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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)

PROPOSED SHARE CONSOLIDATION

Financial Advisor



DL Securities (HK) Limited

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares with par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share with par value of HK\$0.1 each.

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders at the EGM. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolution(s) proposed to consider and approve the Share Consolidation at the EGM.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

A circular containing, among other things, details of the Share Consolidation, together with a notice of the EGM, is expected to be despatched to the Shareholders on or before Tuesday, 28 October 2025.

Shareholders and potential investors should note that the Share Consolidation is conditional upon the satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares with par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share with par value of HK\$0.1 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the above conditions had been fulfilled.

Subject to the fulfillment of all the above conditions, the Share Consolidation is expected to become effective on Friday, 21 November 2025.

Effects of the Share Consolidation

As at the date of this announcement, there are 1,098,122,380 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 1,098,122,380 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Share Consolidation becoming effective, and assuming that no further Existing Shares (save and except the Placing Shares) will be issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$20,000,000 divided into 200,000,000 Consolidated Shares with par value of HK\$0.1 each, of which 109,812,238 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Company's articles of association.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the shareholdings, proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares (if any) will not be allocated to the Shareholders who may otherwise be entitled. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Reference is made to the Placing Announcement in relation to the Placing. As disclosed in the Placing Announcement, the latest closing date of the Placing will be 13 October 2025, which is the third Business Days from 8 October 2025, being the long stop date for the conditions of the Placing to be fulfilled or waived (where permissible); while the effective date of the Share Consolidation, if proceeded, is expected to be on Friday, 21 November 2025 as detailed in the section headed "Expected Timetable" in this announcement. As such, the Share Consolidation will become effective after the completion of the Placing, and accordingly any Existing Shares be issued pursuant to the Placing will be subject to the Share Consolidation.

Listing application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

Subject to the granting of approval for the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Board lot size

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 5,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.098 per Existing Share (equivalent to the theoretical closing price of HK\$0.98 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each board lot of 5,000 Existing Shares is HK\$490; and (ii) the value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had already been effective, will be HK\$4,900.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots of the Consolidated Shares (if any) arising from the Share Consolidation, the Company will appoint a designated broker to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Shareholders holding odd lots of the Consolidated Shares (if any) should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 21 November 2025, the Shareholders may during the period from Friday, 21 November 2025 to Wednesday, 31 December 2025 (both days inclusive) submit existing share certificates in the colour of yellow for the Existing Shares to the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for exchange for new share certificates in the colour of light blue for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Monday, 29 December 2025, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

REASONS FOR THE SHARE CONSOLIDATION

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024 has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The Existing Shares have been trading below HK\$0.10 and the board lot value of the Existing Shares has been traded below HK\$2,000. Based on the closing price of HK\$0.098 per Existing Shares as quoted on the Stock Exchange as at the date of this announcement, with a board lot size of 5,000 Existing Shares, and the existing board lot value was only HK\$490, which was less than HK\$2,000. Upon the Share Consolidation becoming effective, based on the closing price of HK\$0.098 per Existing Share, the share price of the Company would be adjusted to HK\$0.98 per Consolidated Share. With a board lot size of 5,000, the estimated theoretical value of each new board lot would be HK\$4,900. The Share Consolidation would thus enable the Company to comply with the trading requirements under the Listing Rules.

The Board considers that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. In addition, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. In view of the above reasons, the Board considers that the Share Consolidation is justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

The Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in a change in the relative rights of the Shareholders.

When considering the Share Consolidation, the Board has taken into account the business plan of the Company for the next twelve months. As at the date of this announcement, save for the Placing, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fundraising activities in the next twelve months. However, the Board will not rule out the possibility that the Company will conduct debt and/or equity fund raising exercises and/or other corporate actions when suitable fund raising opportunities arise for future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

In light of the above reasons, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, the Company has no outstanding derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is set out below:

2025

Despatch date of circular with notice of the EGM Tuesday, 28 October

Latest date and time for lodging transfer documents
in order to qualify for attending and voting at the EGM 4:30 p.m. on
Thursday, 13 November

Closure of register of members for the entitlement to attend
and vote at the EGM Friday, 14 November to
Wednesday, 19 November
(both days inclusive)

Latest date and time for lodging forms of
proxy for the EGM 3:00 p.m. on
Monday, 17 November

Expected date and time of the EGM 3:00 p.m. on
Wednesday, 19 November

Announcement of voting results of the EGM Wednesday, 19 November

The following events are conditional upon the fulfillment of conditions for the implementation of the Share Consolidation as set out in this announcement. Subject to the above, the following timetable, including but not limited to, the effective date of the Share Consolidation, will remain unchanged even if that day is a severe weather trading day

Effective date of the Share Consolidation Friday, 21 November

First day for free exchange of existing share certificates
for new share certificates for the Consolidated Shares Friday, 21 November

Dealings in Consolidated Shares commence 9:00 a.m. on
Friday, 21 November

Original counter for trading in the Existing Shares
in board lots of 5,000 Existing Shares
(in the form of existing share certificates
in yellow colour) temporarily closes 9:00 a.m. on
Friday, 21 November

Temporary counter for trading in the Consolidated Shares
in board lots of 500 Consolidated Shares
(in the form of existing share certificates in yellow colour) opens 9:00 a.m. on
Friday, 21 November

Original counter for trading in the Consolidated Shares
in board lots of 5,000 Consolidated Shares
(in the form of new share certificates
in light blue colour) re-opens 9:00 a.m. on
Friday, 5 December

Parallel trading in the Consolidated Shares
(in form of new share certificates in light blue colour
and existing share certificates in yellow colour) commences 9:00 a.m. on
Friday, 5 December

Designated broker starts to stand in the market to
provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on
Friday, 5 December

Designated broker ceases to stand in the market to
provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on
Monday, 29 December

Temporary counter for trading in the Consolidated Shares
in board lots of 500 Consolidated Shares
(in the form of existing share certificates
in yellow colour) closes 4:10 p.m. on
Monday, 29 December

Parallel trading in the Consolidated Shares
(in form of new share certificates in light blue colour
and existing share certificates in yellow colour) ends 4:10 p.m. on
Monday, 29 December

Last day for free exchange of existing share certificates
for new share certificates for the Consolidated Shares Wednesday, 31 December

The expected timetable set out above is indicative only and may be subject to change. All times and dates in this announcement refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

A circular containing, among other things, details of the Share Consolidation, together with the notice of the EGM, is expected to be despatched to the Shareholders on or before Tuesday, 28 October 2025. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolution(s) proposed to consider and approve the Share Consolidation at the EGM.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors
“business day(s)”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“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)
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company before the Share Consolidation becomes effective
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placing”	the placing, on a best effort basis, of up to 219,624,476 new Existing Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and DL Securities (HK) Limited dated 22 September 2025 in relation to the Placing
“Placing Announcement”	the announcement of Company dated 22 September 2025 in relation to the Placing
“Registrar”	the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 30 September 2025

As at the date of this announcement, the Board comprises Mr. Lam Keung 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.