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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 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**”) and the announcement of the Company dated 14 December 2022 (the “**Announcement**”) 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 RIGHTS ISSUE AND THE COMPENSATORY ARRANGEMENTS

As disclosed in the Announcement, a total of 7 valid acceptances had been received 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 remaining Rights Shares comprise 82,157,620 Unsubscribed Rights Shares, representing approximately 25.67% of the total number of Rights Shares available for subscription under the Rights Issue, had then been subject to placing by the Placing Agent under the Compensatory Arrangements, which took place between Thursday, 15 December 2022 and Wednesday, 21 December 2022.

60,280,000 Unsubscribed Rights Shares (the “**Placing Shares**”), representing approximately 18.84% of the total number of Rights Shares available for subscription under the Rights Issue, have been successfully placed by the Placing Agent to not less than six placees at the placing price of HK\$0.063 per Rights Share, which is the same as the Subscription Price. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owners, is independent of and not a connected person of the Company; and (ii) none of the placees has become a substantial shareholder of the Company (as defined under the Listing Rules) upon completion of the placing of the Placing Shares.

Based on the subscription results of the Rights Issue and the placing results of the Compensatory Arrangements, the Rights Shares to be allotted and issued amounted to 298,122,380 Rights Shares, representing 93.16% of the total number of Rights Shares offered for subscription under the Rights Issue.

THE RIGHTS ISSUE AND THE PLACING BECOMING UNCONDITIONAL

All conditions with respect to the Rights Issue and the Placing set out in the Prospectus have been fulfilled and the Rights Issue and the Placing became unconditional at 4:00 p.m. on Thursday, 22 December 2022.

USE OF PROCEEDS

The net proceeds from the Rights Issue (after deducting the expenses) are approximately HK\$17.9 million.

As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$16.1 million to be utilised to finance payment for the Group's purchases of ICs to support its business; and (ii) approximately HK\$1.8 million to be used as general working capital including, but not limited to, salaries and benefits, rental and utilities, other general and administrative expenses, for the Group in the 12 months following the completion of the Rights Issue.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue are as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of issued Shares</i>	<i>%</i>	<i>Number of issued Shares</i>	<i>%</i>
Controlling shareholders				
P. Grand (<i>Note 1</i>) (<i>Note 3</i>)	473,390,000	59.17	662,746,000	60.35
Kingtech (<i>Note 2</i>) (<i>Note 3</i>)	60,000,000	7.50	84,000,000	7.65
Public Shareholders (including independent placees)	<u>266,610,000</u>	<u>33.33</u>	<u>351,376,380</u>	<u>32.00</u>
Total	<u><u>8,000,000,000</u></u>	<u><u>100.0</u></u>	<u><u>1,098,122,380</u></u>	<u><u>100.0</u></u>

Notes:

- (1) These Shares are held by P. Grand, a company wholly owned and controlled by Mr. Lam as the beneficial owner.
- (2) These Shares are held by Kingtech, a company wholly owned and controlled by which Mrs. Feng Tao (spouse of Mr. Qing an executive Director) as the beneficial owner.
- (3) Pursuant to a confirmatory deed, Mr. Lam, Mr. Qing and Ms. Feng Tao (spouse of Mr. Qing) have acknowledged and confirmed, among other things, that they are acting in concert with each other. Accordingly, each of Mr. Lam, Mr. Qing and Ms. Feng Tao is deemed to be interested in all the Shares in which any of them is interested under the SFO.
- (4) Certain percentage figures included in the above table have been subject to rounding adjustments.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates in respect of valid acceptances of the Rights Shares under the PALs and the Placing Shares are expected to be despatched to those entitled thereto by ordinary post to their respective registered addresses at their own risks on Wednesday, 28 December 2022.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Thursday, 29 December 2022.

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

Hong Kong, 23 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.