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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

德林證券
DL SECURITIES

DL Securities (Hong Kong) Limited

On 22 September 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 219,624,476 Placing Shares at the Placing Price of HK$0.065 per Placing Share to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued under the General Mandate

Assuming there is no change in the number of issued Shares from the date of this announcement to Completion, the maximum number of 219,624,476 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK$0.065 per Placing Share represents (i) a discount of approximately 18.75% to the closing price of HK$0.08 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.75% to the average closing price of approximately HK$0.081 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Placing Agreement.

Assuming all the Placing Shares are fully placed, the gross proceeds and the net proceeds (after deducting the placing commission and other related expenses) from the Placing are estimated to be approximately HK$14.28 million and approximately HK$12.83 million, respectively. The Company intends to apply the net proceeds from the Placing (i) as to not less than HK$10.00 million for repayment of the Group's indebtedness; and (ii) the remaining for general working capital of the Company.

Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

On 22 September 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 219,624,476 Placing Shares at the Placing Price of HK$0.065 per Placing Share to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties.

The principal terms and conditions of the Placing Agreement are set out below.

The Placing Agreement

Date:	22 September 2025	
Parties:	Issuer:	The Company
	Placing Agent:	DL Securities (HK) Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

Pursuant to the Placing Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six Placees, who/which will be professional, institutional or other investors selected and procured by or on behalf of the Placing Agent on a best effort basis.

The Placing Agent will, to the extent practicable and lawful, use its reasonable endeavours to ensure that the Placees (if applicable, together with their respective ultimate beneficial owner(s)) will be third parties independent from, not connected or associated with, and not acting in concert with one another or any of the Directors, chief executive or substantial Shareholders of the Company and any of its subsidiaries and their respective associates.

It is expected that none of the Placees shall become a substantial Shareholder of the Company as a result of the Placing (taking into account other securities held by such Placee(s) at the time of his/her/its subscription of the Placing Shares).

Number of Placing Shares

Assuming there is no change in the number of issued Shares from the date of this announcement to Completion, the maximum number of 219,624,476 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placing Commission

As at the date of this announcement, the Placing Agent is not interested in any Shares. The Placing Agent will charge the Company a placing commission of 3.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The Placing commission payable to the Placing Agent under the Placing Agreement was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and determined with reference to, among other things, the prevailing market rates charged by other placing agents.

Placing Price

The Placing Price of HK$0.065 per Placing Share represents:

(i) a discount of approximately 18.75% to the closing price of HK$0.08 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and

(ii) a discount of approximately 19.75% to the average of the closing price of approximately HK$0.081 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The net issue price per Placing Share (after deduction of the placing commission, professional fees and all related expenses) is approximately HK$0.058, assuming that the Placing is completed in full.

Ranking of Placing Shares

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction or waiver (where permissible) of the following conditions:

(a) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Placing Shares (and such listing and permission not subsequently revoked);

(b) all necessary consents and approvals having been obtained by the Company and the Placing Agent to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement;

(c) the representations, warranties and undertakings of the Company and the Placing Agent under the Placing Agreement being true and correct in all material respects as of the Closing Date as though made on and as of such date except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date; and

(d) each of the parties to the Placing Agreement shall have performed or complied in all material respects with all agreements and covenants required by the Placing Agreement to be performed or complied with by it on or prior to the Closing Date.

The Conditions set out in paragraphs (a) & (b) above cannot be waived by the Company or the Placing Agent. Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the conditions set out above.

Completion of the Placing

Completion of the Placing shall take place on the third (3rd) Business Day following satisfaction or waiver (where permissible) of all the conditions of the Placing or such other time or date as the Company and the Placing Agent shall agree in writing on which Completion shall take place.

Termination of the Placing Agreement

During the period from the date of the Placing Agreement to the Closing Date:

(a) if any of the conditions of the Placing Agreement shall not have been satisfied to the satisfaction of or waived by the Placing Agent and the Company by the Long Stop Date, the Placing Agreement and the respective obligations of the parties hereunder shall cease and terminate immediately at that time (without any further action of any party required);

(b) the Placing Agreement may be terminated by the mutual agreement of the parties thereof in writing;

(c) if there develops, occurs or comes into force any of the following during the period from the date of the Placing Agreement to 8:00 a.m. on the Closing Date:

    (i) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agent has or may be or is likely to have a material adverse effect on the financial position of the Company or any of its subsidiaries as a whole;

    (ii) any event or circumstances in the nature of force majeure (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism, acts of war and acts of God), in each case involving or affecting Hong Kong or any jurisdiction relevant to any member of the Group;

    (iii) a general moratorium on commercial banking activities declared by relevant authorities in Hong Kong or any jurisdiction relevant to any member of the Group or a material disruption in commercial banking or foreign exchange trading or securities settlement or clearance services in any of Hong Kong or any jurisdiction relevant to any member of the Group;

    (iv) any prohibition on the Company for whatever reason from offering, allotting or issuing any of the Placing Shares pursuant to the terms of the Placing Agreement;

(v) any order or petition for the winding up of any member of the Group or any composition or arrangement being made by any member of the Group with its creditors or any scheme of arrangement being entered into by any member of the Group or any resolution for the winding up of any member of the Group being entered into by any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

(vi) any material adverse change (whether or not permanent) in local, national or international financial, political, economic conditions, financial, banking, capital markets, currency exchange rates, credit default swap prices, secondary bond prices, exchange controls, or the occurrence of any event or series of events outside of the Placing Agent's or the Company's control;

(vii) any material adverse change in or affecting any taxation, exchange controls, currency exchange rates or foreign exchange regulations or the implementation of any exchange control in Hong Kong or any jurisdiction relevant to any member of the Group; or

(viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or other similar reasons,

which, in the reasonable opinion of the Placing Agent, is (i) likely to or does prejudice materially (A) the success of the offering and distribution of the Placing Shares or (B) dealings in the Placing Shares in the secondary market, or (ii) make it (A) impractical or (B) inadvisable, to market the Placing Shares, then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving reasonable notice in writing to the Company, and the Company shall not be liable to pay any commission pursuant to the Placing Agreement.

Application for listing

The Company will make an application to Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM pursuant to which up to 219,624,476 Shares were allowed to be issued and allotted.

As at the date of this announcement, no Shares have been issued under the General Mandate. Therefore, the General Mandate is sufficient for the issue and allotment of the Placing Shares and the allotment and issue of the Placing Shares is not subject to further approval of the Shareholders.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in sourcing and sale of integrated circuit products and the provisions of integrated circuit's application solutions and value-added services to suit the needs of the customers. The business focuses on fast-growing and emerging market categories, with an emphasis on providing environmentally-friendly and energy-saving solutions.

The Directors are of the view that it would be desirable for the Group to raise additional cash for satisfying the cash flow needs of the Group including (i) settling the Group's indebtedness; (ii) strengthening the financial position of the Group; and (iii) its general working capital so as to accommodate the operating cash flow needs to support its business operations.

Assuming that all of the Placing Shares are successfully placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK$14.28 million and the net proceeds from the Placing will be approximately HK$12.83 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK$0.058 per Placing Share.

The Company intends to apply the net proceeds from the Placing (i) as to not less than HK$10.00 million for repayment of the Group's indebtedness; and (ii) the remaining for general working capital of the Company.

While the Board has considered other alternative fundraising methods such as debt financing or open offer, the Directors consider that the Placing represents an opportunity to strengthen the Group's financial position and raise additional funding for the business operations of the Group as explained above without any interest burden, at lower costs and in a relatively expeditious manner when compared with other means of fundraising, as well as to enlarge the capital and shareholder base of the Company which may in turn enhance the liquidity of the Shares.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fundraising activities during the past 12 months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement up to Completion, set out below is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing:

Shareholders	**As at the date of this announcement**		**Immediately after Completion**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Substantial Shareholders				
P. Grand (BVI) Ltd. *(Note 1)*	662,746,000	60.35	662,746,000	50.29
Kingtech (BVI) Ltd. *(Note 2)*	84,000,000	7.65	84,000,000	6.37
The Placees	—	—	219,624,476	16.67
Other public shareholders	351,376,380	32.00	351,376,380	26.66
Total	1,098,122,380	100.00	1,317,746,856	100.00

Notes:

1. P. Grand (BVI) Ltd. is 100% owned by Mr. Lam Keung, the Chairman and Executive Director and Chief Executive Officer of the Company. Mr. Lam Keung is therefore deemed to be interested in all the Shares held by P. Grand (BVI) Ltd. under the SFO.

2. Kingtech (BVI) Ltd. is 100% owned by Ms. Feng Tao, who is the spouse of Mr. Qing Haodong. Ms. Feng Tao and Mr. Qing Haodong are deemed to be interested in all the Shares held by Kingtech (BVI) Ltd. under the SFO.

3. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

"acting in concert"	has the same meaning ascribed thereto under the Takeovers Code
"AGM"	the annual general meeting of the Company held on 27 May 2024
"associate(s)"	has the meaning ascribed there under the Listing Rules
"Board"	Means the board of directors of the Company
"Business Day(s)"	any day (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm" warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for general banking business in Hong Kong
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Closing Date"	the third Business Day following satisfaction or waiver (where permissible) of all the conditions precedent to Completion or such other time or date as the Company and the Placing Agent shall agree in writing on which Completion shall take place
"Company"	Contel Technology Company Limited, a limited company incorporated in Cayman Islands, the shares of which are listed on the Stock Exchange (Stock Code: 1912)
"Completion"	the completion of the Placing pursuant to the Placing Agreement which shall take place on the Closing Date
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"General Mandate"	the general mandate granted to the Directors by the Shareholders to allot, issue and deal with additional Shares at the AGM, the details of which are set out in the paragraph headed "General Mandate" of this announcement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and any of its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Long Stop Date"	8 October 2025 or such later date as may be agreed between the Company and the Placing Agent
"Placee(s)"	any professional, institutional, corporate or other investor(s) selected and procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares subject to the terms and conditions set out in the Placing Agreement
"Placing"	the placing, on a best effort basis, of up to an aggregate of 219,624,476 Placing Shares pursuant to the terms of the Placing Agreement
"Placing Agent"	DL Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement
"Placing Agreement"	The conditional placing agreement dated 22 September 2025 entered into between the Company and the Placing Agent in relation to the Placing

"Placing Price"	HK$0.065 per Placing Share
"Placing Share(s)"	up to an aggregate of 219,624,476 new Shares to be placed pursuant to the Placing Agreement
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) from time to time in force
"Shares"	the ordinary shares of HK$0.01 each in the capital of the Company
"Shareholder(s)"	the holder(s) of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"%"	per cent

By order of the Board
Contel Technology Company Limited
Lam Keung
Chairman

Hong Kong, 22 September 2025

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