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Contel Technology Company Limited

康特隆科技有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1912)

RESULTS OF THE VALID ACCEPTANCES OF THE RIGHTS SHARES AND NUMBER OF UNSUBSCRIBED RIGHTS SHARES AND NQS UNSOLD RIGHTS SHARES SUBJECT TO THE COMPENSATORY ARRANGEMENTS PURSUANT TO THE RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SHARES AT HK\$0.063 PER RIGHTS SHARE

Reference is made to the prospectus of Contel Technology Company Limited (the “**Company**”) dated 29 November 2022 (the “**Prospectus**”) in relation to, among other things, the Rights Issue of the Company on the basis of two (2) Rights Shares for every five (5) Shares held on the Record Date at the Subscription Price of HK\$0.063 per Rights Share. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as those defined in the Prospectus.

RESULTS OF THE VALID ACCEPTANCES OF THE RIGHTS SHARES

The Board announces that as at 4:00 p.m. on Tuesday, 13 December 2022, being the Latest Time for Acceptance of the Rights Shares, a total of 7 valid acceptances for a total of 237,842,380 Rights Shares (including 213,356,000 Rights Shares subscribed by P. Grand and Kingtech pursuant to the terms of the Irrevocable Undertakings), representing approximately 74.33% of the total number of Rights Shares available for subscription under the Rights Issue, which comprise 24,486,380 Rights Shares validly applied for by the Shareholders (other than P. Grand and Kingtech) and 213,356,000 Rights Shares in total validly applied for by P. Grand and Kingtech. Accordingly, the Rights Issue was undersubscribed by 82,157,620 Rights Shares, representing approximately 25.67% of the total number of Rights Shares available for subscription under the Rights Issue.

As at the Record Date, there were no Non-Qualifying Shareholders and the number of the NQS Unsold Rights Shares was nil.

Based on the above results of valid acceptances, the total number of Unsubscribed Rights Shares under the Compensatory Arrangements shall be 82,157,620 Rights Shares.

THE COMPENSATORY ARRANGEMENTS

The Company has made arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of 82,157,620 Unsubscribed Rights Shares by offering such Unsubscribed Rights Shares to independent places for the benefit of Shareholders to whom they were offered by way of the Rights Issue as. There was no excess application arrangements in relation to the Rights Issue.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares to independent places on a best effort basis. Any premium over, the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised will be paid to the No Action Shareholders on a pro-rata basis. The Placing Agent will procure, on a best effort basis, between Thursday, 15 December 2022 and, in any event by not later than 6:00 p.m., on Wednesday, 21 December 2022, places for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares which remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- (i) where the Nil Paid Rights are, at the time they lapse, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter (unless that person is covered by (iii) below);
- (ii) where the Nil Paid Rights are, at the time they lapse, registered in the name of HKSCC Nominees, to the beneficial holders (via their respective CCASS participants) as the holder of those Nil Paid Rights in CCASS (unless that person is covered by (iii) below); and
- (iii) if the Rights Issue is extended to Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by any Overseas Shareholders, to those Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

An announcement of the results of the Rights Issue (including the results of the placing of the Unsubscribed Rights Shares) is expected to be published on the websites of the Stock Exchange and the Company on Friday, 23 December 2022.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue and the Placing are not satisfied, the Rights Issue and the Placing may not become unconditional and will not proceed. Please refer to the paragraphs headed “Conditions of the Rights Issue” and “Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares” in the “Letter from the Board” section of the Prospectus for details. If the conditions of the Rights Issue and the Placing are not fulfilled on or prior to the Latest Time for Termination (which is currently expected to be 4:00 p.m. on Thursday, 22 December 2022), the Rights Issue and the Placing will not proceed.

Any Shareholder or other persons dealing in the Shares up to the date on which the Rights Issue and the Placing becomes unconditional is advised to exercise caution when dealing in the Shares and is recommended to consult their professional advisers where there is any doubt as to his/her/its position.

As the Rights Issue will proceed on a non-underwritten basis, subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its professional adviser(s).

By order of the Board
Contel Technology Company Limited
Au Ka Man Silkie
Company Secretary

Hong Kong, 14 December 2022

As at the date of this announcement, the Board comprises Mr. Lam Keung, Mr. Qing Haodong and Mr. Mai Lu and Ms. Cheng Yu Pik as executive directors; Mr. Dan Kun Lei, Raymond, Mr. Chan Ngai Fan and Mr. Lai Man Shun as independent non-executive directors.