong; 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.