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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF 100% EQUITY INTEREST IN THE TARGET COMPANIES

THE DISPOSAL

The Company is pleased to announce that on 26 September 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company and the Purchaser entered into the Equity Transfer Contract pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Interests, representing the 100% equity interest in the Target Companies, at the Consideration of RMB100,000, subject to the terms and conditions of the Equity Transfer Contract.

Upon Closing, the Target Companies will cease to be indirect wholly-owned subsidiaries of the Company and the financial results of the Target Companies will no longer be consolidated into the accounts of the Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is under 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Disposal is subject to the conditions set out in the Equity Transfer Contract and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.

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The Equity Transfer Contract

Set out below are the principal terms of the Equity Transfer Contract:

Date 26 September 2025

Parties (i) the Vendor (as vendor); and

 (ii) the Purchaser (as purchaser)

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Subject matter

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Interests, representing the 100% equity interest in the Target Companies, at the Consideration of RMB100,000, subject to the terms and conditions of the Equity Transfer Contract.

Consideration

The Consideration, being the sum of RMB100,000, shall be paid by the Purchaser in cash within five Business Days upon the satisfaction of the payment conditions as set out in the Equity Transfer Contract, namely (i) the Equity Transfer Contract having taken effect; and (ii) all necessary board and shareholders approvals required to be obtained on the part of the Target Companies in respect of the Equity Transfer Contract and the transactions contemplated thereunder having been obtained and the original of such approvals having been provided to the Purchaser.

Conditions

The Equity Transfer Contract is unconditional

Closing

Closing shall take place within ten Business Days after the Purchaser has fully paid the Consideration.

Receivables sharing

The Target Companies had aggregated trade receivables of approximately RMB12,153,000 as at 30 June 2025 (the “**Receivables**”). Any Receivables successfully collected by the Purchaser subsequent to Closing shall be shared among the Purchaser and Vendor in the percentage ratio of 70% and 30% respectively.

Basis for determination of the Consideration

The Consideration was arrived after arm’s length negotiation between the Vendor and the Purchaser with reference to, among other things, (i) the financial results of the Target Companies for the year ended 31 December 2023 and the fifteen months ended 31 March 2025; (ii) the net asset or liability (as the case may be) value of the Target Companies as at 31 March 2025; and (iii) the reasons and benefits of the Disposal as discussed in the section headed “The reasons for and the benefits of the Disposal” in this announcement.

INFORMATION OF THE TARGET COMPANIES

The Target Companies are both companies established under the laws of the PRC. The Target Companies are principally engaged in the sales of integrated circuits (ICs) products and electronic components in the PRC.

Set out below is a summary of the unaudited financial information of the Target Companies for the year ended 31 December 2023 and the fifteen months ended 31 March 2025:-

The Target Company A

	For the year ended 31 December 2023 <i>RMB'000</i> (<i>approx.</i>)	For the fifteen months ended 31 March 2025 <i>RMB'000</i> (<i>approx.</i>)
Revenue	73,140	44,563
Net (loss) before taxation	(13,926)	(21,829)
Net (loss) after taxation	(14,918)	(21,831)

The unaudited net liability value of Target Company A as at 31 March 2025 was approximately RMB25,917,000.

The Target Company B

	For the year ended 31 December 2023 <i>RMB'000</i> (<i>approx.</i>)	For the fifteen months ended 31 March 2025 <i>RMB'000</i> (<i>approx.</i>)
Revenue	15,520	11,775
Net profit/(loss) before taxation	(1,621)	(6,535)
Net profit/(loss) after taxation	(1,650)	(6,560)

The unaudited net asset value of Target Company B as at 31 March 2025 was approximately RMB8,349,000.

FINANCIAL EFFECTS OF THE DISPOSAL AND THE USE OF PROCEEDS

The aggregate of unaudited net liability value of the Target Companies as at 31 March 2025 was approximately RMB5.6 billion. The Group is expected to record a gain on the Disposal of approximately RMB5.7 billion, which is calculated based on the Consideration to be received by the Group for the Disposal add the aggregated unaudited net liability value of the Target Companies as at 31 March 2025, before any related expenses.

The Disposal is not expected to generate positive net proceeds (after deducting expenses in relation to the Disposal).

The above figures are for illustrative purposes only. The actual financial effect in connection with the Disposal is subject to the audit by the auditor of the Company.

Upon Closing, the Target Companies will cease to be indirect wholly-owned subsidiaries of the Company and the financial results of the Target Companies will no longer be consolidated into the accounts of the Group.

INFORMATION OF THE PARTIES TO THE EQUITY TRANSFER CONTRACT

The Vendor

The Vendor is a company established under the laws of the PRC, an indirect wholly-owned subsidiary of the Company and is principally engaged in the sales of ICs Products and electronic components in the PRC.

The Purchaser

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the provision of customized reference designs and the sale of ICs products and other electronic components in Hong Kong and the PRC.

As disclosed in the section headed “*Information of the Target Companies*”, the Target Companies have been in loss-making position over the year ended 31 December 2023 and the fifteen months ended 31 March 2025 due to the weakening demand in the consumer market, and hence, the reduce in orders from the Group’s chip suppliers in the PRC. The Company expects the downward cycle in the Target Company’s sale of ICs products business in the PRC to continue in the foreseeable future and is therefore of the view that the continuing operation of the Target Companies will not be viable. Taking into consideration that the Target Companies have not been generating profits and that one of the Target Companies is in net liability position, the Company considers that the Disposal would enable the Group to offload underperforming subsidiaries and liabilities of the Group, relieve the Group from incurring additional costs in the Target Companies’ businesses so as to allow the Group to better utilize its resources for the other businesses of the Group or to explore new development opportunities in the semiconductor industry such as chips with application in the high-power renewable energy, energy storage, industrial automation and artificial intelligence segments.

In view of the aforesaid and taking into account the terms of the Equity Transfer Contract were arrived at after arm’s length negotiations, the Directors consider that the terms of the Equity Transfer Contract and the Disposal contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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Shareholders and potential investors should note that the Disposal is subject to the conditions set out in the Equity Transfer Contract and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms and expression in this announcement have the following meanings:

“Board”	the board of Directors of the Company
“Closing”	the closing of the Disposal
“Closing Date”	the date of Closing
“Company”	Contel Technology Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange (stock code: 1912)
“connected persons”	has the meaning ascribed to it in the Listing Rules and “connected” shall be construed accordingly
“Consideration”	the sum of RMB100,000, being the consideration payable by the Purchaser to the Vendor for the Sale Interests
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Interests by the Vendor to the Purchaser pursuant and subject to the terms and conditions of the Equity Transfer Contract
“Equity Transfer Contract”	the equity transfer Contract dated 26 September 2025 entered into between the Vendor and the Purchaser in relation to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and connected person(s) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Huang Jian (黃健), an Independent Third Party
“RMB”	Renminbi, the lawful currency of PRC
“Sale Interests”	collectively, Sale Interest A and Sale Interest B, representing 100% equity interest in the Target Companies
“Sale Interest A”	register capital in the amount of RMB2,000,000, representing 100% equity interest in Target Company A
“Sale Interest B”	register capital in the amount of RMB6,000,000, representing 100% equity interest in Target Company B
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	collectively, Target Company A and Target Company B
“Target Company A”	Shanghai IH Microelectronics Technology Co., Ltd.* (上海英浩微電子技術有限公司), a company established under the laws of the PRC, a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of the Company
“Target Company B”	Chengdu Flyring Electronics Co., Ltd.* (成都飛環電子有限公司), a company established under the laws of the PRC, a direct wholly-owned subsidiary of the Vendor and an indirect wholly-owned subsidiary of the Company

“Vendor”

Shenzhen IH Technology Co., Ltd.* (深圳市英浩控制技術有限公司), a company established under the laws of the PRC, an indirect wholly-owned subsidiary of the Company

“%”

per cent.

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

Hong Kong, 26 September 2025

The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

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