THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Contel Technology Company Limited**, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

ZHUANGYAN INVESTMENT INTERNATIONAL LIMITED
(Incorporated in the British Virgin Islands with limited liability)

Contel Technology Company Limited
康特隆科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1912)

COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF ZHUANGYAN INVESTMENT INTERNATIONAL LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF CONTEL TECHNOLOGY COMPANY LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT)

Joint financial advisers to the Offeror

DL Securities (HK) Limited

Alpha Financial Group Limited

Financial adviser to the company

Grand Moore Capital Limited

Independent Financial Adviser to the Independent Board Committee

Ignite Capital

Capitalised terms used in this cover page shall have the same meanings as those defined in this Composite Document.

A letter from DL Securities containing, among other things, principal terms of the Offer is set out on pages 12 to 27 of this Composite Document. A letter from the Board is set out on pages 28 to 34 of this Composite Document.

A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 35 to 36 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 37 to 63 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Form of Acceptance should be received by the Registrar, namely Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on Friday, 11 September 2026 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive and in accordance with the Takeovers Code).

This Composite Document is issued jointly by the Offeror and the Company. This Composite Document will remain on the website of the Stock Exchange at http://www.hkexnews.hk and on the website of the Company at http://www.conteltechnology.com for as long as the Offer remains open.

21 August 2026

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all references to time and dates in this Composite Document and the Form of Acceptance refer to Hong Kong local time and dates.

Event	**Time & Date 2026**
Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer *(Note 1)*	Friday, 21 August
Latest time and date for acceptance of the Offer *(Notes 2, 3 and 5)*	by 4:00 p.m. on Friday, 11 September
Closing Date *(Notes 3 and 5)*	Friday, 11 September
Announcement of the results of the Offer on the website of the Stock Exchange *(Note 3 and 5)*	no later than.7:00 p.m. on Friday, 11 September
Latest date for posting of remittances in respect of valid acceptances received under the Offer *(Notes 4 and 5)*	Tuesday, 22 September

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the section headed "6. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

2. Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in the section headed "1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER" in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

3. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on the Closing Date unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued jointly by the Offeror and the Company through the website of the Stock Exchange no later than 7:00 p.m. on Friday, 11 September 2026 stating whether the Offer has been

revised, extended or expired. In the event that the Offeror decides to revise or extend the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days after the date of the revised offer document(s) and shall not close earlier than the Closing Date.

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) business days (as defined in the Takeovers Code) after the date of receipt by the Registrar of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.

5. If there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal" or "extreme conditions" as announced by the Hong Kong Government:

   (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will remain on the same Business Day; or

   (b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will be rescheduled to the following Business Day which does not have any of those warnings or condition in force in Hong Kong at any local time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

NOTICE TO THE OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. The Overseas Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek independent legal advice in respect of the Offer.

It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Independent Shareholders in respect of the acceptance of the Offer in such jurisdictions.

Any acceptance by the Overseas Independent Shareholders will be deemed to constitute a representation and warranty from such Overseas Independent Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be lawful, valid and binding in accordance with all applicable laws. Such Overseas Independent Shareholders should consult their respective professional advisers if in doubt.

The Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders for any taxes or duties as such persons may be required to pay. Please see the sections headed "Availability of the Offer" in the "Letter from DL Securities" and "7. OVERSEAS INDEPENDENT SHAREHOLDERS" in Appendix I to this Composite Document for further details.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meaning:

"acting in concert"	has the meaning ascribed to it under the Takeovers Code and "concert parties" shall be construed accordingly
"Alpha Financial"	Alpha Financial Group Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in respect of the Offer
"associate(s)"	has the meanings ascribed to it under the Takeovers Code
"Board"	the board of Directors
"Business Day(s)"	a day on which the Stock Exchange is open for the transaction of business
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Internet System"	the online service provided by CCASS through which participants can, amongst other things, operate their accounts, give instructions and make enquiries over the internet
"CCASS Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirement relating to the operations and functions of CCASS, as from time to time in force
"CCASS Phone System"	the telephone service provided by CCASS through which participants can, amongst other things, give instructions and make enquiries by using a touch-tone phone

"Closing Date"	Friday, 11 September 2026, being the closing date of the Offer, which is 21 days after the date of this Composite Document, or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
"Company"	Contel Technology Company Limited (stock code: 1912), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Composite Document"	this composite offer and response document jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the Form of Acceptance) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
"Conditions Precedent"	the conditions precedent under the Subscription Agreement
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"DL Securities"	DL Securities (HK) Limited, a corporation licensed by the SFC 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 one of the joint financial advisers to the Offeror in respect of the Offer

"Encumbrances"	(i) any mortgage, charge, pledge, lien, hypothecation, encumbrances or other security arrangement of any kind; (ii) any option, equity, claim, adverse interest or other third party right of any kind; (iii) any arrangement by which any right is subordinated to any right of such third party; or (iv) any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
"Form of Acceptance"	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
"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
"Grand Moore" or "Placing Agent"	Grand Moore Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in respect of the Subscription, the Placing and the Offer and the placing agent in respect of the Placing
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees Limited"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Dan Kun Lei, Raymond, Mr. Chan Kwok Kuen Kenneth and Mr. Lai Man Shun, established for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer
"Independent Financial Adviser"	Ignite Capital (Asia Pacific) Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee in respect of the Offer, and make a recommendation as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer
"Independent Shareholders"	the Shareholders other than the Offeror, its ultimate beneficial owner and parties acting in concert with any of them
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) (if applicable) who are third parties independent of (i) the Company and its connected persons, and (ii) the Subscriber, its ultimate beneficial owner and parties acting in concert with any of them
"Last Trading Day"	4 May 2026, being the last trading day for the Shares prior to the issue and publication of Rule 3.5 Announcement
"Latest Practicable Date"	19 August 2026, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Mr. Lam"	Mr. Lam Keung, Chairman, the Chief Executive Officer of the Company, executive Director and a controlling Shareholder
"Mr. Zhuang"	Mr. Zhuang Hezhong, the sole legal and beneficial shareholder and the sole director of the Subscriber/the Offeror
"Offer"	the unconditional mandatory cash offer being made by DL Securities for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
"Offer Period"	the period commencing on 8 June 2026, being the date of the Rule 3.5 Announcement, and ending on the Closing Date
"Offer Price"	the price at which the Offer is made, being HK$0.365 per Offer Share
"Offer Shares"	all of the Share(s) in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
"Offeror" or "Subscriber"	Zhuangyan Investment International Limited, a company incorporated in the British Virgin Islands with limited liability, the beneficial owner of which is Mr. Zhuang
"Overseas Independent Shareholder(s)"	the Independent Shareholder(s) whose addresses as shown on the register of members of the Company are outside Hong Kong
"Placing"	the placing of 58,205,000 new Shares at the Placing Price on a best effort basis subject to the terms and conditions of the Placing Agreement

"Placing Agreement"	a placing agreement dated 8 June 2026 entered into between the Company and Grand Moore in relation to the Placing
"Placing Completion"	completion of the Placing pursuant to the Placing Agreement
"Placing Price"	HK$0.365 per Placing Share
"Placing Share(s)"	58,205,000 new Shares to be placed pursuant to the Placing Agreement
"PRC"	the People's Republic of China, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Registrar"	Boardroom Share Registrars (HK) Limited, being the Hong Kong branch share registrar of the Company and the receiving agent for receiving and processing the acceptance of the Offer, located at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong
"Relevant Period"	the period commencing from 8 December 2025, being the date falling six months preceding the commencement date of the Offer Period, up to and including the Latest Practicable Date
"Rule 3.5 Announcement"	a joint announcement dated 8 June 2026 issued by the Offeror and the Company in respect of, among other things, the Subscription, the Placing and the Offer
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Shareholder(s)"	holder(s) of the Shares from time to time

"Share(s)"	ordinary share(s) of HK$0.1 each in the issued share capital of the Company
"Share Option Scheme"	the share option scheme adopted by the Company on 21 June 2019
"Significant Public Float Shortfall"	has the meaning ascribed thereto under Rule 13.32F of the Listing Rules
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 5 May 2026 entered into between the Company and the Subscriber for the subscription of the Subscription Shares, as amended and supplemented by a supplemental deed dated 8 June 2026
"Subscription Completion"	completion of the Subscription pursuant to the Subscription Agreement
"Subscription Price"	the issue price of HK$0.365 per Subscription Share for the Subscription under the Subscription Agreement
"Subscription Share(s)"	an aggregate of 271,230,595 new Shares subscribed by the Offeror pursuant to the Subscription Agreement, and each a Subscription Share
"Takeovers Code"	The Code on Takeovers and Mergers issued by the SFC
"US$"	United States dollar(s), the lawful currency of the United States
"%"	per cent.

德林證券
DL SECURITIES

21/F, DL Tower
92 Wellington Street
Central, Hong Kong

21 August 2026

To the Independent Shareholders,

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HK) LIMITED
FOR AND ON BEHALF OF
ZHUANGYAN INVESTMENT INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
OF CONTEL TECHNOLOGY COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

References are made to (i) the Rule 3.5 Announcement dated 8 June 2026 in relation to, among other things, the Subscription, the Placing and the Offer; (ii) the joint announcements dated 29 June 2026, 3 July 2026 and 5 August 2026 issued by the Company and the Offeror in relation to the delay in despatch of this Composite Document; and (iii) the joint announcement dated 29 July 2026 issued by the Offeror and the Company in relation to, among other things, the Subscription Completion and the Placing Completion.

The Subscription and the Placing

On 5 May 2026 (before trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 271,230,595 Subscription Shares at the Subscription Price of HK$0.365 per Subscription Share.

On 8 June 2026, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to procure on a best effort basis not less than six placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties to subscribe 58,205,000 Placing Shares at the Placing Price of HK$0.365 per Placing Share.

The Subscription Completion and the Placing Completion took place simultaneously on 29 July 2026. Immediately upon the Subscription Completion and the Placing Completion and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them are interested in 271,230,595 Shares, representing approximately 58.81% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon the Subscription Completion, the Offeror is required to make an unconditional mandatory cash offer to acquire all of the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). DL Securities is making the Offer for and on behalf of the Offeror and in compliance with the Takeovers Code.

This letter forms part of this Composite Document and sets out, among other things, details of the terms of the Offer, the information of the Offeror and the intention of the Offeror in relation to the Group. Further details of the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders are strongly advised to consider carefully the information contained in "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" as set out in this Composite Document, the appendices as set out in this Composite Document and the Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

THE OFFER

DL Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share .... HK$0.365 in cash

The Offer Price of HK$0.365 per Offer Share is equal to the price per Subscription Share paid by the Offeror under the Subscription Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

The Offer is unconditional in all respects.

As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the 461,209,833 Shares in issue.

The Company confirms that, as at the Latest Practicable Date, (i) it has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing, lapse, withdrawal or termination of the Offer (whichever is earlier).

Comparison of value

The Offer Price of HK$0.365 per Offer Share represents:

(a) a discount of approximately 74.83% to the closing price of HK$$1.45 per Share as quoted on the Stock Exchange on 19 August 2026, being the Latest Practicable Date;

(b) a discount of approximately 34.82% to the closing price of HK$0.56 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 22.83% to the average closing price of HK$0.473 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(d) a discount of approximately 16.09% to the average closing price of approximately HK$0.435 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(e) a discount of approximately 6.17% to the average closing price of approximately HK$0.389 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day;

(f) a premium of approximately 17.36% over the unaudited consolidated net asset value attributable to the Company of approximately US$0.040 (equivalent to approximately HK$0.311) per Share (based on the number of issued Shares as at the date of Rule 3.5 Announcement, being 131,774,238 Shares) as at 30 September 2025 calculated based on the information as set out in the Company's interim report for the six months ended 30 September 2025; and

(g) a premium of approximately HK$0.487 over the audited consolidated net liabilities value attributable to owners of the Company of approximately US$0.016 (equivalent to approximately HK$0.122) per Share (based on the number of issued Shares as at the date of the Rule 3.5 Announcement, being 131,774,238 Shares) as at 31 March 2026 calculated based on the information as set out in the Company's annual report for the year ended 31 March 2026.

Highest and lowest closing prices of Shares

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK$2.16 per Share on 11 June 2026 and the lowest closing price of the Shares quoted on the Stock Exchange was HK$0.355 per Share on 19 March 2026, 10 April 2026, 13 April 2026 and 14 April 2026.

Value of the Offer

Based on the 461,209,833 Shares in issue as at the Latest Practicable Date and excluding the 271,230,595 Shares held by the Offeror, its ultimate beneficial owner and parties acting in concert with any of them immediately after the Closing, a total of 189,979,238 Shares will be subject to the Offer. Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the close of the Offer, the consideration of the Offer is valued at HK$69,342,421.87 based on the Offer Price of HK$0.365 per Offer Share and the basis of full acceptance of the Offer.

Confirmation of financial resources

The Offeror intends to finance and satisfy the maximum consideration payable under the Offer by the funds provided by its sole legal and beneficial shareholder Mr. Zhuang. Mr. Zhuang owns and operates different companies which are principally engaged in the import and export trade, as well as the wholesale and retail, of consumer electronics integrated circuit components and semiconductor modules, mainly in the PRC and other Asia-Pacific countries for over 10 years. The funds for the Subscription and the Offer are derived from the wealth accumulated over the years through the business operations of Mr. Zhuang's companies.

Each of DL Securities and Alpha Financial, being a joint financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are and will remain available to the Offeror to satisfy the maximum payment obligations upon full acceptance of the Offer.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all Encumbrances and with all rights and benefits at any time accruing and attached thereto, including but not limited to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made, that is, the date of posting of the Composite Document. The Company confirms that, as at the Latest Practicable Date, (i) it has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing, lapse, withdrawal or termination of the Offer (whichever is earlier).

The Offer is unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares or any other conditions. Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as otherwise permitted under the Takeovers Code, details of which are set out in the section headed "6. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

Payment

Payment in cash in respect of acceptances of the Offer will be made pursuant to Rule 20.1 of the Takeovers Code as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Shares in respect of such acceptance are received by or for the Offeror to render each such acceptance complete and valid pursuant to Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest Hong Kong cent.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, will be deducted from the cash amount payable by the Offeror to the Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents and associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Availability of the Offer

The Offeror intends to make the Offer available to all Independent Shareholders including the Overseas Independent Shareholders. However, the Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions.

Overseas Independent Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Independent Shareholders in respect of such jurisdictions).

Based on the register of members of the Company, as at the Latest Practicable Date, there was one Overseas Independent Shareholder. It is the intention of the Offeror and the Company to despatch this Composite Document to the Overseas Independent Shareholder.

Any acceptance by the Overseas Independent Shareholders will be deemed to constitute a representation and warranty from such Overseas Independent Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Such Overseas Independent Shareholders should consult their respective professional advisers if in doubt.

INFORMATION ON THE GROUP

Your attention is drawn to the section headed "INFORMATION ON THE GROUP" in the "Letter from the Board" in this Composite Document, Appendices II and III to this Composite Document which contain financial information and general information of the Group.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability on 6 March 2026 and is an investment holding company. Mr. Zhuang is the sole legal and beneficial shareholder and the sole director of the Offeror.

Mr. Zhuang is an experienced businessman with more than 10 years of experience in the consumer electronics industry. He currently owns and operates different companies which are principally engaged in the import and export trade, as well as the wholesale and retail, of consumer electronics integrated circuit components and semiconductor modules, mainly in the PRC and other Asia-Pacific countries. Over the past decade, Mr. Zhuang has developed strong expertise in supply chain management, cross-border logistics, quality control, and customer relationship management.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offer and will maintain the listing status of the Company on the Stock Exchange.

The Offeror intends to leverage its experience, business network and financial resources to support the Group's continued development, improve its operational and financial performance, and strengthen its competitiveness. Following the close of the Offer, the Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules as and when appropriate.

Based on the information of Mr. Zhuang as set out above, it is expected that Mr. Zhuang's experience in the consumer electronics integrated circuit components and semiconductor modules sector in the PRC and other Asia-Pacific countries and his past responsibilities to source potential investment opportunities and provision of strategic guidance, will bring in a positive impact and benefit to the business operation of the Group. His solid track record in the wholesale and retail of consumer electronics IC components and semiconductor modules, coupled with his extensive industry network and operational expertise, would position the Offeror, of which Mr. Zhuang is the ultimate beneficial owner, to contribute strategically to the Group's ongoing development. The Offeror's familiarity with the Group's business strategies, standards, and requirements, as well as its established relationships with key customers and suppliers in the sector, would enable it to maintain and strengthen the Group's existing commercial connections. Through the Offeror and the appointment of new directors to the Company, Mr. Zhuang would be able to provide valuable complementary expertise, industry resources, and access to customer and supply chain networks, thereby enhancing the Group's operational capabilities and supporting its long-term growth objectives. Save for the Offeror's intention regarding the Group as set out above, subject to the review of the Group's operation aforesaid, the Offeror has no intention to (i) make material changes to the employment of the management and employees of the Group (save as disclosed in the section headed "Proposed Changes to the Composition of the Board" below); and (ii) dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business. Nonetheless, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the benefit of the Group.

Proposed Changes to the Composition of the Board

As at the Latest Practicable Date, 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.

Resignation

All existing Directors will resign with effect from after the publication of the closing announcement on the Closing Date (being the earliest date as permitted under Rule 7 of the Takeovers Code).

Appointment

The Offeror intends to nominate Mr. Chong Ka Yee and Mr. Lee Byungduck as executive Directors, and Mr. Tseung Yuk Hei, Kenneth, Ms. Lu Zhuo and Mr. Li Wei as independent non-executive Directors with effect from after the Composite Document is posted (being the earliest date as permitted under Rule 26.4 of the Takeovers Code).

The biographical information of the proposed Directors nominated by the Offeror is set out below:

*Mr. Chong Ka Yee (“**Mr. Chong**”)*

Mr. Chong, aged 42, graduated from the University of Melbourne in Australia with a bachelor’s degree in Commerce in 2004. He has been a member of CPA Australia since 2022 and a CFA Charter Holder since 2011.

Mr. Chong has been in the investment banking industry for more than 15 years. Mr. Chong has extensive experience in financial management, capital markets, corporate finance and risk management.

Mr. Chong has been serving as the president of Wan Kei Group Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1718) since July 2026. He has also been serving as a director of QMMM Holdings Ltd. (a company listed on NASDAQ, stock code: QMMM) since 30 June 2025. He served as the president of Fortune Shiny (Hong Kong) Limited, a wholly owned subsidiary of Wan Kei Group Holdings Limited from August 2023 to June 2026. He has been serving as an independent non-executive director, the chairman of the audit committee and a member of each of the nomination committee and the remuneration committee of OCI International Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 329) since March 2023. He was the managing director of CSFG International Securities Limited, a subsidiary of Shandong Hi-Speed Holdings Group Limited (previously known as China Shandong Hi-Speed Financial Group, a company listed on the Main Board of the Stock Exchange, stock code: 412) from November 2020 to October 2021. He was a non-executive director of Web3 Meta Limited (previously known as Million Stars Holding Limited, a company listed on GEM of the Stock Exchange, stock code: 8093) from November 2017 to June 2019. He served as a non-executive director of Pak Tak International Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2668) from February 2016 to August 2016. He was the group executive vice president of Mason Group Holdings Limited (a company delisted from the Main Board of the Stock Exchange, previous stock code: 273) from August 2016 to July 2020 and the chief executive officer of Mason Administrative Services Limited, a wholly-owned subsidiary of Mason Group Holdings Limited from August 2016 to July 2020. He served as a director and the chairman of risk management committee of Shengang Securities Co., Ltd.* (申港證券有限公司) from February 2018 to October 2020. He also worked in various positions in Haitong International Securities Company Limited, a wholly-owned subsidiary of Haitong International Securities Group Limited (a company delisted from the Main Board of the Stock Exchange, previous stock code: 665) from April 2005 to August 2016, with his last position being the senior vice president of leveraged and acquisition finance department of Haitong International Securities Company Limited.

*Mr. Lee Byungduck ("**Mr. Lee**")*

Mr. Lee, aged 50, graduated from the Korea University with a bachelor's degree in Arts in February 2001. He also obtained a degree of Master of Laws in International Law from the University of International Business and Economics in the PRC in June 2004. He passed the Fund Practitioner Qualification Exam held by the Asset Management Association of China in May 2019 and passed the Securities Practitioner Qualification Exam held by the Securities Association of China in November 2020.

Mr. Lee has been in the semiconductor and technology venture capital industry for over 15 years. He has extensive experience in mergers and acquisitions, technology project investment, corporate venture capital, strategic partnership planning, and fund fundraising. He has held senior executive roles at leading global tech enterprises and financial institutions.

Currently, Mr. Lee has been serving as the vice president of Zhuangyan Group Limited, an investment holding company incorporated in Hong Kong and principally engaged in the investment across semiconductor, real estates and other sectors, since February 2026. He has been serving as a director of Prosperita Equity Partners Limited, a company incorporated in Hong Kong and principally engaged in investment and mergers and acquisitions, since June 2025. He has been concurrently serving as a general manager in the investment department of Shanghai Fantai Fuxing Technology Co., Ltd.* (上海泛太賦興科技有限公司), a company established in the PRC and principally engaged in providing consulting services to South Korean companies investing in the PRC, since October 2025. He served as the executive director of investment management department of Wuxi Junhai Lianxin Investment Management Co., Ltd.* (無錫君海聯芯投資管理有限公司) from February 2022 to October 2025. He also served as a part-time distinguished expert at the International Innovation Centre of Tsinghua University, Shanghai from February 2022 to February 2025. He was a group head in the digital tech division of Cheil Pengtai China Co., Ltd., a subsidiary of Cheil Worldwide Inc. (a company listed on the Korea Exchange, stock code: 030000) from October 2014 to October 2017. Mr. Lee worked as a manager in the business strategy department and Beijing representative office of Korea Trade-Investment Promotion Agency from November 2003 to July 2012.

*Mr. Tseung Yuk Hei, Kenneth ("**Mr. Tseung**")*

Mr. Tseung, aged 60, graduated from Macquarie University in Australia with a bachelor's degree in Economics in May 1989. He has been a chartered accountant in Australia since 1992 and a chartered accountant in both Australia and New Zealand since 2014.

Mr. Tseung has been in the auditing and the investment banking industry for more than 30 years. He was a representative of HeungKong Capital Limited from September 2020 to October 2020 and a responsible officer from October 2020 to February 2023, which was principally engaged in Type 6 (advising on corporate finance) regulated activities under the SFO and was dissolved by deregistration on 12 July 2024. He served as the group managing director and corporate finance — senior managing director of Mason Administrative Services Limited from February 2017 to April 2020. He served as the managing director and head of investment banking, China of CIMB Securities Limited from August 2012 to January 2017. Mr. Tseung served as a managing director of Standard Chartered Bank (HK) Ltd from November 2009 to July 2012. He was the head of ECM Hong Kong/China, Global Markets of ABN AMRO Bank N.V., Hong Kong branch from November 2004 to November 2009. He was an executive director of the corporate finance department of BNP Paribas Capital (Asia Pacific) Limited (previously known as BNP Paribas Peregrine Capital Limited) from July 1994 to September 2004.

Mr. Tseung is an independent non-executive director of Evergreen Products Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1962) from May 2026 and served the same position from October 2021 to May 2023 previously. He was an independent non-executive director of Sky Chinafortune Holdings Group Limited (previously known as Great China Holdings Limited, a company delisted from the Main Board of the Stock Exchange, previous stock code: 141) from November 2017 to April 2023. He was an independent non-executive director of Great Wall Motor Company Limited (a company listed on the Main Board of the Stock Exchange, stock code: 2333) from June 2009 to May 2010. He was an independent non-executive director of Chinese Energy Holdings Limited (previously known as iMerchants Limited, a company delisted from GEM of the Stock Exchange, previous stock code: 8009) from September 2004 to September 2007.

*Ms. Lu Zhuo ("**Ms. Lu**")*

Ms. Lu, aged 43, graduated from the University of Newcastle in the United Kingdom with a master's degree.

Ms. Lu has over 10 years of extensive experience across international investment banking, financial advisory, corporate finance, and corporate governance.

Ms. Lu previously served as an independent non-executive director of Huiyin Holdings Group Limited (a company delisted from the Main Board of the Stock Exchange, previous stock code: 1178) from 2018 to 2020. She served as the chairman of the board, chief executive officer and an executive director of Rui Feng Group Holdings Company Limited (a company delisted from GEM of the Stock Exchange, previous stock code: 8312) from 2017 to 2019.

Ms. Lu previously worked at Goldman Sachs International in London and CITIC Securities International Company Limited.

*Mr. Li Wei (“**Mr. Li**”)*

Mr. Li, aged 71, graduated from the Beijing Institute for Foreign Trade in the PRC in July 1980.

Mr. Li has over 25 years of extensive experience in the area in international trade and corporate management.

He has been an independent non-executive director of Qianhai Health Holdings Limited (previously known as Hang Fat Ginseng Holdings Company Limited, a company listed on the Main Board of the Stock Exchange, stock code: 911) since May 2016. He also served as an independent non-executive director of Yantai North Andre Juice Co Ltd (a company listed on the Main Board of the Stock Exchange, stock code: 2218) from May 2016 to May 2022. He has been an independent non-executive director of VSTECS Holdings Limited (previously known as VST Holdings Limited, a company listed on the Main Board of the Stock Exchange, stock code: 856), since August 2007. He has been an independent non-executive director of Transtech Optelecom Science Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code:9963) since November 2020. He served as an independent non-executive director of Transtech Optelecom Science Holdings Limited (a company delisted from GEM of the Stock Exchange, previous stock code: 8465 and transferred its listing to the Main Board of the Stock Exchange, stock code: 9963) since June 2017. Mr. Li has successively been a commentator or host at several broadcasting stations and television stations in Hong Kong, Beijing and Shenzhen from 2003 to 2012.

Mr. Li was a director of several companies incorporated in Hong Kong which were dissolved or struck off during the period when Mr. Li was one of its directors, namely China Equity International Limited which was principally engaged in the trading of mineral products and was dissolved by deregistration on 8 July 2005; Link Success International Development Limited which was principally engaged in the trading of mineral products and was dissolved by striking off on 21 September 2001; Uni-Link International Limited which was principally engaged in the trading of mineral products and was dissolved by deregistration on 4 October 2013; Winform Development

Limited which was principally engaged in the trading of imported equipment and was dissolved by deregistration on 30 July 2004; and World Grace International Limited which was principally engaged in the trading of imported equipment and was dissolved by deregistration on 27 June 2008.

As at the Latest Practicable Date, each of Mr. Tseung, Ms. Lu and Mr. Li had confirmed (i) his/her independence as regards each of the factors referred to in rule 3.13(1) to (8) of the Listing Rules; (ii) that he/she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company; and (iii) that there were no other factors that may affect his/her independence.

Save as disclosed above, as at the Latest Practicable Date, each of Mr. Chong, Mr. Lee, Mr. Tseung, Ms. Lu and Mr. Li (i) did not hold any other position with the Company or any of its subsidiaries; (ii) had not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iii) did not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company; and (iv) did not have any interests in any shares in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, there was no other information that needed to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and there was no other matter relating to proposed appointments of Mr. Chong, Mr. Lee, Mr. Tseung, Ms. Lu and Mr. Li that needed to be brought to the attention of the Shareholders.

Further announcement(s) will be made upon any changes to the composition of the Board have taken effect in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to continue the listing of the Shares on the Stock Exchange following the close of the Offer.

The Stock Exchange has stated that:

(a) if, at the close of the Offer, the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend dealings in the Shares; and

(b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall, then:

- the Stock Exchange will add a designated marker to the stock name of the Shares; and

- the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange following the close of the Offer. The sole director of the Offeror and all the then Directors have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the minimum prescribed public float under Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to the Independent Third Parties or in the market.

Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offer, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

Attention of the Overseas Independent Shareholders is drawn to the section headed "7. OVERSEAS INDEPENDENT SHAREHOLDERS" in Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company, or in the case of joint Shareholders, to such Shareholder whose name appears first in the register of members of the Company. None of the Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.

WARNING

Independent Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" in this Composite Document, the accompanying Form of Acceptance and the additional information set out in the appendices to, which form part of, this Composite Document and to consult your professional advisers, before deciding whether or not to accept the Offer.

Yours faithfully
For and on behalf of
DL SECURITIES (HK) LIMITED

Tommy Cheng	**Nathan Au**
Managing Director	*Managing Director*
Corporate Finance Division	*Corporate Finance Division*

Contel Technology Company Limited
康特隆科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1912)

Executive Directors:
Mr. *Lam Keung (Chairman and Chief Executive Officer)*
Ms. Cheng Yu Pik

Independent non-executive Directors:
Mr. Dan Kun Lei, Raymond
Mr. Chan Kwok Kuen Kenneth
Mr. Lai Man Shun

Registered Office in the Cayman Islands:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Headquarter and Principal Place of Business in Hong Kong:
Unit No. A, 13th Floor, Block 1
Leader Industrial Centre
Nos. 188–202 Texaco Road
Tsuen Wan
New Territories
Hong Kong

21 August 2026

To the Independent Shareholders

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF ZHUANGYAN INVESTMENT INTERNATIONAL LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF CONTEL TECHNOLOGY COMPANY LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

References are made to (i) the Rule 3.5 Announcement dated 8 June 2026 in relation to, among other things, the Subscription, the Placing and the Offer; (ii) the joint announcements dated 29 June 2026, 3 July 2026 and 5 August 2026 issued by the Company and the Offeror in relation to the delay in despatch of this Composite Document; and (iii) the joint announcement dated 29 July 2026 issued by the Offeror and the Company in relation to, among other things, the Subscription Completion and the Placing Completion.

The Subscription and the Placing

On 5 May 2026 (before trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 271,230,595 Subscription Shares at the Subscription Price of HK$0.365 per Subscription Share.

On 8 June 2026, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to procure on a best effort basis not less than six placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties to subscribe 58,205,000 Placing Shares at the Placing Price of HK$0.365 per Placing Share.

The Subscription Completion and the Placing Completion took place simultaneously on 29 July 2026. Immediately upon the Subscription Completion and the Placing Completion and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them are interested in 271,230,595 Shares, representing approximately 58.81% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon the Subscription Completion, the Offeror is required to make an unconditional mandatory cash offer to acquire all of the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). DL Securities is making the Offer for and on behalf of the Offeror and in compliance with the Takeovers Code.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group and the Offeror; (ii) the letter from DL Securities containing, among other things, the details of the Offer; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer; and (v) procedures for acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Dan Kun Lei, Raymond, Mr. Chan Kwok Kuen Kenneth and Mr. Lai Man Shun, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Ignite Capital (Asia Pacific) Limited, with the approval by the Independent Board Committee, has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer, and make a recommendation as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser are set out in this Composite Document. You are strongly advised to read these letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

THE OFFER

DL Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the following basis:

For each Offer Share .... HK$0.365 in cash

The Offer Price of HK$0.365 per Offer Share is equal to the price per Subscription Share paid by the Offeror under the Subscription Agreement.

The Offer is extended to all Independent Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

The Offer is unconditional in all respects.

As at the Latest Practicable Date, there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue other than the 461,209,833 Shares in issue.

The Company confirms that, as at the Latest Practicable Date, (i) it has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing, lapse, withdrawal or termination of the Offer (whichever is earlier).

Further details of the Offer

Further details of the terms of the Offer and the procedures for acceptances are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1912). The Group is principally engaged in the provision of customised reference designs which are bundled together with the sale of integrated circuits and other electronic components as a package to customers in both Hong Kong and the PRC.

Your attention is drawn to Appendices II and III to this Composite Document which contain financial information and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before the Subscription Completion and the Placing Completion; and (ii) immediately upon the Subscription Completion and the Placing Completion and as at the Latest Practicable Date:

	Immediately before the Subscription Completion and the Placing Completion		**Immediately upon the Subscription Completion and the Placing Completion and as at the Latest Practicable Date**	
	No. of Shares	*%*	*No. of Shares*	*%*
The Offeror, its ultimate beneficial owner and parties acting in concert with any of them *(Note 6)*	—	—	271,230,595	58.81
Director and parties acting in concert with him *(Note 1)*				
Mr. Lam — through P. Grand (BVI) Ltd. *(Notes 1, 2 and 4)*	66,274,600	50.29	66,274,600	14.37
Ms. Feng Tao — through Kingtech (BVI) Ltd. *(Notes 1 and 3)*	8,400,000	6.37	8,400,000	1.82
Public Shareholders				
Placees to the Placing *(Note 5)*	—	—	58,205,000	12.62
Other public Shareholders	57,099,638	43.33	57,099,638	12.38
Total	**131,774,238**	**100.00**	**461,209,833**	**100.00**

Notes:

(1) Pursuant to a confirmatory deed, Mr. Lam, Mr. Qing Haodong and Ms. Feng Tao (spouse of Mr. Qing Haodong) have acknowledged and confirmed, among other things, that they are acting in concert with each other. Accordingly, each of Mr. Lam, Mr. Qing Haodong and Ms. Feng Tao is deemed to be interested in all the Shares in which any of them is interested under the SFO.

(2) P. Grand (BVI) Ltd. is 100% owned by Mr. Lam, and Mr. Lam is deemed to be interested in all the 66,274,600 Shares beneficially held by P. Grand (BVI) Ltd. under the SFO.

(3) Kingtech (BVI) Ltd. is 100% owned by Ms. Feng Tao, and Ms. Feng Tao is deemed to be interested in all the 8,400,000 Shares beneficially held by Kingtech (BVI) Ltd. under the SFO.

(4) Save for the 66,274,600 Shares beneficially held by P. Grand (BVI) Ltd. and the 8,400,000 Shares beneficially held by Kingtech (BVI) Ltd. which are deemed to be held by Mr. Lam, none of the other Directors holds any relevant securities (as defined in Note 4 to Rule 22) of the Takeovers Code) of the Company.

(5) Such placees to the Placing are Independent Third Parties.

(6) The Offeror confirms that Mr. Lam, Mr. Qing Haodong, Ms. Feng Tao, P. Grand (BVI) Ltd. and Kingtech (BVI) Ltd. are not de facto or presumed concert parties of the Offeror and its ultimate beneficial owner.

(7) Each of Mr. Lam, Mr. Qing Haodong, Ms. Feng Tao, P. Grand (BVI) Ltd. and Kingtech (BVI) Ltd. confirms that he/she/it is not a de facto or presumed concert party of the Offeror and its ultimate beneficial owner.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed "INFORMATION OF THE OFFEROR" in the "Letter from DL Securities" in this Composite Document and Appendix IV to this Composite Document.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed "INTENTIONS OF THE OFFEROR REGARDING THE GROUP" in the "Letter from DL Securities" in this Composite Document.

The Board is aware of the Offeror's intentions in relation to the Group and its employees as set out in the section headed "INTENTIONS OF THE OFFEROR REGARDING THE GROUP" in the "Letter from DL Securities" in this Composite Document. The Board is pleased to note that the Offeror intends to continue to run the existing principal business of the Group and the employment of the employees. The Board is willing to render reasonable co-operation with the Offeror and continue to act in the best interest of the Company and the Shareholders as a whole.

Proposed changes to the composition of the Board

Your attention is drawn to the section headed "Proposed Changes to the composition of the Board" in the "Letter from DL Securities" in this Composite Document. The proposed resignation and appointment of Directors will comply with the relevant Listing Rules and Takeovers Code. Further announcement(s) will be made upon any changes to the composition to the Board have taken effect in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

As disclosed in the section headed "PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY" in the "Letter from DL Securities" of this Composite Document, the Offeror intends to continue the listing of the Shares on the Stock Exchange following the close of the Offer.

The Stock Exchange has stated that:

(a) if, at the close of the Offer, the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend dealings in the Shares; and

(b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall, then:

- the Stock Exchange will add a designated marker to the stock name of the Shares; and
- the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

As disclosed in the section headed "PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY" in the "Letter from DL Securities" of this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange following the close of the Offer. The sole director of the Offeror and all the then Directors have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the minimum prescribed public float under Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to the Independent Third Parties or in the market.

Further announcement(s) regarding the restoration of public float (if any) will be made by the Company as and when appropriate.

RECOMMENDATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" and (ii) the "Letter from the Independent Financial Adviser" in this Composite Document, which contains, among other things, their advice in relation to the Offer and the principal factors considered by them in arriving at their recommendation.

You are strongly advised to read these letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

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

Contel Technology Company Limited
康特隆科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1912)

21 August 2026

To the Independent Shareholders

Dear Sirs,

UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF ZHUANGYAN INVESTMENT INTERNATIONAL LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF CONTEL TECHNOLOGY COMPANY LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to this Composite Document dated 21 August 2026 jointly issued by the Offeror and the Company of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to advise the Independent Shareholders as to whether, in our opinion, the Offer is fair and reasonable and to make recommendation in respect of acceptance thereof.

Ignite Capital (Asia Pacific) Limited has been appointed with our approval pursuant to Rule 2.1 of the Takeovers Code as the Independent Financial Adviser to advise us and the Independent Shareholders in respect of the Offer and make a recommendation as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the "Letter from the Independent Financial Adviser" in this Composite Document.

We also wish to draw your attention to the "Letter from DL Securities", the "Letter from the Board" and the additional information set out in the appendices to this Composite Document.

RECOMMENDATION

Taking into account the terms of the Offer, the independent advice and recommendations from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, we concur with the view of the Independent Financial Adviser and consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we do not recommend that the Independent Shareholders to accept the Offer. The Independent Shareholders are recommended to read the full text of the "Letter from the Independent Financial Adviser" set out in this Composite Document.

It has been noted that the price of the Shares has been traded substantially higher than the Offer Price, since the publication of the Joint Announcement up to the Latest Practicable Date. However, there is no guarantee that the Share price will or will not sustain and will or will not be higher than the Offer Price during and after the Offer Period. In view of the recent movements in the closing prices of the Shares, Independent Shareholders who wish to realise their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Offer, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,
For and on behalf of the Independent Board Committee of
Contel Technology Company Limited

Mr. Dan Kun Lei, Raymond	**Mr. Chan Kwok Kuen Kenneth**	**Mr. Lai Man Shun**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer, which has been prepared for the purpose of inclusion in the Composite Document.

Ignite Capital

Unit A, 15th Floor, CMA Building
64–66 Connaught Road Central
Central, Hong Kong

21 August 2026

To: The Independent Board Committee and the Independent Shareholders of Contel Technology Company Limited

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
DL SECURITIES (HK) LIMITED
FOR AND ON BEHALF OF
ZHUANGYAN INVESTMENT INTERNATIONAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
OF CONTEL TECHNOLOGY COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND/OR PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We, Ignite Capital (Asia Pacific) Limited ("**Ignite Capital**"), refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the Composite Document dated 21 August 2026, of which this letter (the "**Letter**") forms part. Capitalised terms used in this Letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Reference is made to the Rule 3.5 Announcement of the Company in relation to, amongst others, the Offer. On 5 May 2026 (before trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 271,230,595 Subscription Shares at the Subscription Price of HK$0.365 per Subscription Share. On 8 June 2026, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to procure on a best effort basis not less than six placees who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties to subscribe 58,205,000 Placing Shares at the Placing Price of HK$0.365 per Placing Share. The Subscription Completion and the Placing Completion took place simultaneously on 29 July 2026. Immediately upon the Subscription Completion and the Placing Completion and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them are interested in 271,230,595 Shares, representing approximately 58.81% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, upon the Subscription Completion, the Offeror is required to make an unconditional mandatory cash offer to acquire all of the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). DL Securities is making the Offer for and on behalf of the Offeror and in compliance with the Takeovers Code.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising Mr. Dan Kun Lei, Raymond, Mr. Chan Kwok Kuen Kenneth and Mr. Lai Man Shun being all the independent non-executive Directors, has been established to consider and to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

We, Ignite Capital, have been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, Ignite Capital did not have any relationships or interests in the Company, the Offeror or financial or other professional adviser to the Offeror and to the Company that could reasonably be regarded as relevant to the independence of Ignite Capital. During the past two years immediately preceding the Rule 3.5 Announcement and up to the Latest Practicable Date, we have not entered into any engagement with the Company, the Company's substantial shareholder together with its concert parties, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them or any of their respective subsidiaries or associates. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangements exist whereby we have or will receive any fees or benefits from the Group, the

Offeror and its ultimate beneficial owner, any of their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them. Accordingly, we are qualified to give independent advice in respect of the Offer.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

(i) the Company's annual report for the fifteen months ended 31 March 2025 ("**FY2025**") (the "**2025 Annual Report**");

(ii) the Company's annual report for the year ended 31 March 2026 ("**FY2026**") (the "**2026 Annual Report**");

(iii) the Rule 3.5 Announcement; and

(iv) other information as set out in the Composite Document.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Composite Document and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us or referred to herein as well as changes to our opinion after the Latest Practicable Date and up to the Closing Date.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management and the Offeror (where applicable) in the Composite Document were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Composite Document, the omission of which makes any such statement contained in the Composite Document misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Independent Shareholders will be informed by the Company and us as soon as possible if there is any material change to the information disclosed in the Composite Document in accordance with Rule 9.1 of the Takeovers Code before close of the Offer, in which case we will consider whether it is necessary to revise our opinion and inform the Independent Board Committee and the Independent Shareholders accordingly.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than those relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statements in the Composite Document misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in the Composite Document (other than information relating to the Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in the Composite Document (other than those expressed by the Directors (except the Offeror)) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

This Letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this Letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into consideration the following principal factors and reasons:

1. Information of the Group

1.1 Business profile

The Group is principally engaged in the provision of customised reference designs which are bundled together with the sale of integrated circuits (the "**IC**") and other electronic components as a package to customers in both Hong Kong and the PRC. According to the 2026 Annual Report, all the Group's revenue from external customers is presented based on the location of the operating subsidiaries for the purpose of geographical segment information. Accordingly, the Group's revenue generated from external customers in Hong Kong and the PRC represented approximately 96.6% and approximately 3.4% of the total revenue, respectively, for FY2026. As advised by the Management, while the Group primarily generated revenue from its subsidiaries located in Hong Kong, the products of the Group are mainly supplied to its customers based in the PRC and these customers ultimately sell the products to end-customers in the PRC.

1.2 Financial information

The following table is a summary of (i) the financial information of the Group for FY2026 as extracted from the 2026 Annual Report; (ii) the financial information of the Group for the fifteen months ended 31 March 2025 ("**15M2025**") and for the year ended 31 December 2023 ("**FY2023**") as extracted from the 2025 Annual Report; and (iii) the financial information of the Group for 15M2025 which are adjusted on an annualized basis for illustrative purpose only:

Table 1: Highlights of the financial results of the Group

	FY2026	**15M2025** *(Notes 1 and 2)*	**15M2025 presented on an annualized basis ("Annualized FY2025")** *(Note 3)*	**FY2023**
	US$'000	*US$'000*	*US$'000*	*US$'000*
	(audited)	(audited)	(unaudited)	(audited)
Revenue	**51,329**	**76,963**	**61,570**	**66,316**
*— Sales of Mobile devices and smart charging IC products (the "**IC Business**")*	*30,756*	*44,231*	*35,385*	*32,271*
— Sales of motor control	*19,001*	*29,253*	*23,402*	*26,612*
Gross profit	***866***	***2,072***	***1,658***	***2,934***
Loss attributable to the owners of the Company	**(13,823)**	**(12,134)**	**(9,707)**	**(9,749)**

Notes:

1. As disclosed in the Company's announcement dated 8 November 2024, the Board resolved to change the financial year end date of the Company from 31 December to 31 March (the "**Year-end Change**"). Accordingly, the then next financial year end date of the Company following the change would be 31 March 2025 and the then next audited consolidated financial statements of the Group published covered the period of fifteen months commencing on 1 January 2024 and ended on 31 March 2025.

2. Comparison of financial information should be interpreted with caution as FY2023 and FY2026 covered a 12-month period whereas 15M2025 covered a 15-month period.

3. For illustrative purposes only, the figures presented in this column for the fifteen months ended 31 March 2025 are adjusted on an annualized basis, i.e. the figures were divided by 15 and then multiplied by 12 to arrive at 12-month adjusted figures for comparison with the other 12-month financial years.

FY2026 vs 15M2025

The Group's results were challenged by the contraction in industry demand in 2025 and the first quarter of 2026. The Group recorded revenue of approximately US$51.3 million for FY2026, representing an as-reported decrease of US$25.7 million or approximately 33.4% compared to approximately US$77.0 million recorded during 15M2025. However, excluding the impact of the Year-end Change, the revenue decreased by approximately US$10.2 million or approximately 16.6% (on a time pro-rata basis) for Annualized FY2025, which is lower than the as-reported fluctuation rate. The decrease in revenue was mainly attributable to the decrease in the revenue from the IC Business by approximately 30.3% (on a time pro-rata basis: 13.0%) from approximately US$44.2 million for 15M2025 (Annualized FY2025: US$35.4 million) to approximately US$30.8 million for FY2026, which was mainly due to the decrease in sales volume and average selling price in order to expedite the inventory turnover. Furthermore, the revenue from the sale of motor control IC products decreased by approximately 35.2% (on a time pro-rata basis: 18.8%) from approximately US$29.3 million for 15M2025 (Annualized FY2025: US$23.4 million) to approximately US$19.0 million for FY2026, which was mainly due to the decrease in average selling price. According to the 2026 Annual Report, the Company lowered the average selling price of motor control and IC products so as to increase the inventory turnover and therefore the gross profit decreased by approximately 57.1% (on a time pro-rata basis: 47.1%) from approximately US$2.1 million for 15M2025 (Annualized FY2025: US$1.7 million) to approximately US$0.9 million for FY2026. According to the 2026 Annual Report, this transition is primarily due to a deliberate strategic decision by management to alleviate cash flow burdens by prioritizing and concentrating the financial resources into the IC Business. Therefore, the Group ceased business relationships with some of the suppliers in view of the Group's liquidity and financial situation, and the lean gross profit margin of products from certain suppliers. As a result, the loss attributable to the owners of the Company increased by approximately US$1.7 million or approximately 13.9% for FY2026. However, excluding the impact of the Year-end Change, the loss attributable to the owners of the Company for Annualized FY2025 recorded an increase of approximately US$4.1 million or approximately 42.3% (on a time pro-rata basis), which is higher than the as-reported fluctuation rate. With reference to the 2025 Annual Report and as confirmed by the Management, the loss was primarily attributable to (i) the decrease in revenue as mentioned above; (ii) the write-off of prepayments to the suppliers of approximately US$389,000 as the Group ceased business relationship with the suppliers and the prepayments were forfeited; and (iii) write-off of accrued purchase rebates of approximately US$1.4 million as the Group ceased business relationship with the suppliers and the accrued purchase rebates were considered not recoverable.

15M2025 vs FY2023

The Group's total revenue increased by approximately US$10.7 million or 16.1% (on an as-reported basis) from approximately US$66.3 million for FY2023 to approximately US$77.0 million for 15M2025. However, excluding the impact of the Year-end Changes, the total revenue decreased by approximately US$4.7 million or approximately 7.1% (on a time pro-rata basis) as the Group experienced a decline in revenue from all product categories except mobile devices and smart charging IC products. According to the 2025 Annual Report, the IC industry navigated a uniquely challenging economic environment, a period characterized by significant shifts and increased competitive intensity. The gross profit decreased by approximately US$0.8 million or 27.6% (on a time pro-rata basis: 41.4%) from approximately US$2.9 million for FY2023 to approximately US$2.1 million for 15M2025 (Annualized FY2025: US$1.7 million), which was mainly due to (i) the decrease in the average selling price; and (ii) write off of inventories of approximately US$0.2 million following auditor's the annual assessment. As a result, the loss attributable to the owners of the Company increased by approximately 24.7% from approximately US$9.7 million for FY2023 to approximately US$12.1 million for 15M2025. By excluding the impact of the Year-end Change, the loss attributable to the owners of the Company of approximately US$9.7 million for Annualized FY2025 approximates to that for FY2023, with a decrease of approximately 0.43%.

Due to the Year-end Change, a longer transitional period of 15-month year occurs and the figures are not fully comparable with previous or subsequent 12-month periods. To maintain comparability, we annualized the financial results scaling actual 15-month figures proportionally to a 12-month basis and noted that, after adjusting for the Year-end Change, (i) the decline in revenue for FY2026 was moderated to approximately 16.6%, whereas the increase in loss attributable to owners of the Company widened to approximately 42.3% on an annualized basis; and (ii) the loss attributable to the owners of the Company for Annualized FY2025 approximates to that for FY2023. However, it represents an estimate of what the full year results might have under normal circumstances and such annualization has limitation on financial analysis such as the impact of significant events.

1.3 Financial position

Set out below is a summary of the consolidated financial position of the Group as at 31 March 2026, 31 March 2025 and 31 December 2023, as extracted from the 2026 Annual Report and the 2025 Annual Report:

Table 2: Highlights of financial positions of the Group

	As at 31 March 2026 US$'000 (Audited)	As at 31 March 2025 US$'000 (Audited)	As at 31 December 2023 US$'000 (Audited and re-presented)
Non-current assets, including:	**3,158**	**10,059**	**11,046**
— Intangible and other assets (including goodwill and development costs)	*Nil*	*2,863*	*3,491*
— Life insurance policy deposits	*319*	*2,543*	*2,734*
— Financial assets at fair value through other comprehensive income	*2,839*	*3,723*	*4,255*
Current assets, including:	**9,334**	**31,997**	**43,143**
— Inventories	*1,050*	*6,662*	*14,007*
— Trade and bill receivables	*4,163*	*13,860*	*19,047*
— Prepayments, deposits and other receivable	*3,047*	*7,388*	*7,148*
— Cash and cash equivalents	*1,048*	*3,682*	*2,536*
Total Assets	**12,492**	**42,056**	**54,189**
Non-current liabilities	**1,403**	**2,976**	**415**
Current liabilities, including:	**13,144**	**27,774**	**31,177**
— Trade payables	*3,728*	*6,097*	*7,641*
— Bank and other borrowings	*8,912*	*18,273*	*20,565*
Total Liabilities	**14,547**	**30,750**	**31,592**
Net current assets/(liabilities)	**(3,810)**	**4,223**	**11,966**

31 March 2026 vs 31 March 2025

The Group's overall financial position has deteriorated significantly as a result of its continuous loss-making status. As at 31 March 2026, the Group's total assets and total liabilities were approximately US$12.5 million and approximately US$14.5 million, respectively, as compared to approximately US$42.1 million and approximately US$30.8 million as at 31 March

2025. This represented a decrease in total assets of approximately 70.3% and a decrease in total liabilities of approximately 52.9%. The significant decrease in non-current assets from approximately US$10.1 million as at 31 March 2025 to approximately US$3.2 million or approximately 68.3% was due to the decrease in intangible and other assets, which were written down to nil to reflect the going concern uncertainty, as a result of the impairment and disposal of subsidiaries. The Group was in a net current assets position of approximately US$4.2 million as at 31 March 2025 but turned into a net current liabilities position of approximately US$3.8 million as at 31 March 2026. With reference to the 2026 Annual Report, such deterioration was mainly attributable to the significant decrease in current assets primarily due to (i) decrease in inventories as a result of significant decrease in inventory turnover days and certain inventories were written down; (ii) decrease in trade receivables, prepayments, deposits and other receivables as a result of the substantial write-off of prepayments and the net loss recorded by the Group during FY2026; and (iii) decrease in cash and cash equivalents of approximately US$2.6 million.

31 March 2025 vs 31 December 2023

As at 31 March 2025, the Group's total assets and total liabilities were approximately US$42.1 million and approximately US$30.8 million, respectively, as compared to approximately US$54.2 million and approximately US$31.6 million as at 31 December 2023. This represented a decrease in total assets of approximately 22.3% and a decrease in total liabilities of approximately 2.5%. The Group recorded net current assets of approximately US$4.2 million as at 31 March 2025, as compared to that of approximately US$12.0 million as at 31 December 2023, representing a decrease of approximately 65%. Such deterioration was mainly attributable to the significant decrease in current assets, including, (i) the decrease in inventories by approximately 52.1% from US$14.0 million as at 31 December 2023 to US$6.7 million as at 31 March 2025 as a result of the Company's strategy to expedite the inventory turnover by lowering the average selling price (inventory turnover days decreased significantly from approximately 80.7 days for FY2023 to approximately 40.6 days for 15M2025 on an annualised basis) and write-down of inventories of approximately US$0.7 million as the Management reviewed the inventory aging analysis at the end of reporting period and identified for slow-moving inventory that are no longer suitable for consumption and saleable; and (ii) decrease in trade and bills receivables as a result of the loss recorded by the Group during FY2023.

Matters relating to the auditor's opinion

According to the annual results of the Company for the year ended 31 March 2026, Moore CPA Limited ("**Moore**"), the auditor of the Company, pointed out that (i) the Group incurred a net loss of approximately US$13.8 million for the year ended 31 March 2026; (ii) the Group had net current liabilities and net liabilities of approximately US$3.8 million and US$2.1 million respectively as at 31 March 2026; (iii) the Group had bank and other borrowings under current liabilities of approximately US$8.9 million while its cash and cash equivalents were approximately US$1.0 million only as at 31 March 2026; (iv) as at 31 March 2026, the balance included two (2025: three) loans from independent third parties with the carrying amounts of approximately US$1.3 million and US$7.5 million (2025: US$2.4 million, US$1.8 million and US$64,000), respectively which were unsecured with fixed monthly interest rates at 0.5% and 3% (2025: 2.5%, 2.5% and 1%), respectively and repayable on demand; (v) on 12 March 2026, the Company received a statutory demand from the legal advisers acting on behalf of Ms. Tse Hoi Ching (the "**Creditor**"), being a creditor of the Company, issued pursuant to section 178(1)(a) or 327(4) (a) of The Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), demanding the Company to pay the aggregate amount of approximately US$7.5 million, being the loan principal and interest due by the Company, within 21 days from the service of the statutory demand, failing which the Creditor may present a winding-up petition against the Company (Details refer to the announcement made by the Company on 12 March 2026). Moore was of the view that these events or conditions indicated a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Their opinion was not modified in respect of this matter. Nevertheless, having considered the management's plans and certain measures as stated in the 2026 Annual Report, the Directors were of the opinion that the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the next twelve months immediately after 31 March 2026. According to the Management, the Company will settle the debts due by the Company to the Creditor by end of 2026 using the proceeds of the Subscription and the Placing (Details refer to the Company's announcement dated 8 June 2026).

Analysis

Based on the above, we note that the Company is facing pressure on its working capital and liquidity position. Although the Directors considered that the Group would be able to meet its working capital and financial requirements for at least twelve months after 31 March 2026 after taking into account the relevant measures and arrangements, the existence of material uncertainty related to going concern, the Group's net current liabilities position and its continued loss-making position indicate that the Group's financial position remained weak. It remains uncertain whether the Group can achieve a turnaround in its operating results and improve its financial position.

1.4 Prospects of the Group

To assess the operating environment of the Group's principal business, namely the IC Business, we have reviewed relevant market data and policy developments relating to the IC industry in the PRC. As advised by the Management, the products of the Group are mainly supplied to end-customers in the PRC. On this basis, we have primarily made reference to the relevant import value and market size of IC in the PRC as well as the policy development in the PRC in assessing the business environment in which the Group is operating.

Set out below are the import value of IC in the PRC for the five years ended 31 December 2025, as extracted from the Statistical Communique of the PRC on the National Economic and Social Development published by the National Bureau of Statistics of the PRC on 28 February 2022, 28 February 2023, 28 February 2024, 28 February 2025 and 28 February 2026:

	2021	**2022**	**2023**	**2024**	**2025**
Import Value of IC in the PRC *(in RMB billion)*	2,793.5	2,766.3	2,459.1	2,744.5	3,035.5
Year-on-year change (%)		*(1.0)*	*(11.1)*	*11.6*	*10.6*

We consider the import value of ICs to be a highly relevant indicator for assessing the Group's prospects. As advised by the Management, increasing import values reflect a greater inflow of ICs into the PRC market which indicates an increasing demand for the Group's IC products in the PRC market.

As illustrated in the table above, the import value of IC fluctuated over the period, decreasing from approximately RMB2,793.5 billion in 2021 to approximately RMB2,459.1 billion in 2023. Nevertheless, the import value of IC recovered with a growth rate of approximately 11.6% and approximately 10.6% in 2024 and 2025 respectively. The steady increase in import values observed throughout 2024 and 2025 is indicative of sustained growth in domestic demand for IC products. Overall, the import value increased from approximately RMB2,793.5 billion in 2021 to approximately RMB3,035.5 billion in 2025, representing a compound annual growth rate of approximately 2.1%. Given that the Group is engaged in the sourcing and distribution of IC products, it is expected to benefit from such rising demand.

We also noted that the PRC government issued various favorable government policies in recent years to support the development of the IC industry in the PRC. The nation continues to demonstrate its strong commitment to advancing the domestic semiconductor industry, of which the IC segment is considered a key downstream component in the semiconductor industry. According to the "National Enterprise Credit Information Publicity System"* (國家企業信用信息公示系統) (based on its website, National Enterprise Credit Information Publicity System is a government-managed platform that serves as a centralized registry for all legally registered businesses in the PRC), National Integrated Circuit Industry Investment Fund Phase III Co., Ltd.* (國家集成電路產業投資基金三期股份有限公司) (the "**Big Fund III**") was established on 24 May 2024 to support domestic chip manufacturing equipment developers. The Big Fund III is a state-owned company backed by the Ministry of Finance and major state banks with a registered capital of RMB344 billion. The Big Fund III focuses on segments where domestic capabilities are weakest and where reliance on foreign technology is most acute, aiming to achieve self-sufficiency in the PRC's semiconductor supply chain. We consider that such support will create opportunities for the Company, as an IC distributor in the semiconductor industry, to increase its sales to the domestic chip manufacturing equipment developers.

With reference to the "15th Five-Year Plan (2026–2030) for National Economic and Social Development of the PRC"* (中華人民共和國國民經濟和社會發展第十五個五年規劃) published on 12 March 2026, the PRC government had announced a number of policies to support the innovation and development of technology in emerging fields (including IC). These include funding approaches such as prize-based and ex-post subsidization, refining systems such as "open competition for key projects" and "race-track" selection, and strengthening cross-domain and cross-disciplinary collaboration. With the support from the PRC government, technology breakthroughs and applications in computing-storage integration, 3D integration, and photonic-electronic convergence are expected to be advanced in the near future which can potentially drive up the demand for ICs.

Furthermore, in assessing the prospects of the IC market, we made reference to market information on the interface integrated circuit ("**Interface IC**") market in the PRC published by Data Bridge Market Research ("**DBMR**") on its database available as at the Latest Practicable Date, as Interface IC represents one of the product categories within the broader IC industry. According to its website, DBMR is a market research and consulting company founded in 2015 and headquartered in India. It provides a broad range of market research and consulting services, including trade analytics, country-level analysis and pharmaceutical market insights, with its research coverage spanning more than 200 industries across over 5,000 markets. Its research and consulting capabilities are supported by more than 500 full-time analysts, and its services have been used by more than 40% of Fortune 500 companies internationally. Therefore, we consider that DBMR is a reliable source that can provide a reasonable basis for our analysis.

According to DBMR, the market size of the global Interface IC market in the PRC was approximately US$3.2 billion in 2025, among which Asia Pacific dominated the market with the largest revenue share of approximately 41.9% in 2025. In addition, the Interface IC market in the PRC is experiencing rapid growth, underpinned by the expansion of electronics manufacturing, increasing investment in the semiconductor industry and rising demand for advanced communication technologies. In particular, the increasing adoption of electric vehicles, artificial intelligence systems, smart devices and industrial automation is expected to support demand for Interface IC products in the PRC, including controller area network, ethernet, universal serial bus and other high-speed communication interfaces.

The Management believes that the Group could capture opportunities given the positive outlook for the IC industry in the PRC. According to the 2026 Annual Report, the Group, as the authorized distributors of IC suppliers, has privilege of receiving regular first-hand training from its IC suppliers on their latest products which helps to increase the Company's familiarity and knowledge of the IC products, and therefore enhance the Group's capabilities when providing IC application solutions for its customers. The Management believes that such privilege would allow them to be competitive within the industry.

Having considered the aforesaid, we are of the view that the prospects of the Group's business are generally positive.

2. Information on the Offeror and its intention regarding the Group

(i) Information on the Offeror

As stated in the "Letter from DL Securities" contained in the Composite Document, the Offeror is a company incorporated in the BVI with limited liability on 6 March 2026 and is an investment holding company. Mr. Zhuang is the sole legal and beneficial shareholder and the sole director of the Offeror.

Mr. Zhuang is an experienced businessman with more than 10 years of experience in the consumer electronics industry. He currently owns and operates different companies which are principally engaged in the import and export trade, as well as the wholesale and retail, of consumer electronics IC components and semiconductor modules, mainly in the PRC and other Asia-Pacific countries. Over the past decade, Mr. Zhuang has developed strong expertise in supply chain management, cross-border logistics, quality control, and customer relationship management. Given Mr. Zhuang's background, experience and network in the consumer electronics industry, we consider that he has solid experience in the wholesale and retail of consumer electronics IC components and semiconductor modules. The Offeror should be familiar with the strategies, standards and requirements of the Group's business and capable of maintaining the business connection with the Group's existing customers and suppliers. The Offeror would be able to provide valuable complementary expertise, resources and customer networks to enhance the Group's existing operations.

(ii) Intention of the Offeror regarding the Group

(a) Business

As stated in the "Letter from DL Securities" contained in the Composite Document, it is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offer and will maintain the listing status of the Company on the Stock Exchange.

The Offeror intends to leverage its experience, business network and financial resources to support the Group's continued development, improve its operational and financial performance, and strengthen its competitiveness. Following the close of the Offer, the Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules as and when appropriate.

Based on the information of Mr. Zhuang as set out above, it is expected that Mr. Zhuang's experience in the consumer electronics IC components and semiconductor modules sector in the PRC and other Asia-Pacific countries and his past responsibilities to source potential investment opportunities and provision of strategic guidance, will bring in a positive impact and benefit to the business operations of the Group. His solid track record in the wholesale and retail of consumer electronics IC components and semiconductor modules, coupled with his extensive industry network and operational expertise, would position the Offeror, of which Mr. Zhuang is the ultimate beneficial owner, to contribute strategically to the Group's ongoing development. The Offeror's familiarity with the Group's business strategies, standards, and requirements, as well as its established relationships with key customers and suppliers in the sector, would enable it to maintain and strengthen the Group's existing commercial connections. Through the Offeror and the appointment of new directors to the Company, Mr. Zhuang would be able to provide valuable complementary expertise, industry resources, and access to customer and supply chain networks, thereby enhancing the Group's operational capabilities and supporting its long-term growth objectives. Save for the Offeror's intention regarding the Group as set out above, subject to the review of the Group's operation aforesaid, the Offeror has no intention to (i) make material changes to the employment of the management and employees of the Group (save as disclosed in the section headed "(b) Board composition" below in this Letter); and (ii) dispose of or redeploy the assets of the Group other than those in its ordinary and usual course of business. Nonetheless, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the benefit of the Group.

Even though Mr. Zhuang does not serve on the Board, we are of the view that such arrangement (i) allows the Company to maintain a professional and appropriately independent Board with complementary expertise; and (ii) supports an appropriate balance between shareholder oversight and Board independence.

(b) Board composition

As stated in the "Letter from DL Securities" in the Composite Document, all existing Directors will resign with effect from after the publication of the closing announcement on the Closing Date (being the earliest date as permitted under Rule 7 of the Takeovers Code). As at the Latest Practicable Date, the Offeror intended to nominate Mr. Chong Ka Yee and Mr. Lee Byungduck as executive Directors, and Mr. Tseung Yuk Hei, Kenneth, Ms. Lu Zhuo and Mr. Li Wei as independent non-executive Directors with effect from after the Composite Document is posted (being the earliest date as permitted under Rule 26.4 of the Takeovers Code). Details of the biographical information of the new candidates intended to be nominated by the Offeror as Directors are set out in the "Letter from DL Securities". We have reviewed the biographical information of the proposed Directors nominated by the Offeror which details are set out in the Letter from DL Securities and we consider that (i) Mr. Chong has extensive experience in investment banking industry which the Company may benefit from his extensive financial and management experience as the Group is currently under difficult financial conditions in view of its high debt level; and (ii) Mr. Lee has management experience over the years and has been involved in investment with a focus on the semiconductor and technology industry from which the Company may benefit given his experience and network in the semiconductor and technology focused investment areas which are relevant or can materially contribute to the Group's current principal business and enable the Group to broaden its client network, enhance its competitiveness and capture future business opportunities. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and a separate announcement will be made in this regard in accordance with the Listing Rules as and when appropriate.

(c) Maintenance of the Company's listing status

As stated in the "Letter from DL Securities" in the Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange following the close of the Offer. The sole director of the Offeror and all the then Directors have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the minimum prescribed public float under Rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with Rule 13.32B of the Listing Rules at the earliest possible moment after the close of the Offer. The steps that the Offeror may take include but are not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to the Independent Third Parties or in the market.

3. Evaluation of the key terms of the Offer

3.1 Share price comparisons

The Offer Price of HK$0.365 per Offer Share represents:

(i) a discount of approximately 34.82% to the closing price of HK$0.560 per Share as quoted on the Stock Exchange on 4 May 2026, being the Last Trading Day;

(ii) a discount of approximately 22.83% to the average closing price of approximately HK$0.473 per Share based on the daily closing prices as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 16.09% to the average closing price of approximately HK$0.435 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 6.17% to the average closing price of approximately HK$0.389 per Share based on the daily closing prices as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;

(v) a premium of approximately 17.36% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately US$0.040 (equivalent to HK$0.311) per Share (based on the number of issued Shares as at the date of Rule 3.5 Announcement, being 131,774,238 Shares) as at 30 September 2025 calculated based on the information as set out in the Company's interim report for the six months ended 30 September 2025;

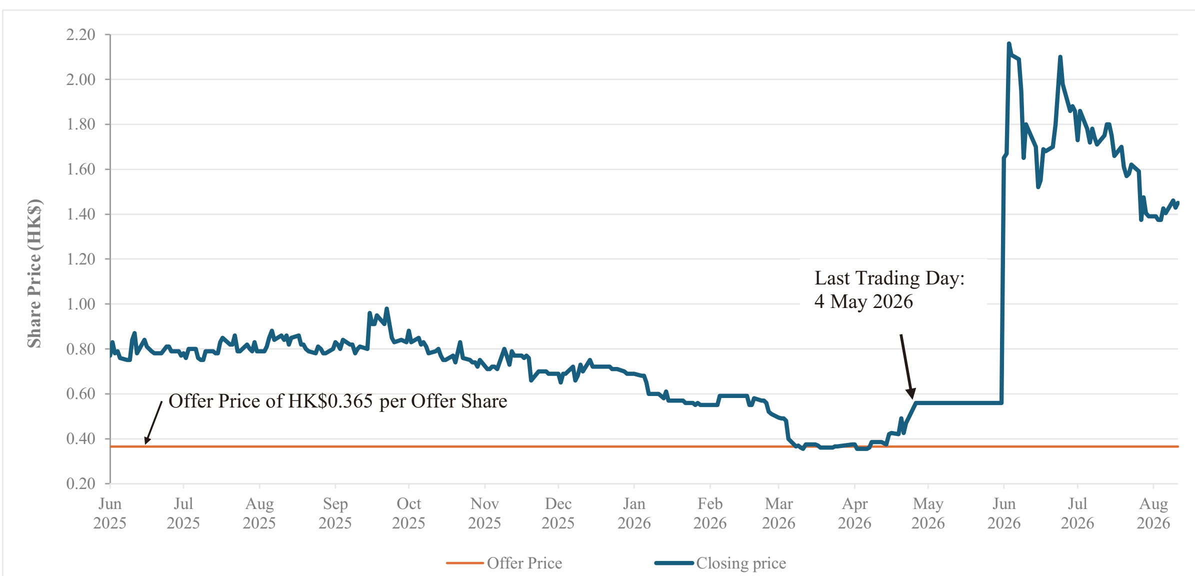
(vi) a premium of HK$0.487 over the audited consolidated net liabilities value attributable to the owners of the Company of approximately US$0.016 (equivalent to approximately HK$0.122) per Share (based on the number of issued Shares as at the date of the Rule 3.5 Announcement, being 131,774,238 Shares) as at 31 March 2026 calculated based on the information as set out in the 2025 Annual Report; and

(vii) a discount of approximately 74.83% to the closing price of HK$1.45 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

3.2 Historical price performance of the Share

In order to assess the fairness and reasonableness of the Offer Price, we have reviewed the daily closing prices of the Shares, after taking into account the effects of the share consolidation (the "**Share Consolidation**") as set out in the Company's announcement dated 30 September 2025, during the period from 9 June 2025 (being approximately one year prior to date of the Rule 3.5 Announcement) up to and including the Latest Practicable Date (the "**Review Period**"). We consider that the Review Period, being a period of more than one year up to and including the Latest Practicable Date, is adequate to illustrate the recent price movement of the Shares and provides a reasonable basis for assessing the Offer Price against the historical market performance of the Shares. The following chart sets out the daily closing prices of the Shares during the Review Period:

Chart: Movement of the closing prices of the Shares during the Review Period



Source: *the Stock Exchange's website*

Note: Trading in the Shares was halted from 5 May 2026 to 8 June 2026.

As illustrated in the chart above, (i) the highest closing price of the Shares, after taking into account the effects of the Share Consolidation, was HK$2.16 per Share on 11 June 2026; and (ii) the lowest closing price of the Shares recorded was HK$0.355 per Share on 19 March 2026, 10 April 2026, 13 April 2026 and 14 April 2026. The average closing price of the Shares during the Review Period was at HK$0.843 per Share. The Offer Price of HK$0.365 per Offer Share represents (i) a discount of approximately 83.1% and a premium of approximately 2.8% to/over the highest closing price and the lowest closing price, respectively, during the Review Period; and (ii) a discount of approximately 56.7% to the average closing price of the Shares during the Review Period. Although the Offer Price of HK$0.365 per Offer Share falls within the aforesaid historical closing price range of the Shares during the Review Period, it is very close to the lowest closing price of the Shares. We noted that the Offer Price of HK$0.365 per Offer Share is lower than the closing prices of the Shares for 209 trading days out of the total of 222 trading days during the period from the start of the Review Period up to the Last Trading Day.

From 9 June 2025 to 30 September 2025, the closing price of the Shares, after taking into account the effects of the Share Consolidation, fluctuated within a range of HK$0.75 per Share and HK$0.98 per Share. After that, the closing price of the Shares showed a decreasing trend from HK$0.98 per Share on 30 September 2025 to the lowest of HK$0.355 per Share on 19 March 2026. We observed a generally stable pattern in the closing price of the Shares from mid-March 2026 to mid-April 2026, which hovered in the range of HK$0.355 per Share to HK$0.375 per Share during the period.

The average closing price per Share for the period from 9 June 2025 to the Last Trading Day was approximately HK$0.684. Following the publication of the Rule 3.5 Announcement, the closing price of the Shares surged to HK$2.16 per Share on 11 June 2026. Thereafter, the closing price of the Shares was above the Offer Price of HK$0.365 and closed at HK$1.45 per Share on the Latest Practicable Date.

We noted that the Offer Price of HK$0.365 per Offer Share represented discounts ranging from approximately 73.5% to 83.1% to the closing price of the Shares for the period from the start of the Offer Period up to the Latest Practicable Date. From the start of the Offer Period, the closing price of the Shares fluctuated between HK$1.52 per Share and HK$2.16 per Share, and closed at HK$1.45 per Share on the Latest Practicable Date.

Taking into account the discounts represented by the Offer Price to the closing prices of the Shares during the Review Period, we consider that the Offer Price is not fair and reasonable so far as the Independent Shareholders are concerned.

Apart from the customary announcements made by the Company in terms of its interim and/or annual results announcements, and the issue of interim and/or annual reports and circular for its annual general meeting during the Review Period, other notable events/publications included:

(i) profit warning announcement dated 26 June 2025 for 15M2025;

(ii) announcement dated 22 September 2025 in relation to placing of new shares under general mandate;

(iii) announcement dated 26 September 2025 in relation to the discloseable transaction regarding the disposal of 100% equity interest in the two target companies which are engaged in sales of IC products and electronic components;

(iv) announcement dated 30 September 2025 in relation to proposed Share Consolidation;

(v) announcement dated 10 October 2025 in relation to completion of placing new shares under general mandate;

(vi) inside information announcement dated 12 February 2026 in relation to charge of the Shares of the controlling Shareholder;

(vii) inside information announcement dated 12 March 2026 in relation to winding up petition against subsidiaries;

(viii) inside information announcement dated 12 March 2026 in relation to statutory demand;

(ix) the Rule 3.5 Announcement;

(x) circular in relation to the Subscription; and

(xi) announcement dated 29 July 2026 in relation to the Subscription Completion and Placing Completion.

As advised by the Management, save for the events mentioned above, the Management is not aware of any other material events during the Review Period which may have contributed to the movements in the closing prices of the Shares.

While the closing price of the Shares continued to stay well above the Offer Price throughout the Review Period, it is uncertain whether such level of Share price following the publication of R3.5 Announcement will be sustainable in the absence of the Offer or after the close of the Offer. The Independent Shareholders should also be aware that the price trend may be affected by many different factors such as (i) the investors or Shareholders' view on the Group's industry prospects or future although the Offeror intends to continue the principal business of the Group and the employment of the existing management and employees of the Group; or (ii) the market trend.

The Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price after the Latest Practicable Date. The Independent Shareholders who wish to accept the Offer or realise their investments in the Group are reminded that they should carefully and closely monitor the trading price and the trading liquidity of the Shares during the Offer Period.

3.3 Liquidity

Set out below are (i) the number of trading days; (ii) the percentage of the Shares' average daily trading volume during each month (the "**Average Trading Volume**"), after taking into account the effects of the Share Consolidation applicable, as compared to the total number of issued Shares held by the public as at the Latest Practicable Date; and (iii) the percentage of the Average Trading Volume as compared to the total number of issued Shares as at the Latest Practicable Date, during the Review Period:

Table 3: Trading liquidity of the Shares

Month	**No. of trading days in each month**	**% of the Average Trading Volume to total number of issued Shares held by the public Shareholders as at the Latest Practicable Date** *(Note 1)*	**% of the Average Trading Volume to total number of issued Shares as at the Latest Practicable Date** *(Note 2)*
		%	%
2025			
June	16	0.037	0.009
July	22	0.075	0.019
August	21	0.039	0.010
September	22	0.315	0.079
October	20	0.167	0.042
November	20	0.059	0.015
December	21	0.043	0.011
2026			
January	21	0.057	0.014
February	17	0.018	0.004
March	22	0.085	0.021
April	19	0.579	0.145
May	1	14.904	3.726

Month	No. of trading days in each month	% of the Average Trading Volume to total number of issued Shares held by the public Shareholders as at the Latest Practicable Date *(Note 1)*	% of the Average Trading Volume to total number of issued Shares as at the Latest Practicable Date *(Note 2)*
		%	%
June	15	5.847	1.462
July	22	0.507	0.127
August (including and up to the Latest Practicable Date)	13	0.196	0.049

Source: the Stock Exchange's website

Notes:

1. Based on 115,304,638 Shares held by the other public Shareholders as at the Latest Practicable Date.

2. Based on 461,209,833 Shares as at the Latest Practicable Date.

We noted from the above table that the Average Trading Volume of the Shares was generally thin during the Review Period. Based on the above table, save for May and June 2026, being the first two months following the publication of the Rule 3.5 Announcement, the Average Trading Volume for each month during the Review Period was below (i) 1.0% of the total number of issued Shares held by the public Shareholders as at the Latest Practicable Date; and (ii) 1.0% of the total number of issued Shares as at the Latest Practicable Date. This indicates that the Shares had generally low liquidity during the Review Period.

3.4 Comparable companies

To further assess the fairness and reasonableness of the Offer Price, we performed the trading multiple analysis which includes book-based, earnings-based and sales-based multiples as below. However, (i) given that the Group is not an asset-based business, the price to book ratio ("**PBR**") analysis may not yield any conclusive meaning and the comparison on PBR was not adopted; and (ii) given that the Group was loss-making for FY2026, the price to earnings ratio ("**PER**") analysis may not yield any conclusive meaning and the comparison on PER was not adopted. As the Company is a revenue-based company, we consider the adoption of price to sales ratio ("**PSR**") in market comparable analysis is appropriate.

We searched for Hong Kong listed companies (i) which are principally engaged in the distribution or design of IC in Hong Kong or PRC and derived more than 50% of their revenue from such businesses in aggregate for their latest financial year to ensure that the principal businesses of the comparable companies are substantially the same as that of the Company; and (ii) which had market capitalisation of below HK$2 billion as at the Latest Practicable Date that we considered they are within a reasonable market capitalisation range as compared to that of the Company as they are all categorised as small cap companies (i.e. companies with market capitalisation of below HK$10 billion) and their market capitalisation are all below HK$2 billion. We found 5 companies listed below which met the aforesaid criteria (the "**Comparable Companies**") and considered the Comparable Companies, which represents an exhaustive list of stocks based on the above, to be fair and representative samples for comparison purpose.

Table 4: Analysis of the Comparable Companies

Company name (Stock code)	**Principal business**	**Market capitalisation of shares listed on the Stock Exchange as at the Latest Practicable Date**	**PSR** *(Note 1, 2)*
		Approximate HK$ million	*(x)*
China Electronics Huada Technology Company Limited (85)	Sale of IC products and provision of related design services	1,837	0.84
Intron Technology Holding Limited (1760)	Distribution of semiconductors including microcontrollers, memory ICs and power semiconductor ICs for automobiles and semiconductor-related software solution services	1,343	0.26
MEGAIN Holding (Cayman) Co., Ltd. (6939)	Research, design, development, and sales of compatible cartridge chips	719	5.34
Solomon Systech (International) Limited (2878)	Design, development, and sale of proprietary IC products and system solutions	649	0.89
V & V Technology Holding Limited (8113)	Sale of electronic component (Mainly IC)	90	0.10
		Maximum:	5.34
		Minimum:	0.10
		Average:	1.49
		Median:	0.84
The Company		168	0.42 *(Note 1, 2, 3)*

Source: the Stock Exchange's website

Notes:

1. Sales of the Comparable Companies and the Company represented their respective latest audited total consolidated revenue as extracted from their respective published annual results.

2. The PSR of the Comparable Companies and the Company were calculated based on their respective latest audited total consolidated revenue, their respective closing prices as quoted on the Stock Exchange and the total issued shares as at the Latest Practicable Date.

3. The implied market capitalization of the Company implied by the Offer Price is calculated based on (i) the Offer Price of HK$0.365 per Offer Share; and (ii) 461,209,833 Shares in issue as at the Latest Practicable Date.

As depicted in the above table, the PSR of the Comparable Companies ranged from approximately 0.10 times to approximately 5.34 times, with an average of approximately 1.49 times and a median of approximately 0.84 times.

We noted that the implied PSR of the Company is within the PSR range of the Comparable Companies and lower than both the average and median PSR of Comparable Companies.

Taking into account the implied PSR of the Company is lower than the average and median PSRs of the Comparable Companies. This indicates that the market capitalisation of the Company as implied by the Offer Price is not fair and reasonable, we consider the Offer Price to be unattractive, rendering the Offer not fair and reasonable so far as the Independent Shareholders are concerned.

OPINION AND RECOMMENDATION

Having considered that:

(i) Offer Price was lower than the closing price of the Share for 209 trading days out of the total of 222 trading days during the period from the start of the Review Period up to the Last Trading Day, as discussed in the section headed "3. Evaluation of the key terms of the Offer — 3.2 Historical price performance of the Share" in this Letter;

(ii) The Offer Price of HK$0.365 per Offer Share represented discounts ranging from approximately 73.5% to 83.1% to the closing price of the Shares for the period from the start of the Offer Period up to the Latest Practicable Date, which allows Independent Shareholders to sell their Shares at prices higher than the Offer Price if they consider fit, as discussed in the section headed "3. Evaluation of the key terms of the Offer — 3.2 Historical price performance of the Share" in this Letter;

(iii) the outlook of the IC industry in the PRC is generally positive, as discussed in the section headed "1. Information of the Group — 1.4 Prospects of the Group" in this Letter; and

(iv) the implied PSR of the Company is within the PSR range of the Comparable Companies respectively and lower than both the average and median PSR of Comparable Companies, as discussed in the section headed "3. Evaluation of the key terms of the Offer — 3.4. Comparable companies" in this Letter,

we are of the view that the Offer (including the Offer Price) is not fair and reasonable so far as the Independent Shareholders are concerned. Taking into account the factors above, we recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders not to accept the Offer.

For those Independent Shareholders who wish to realise their investments, we recommend that they consider disposing of their Shares in the open market. Nevertheless, the Independent Shareholders should also note that (i) given the significant price fluctuation during the Review Period, there is no guarantee that the Share price will sustain at a level above the Offer Price and/or after the Offer Period; (ii) given the historical thin liquidity of the Shares, it may be difficult for the Offer Shareholders to dispose of a significant number of the Shares on the market in a short period of time without exerting downward pressure on the Share price; and (iii) the Independent Shareholders (regardless of their amount of shareholdings) may not be able to realise their investments in the Shares at a price higher than the Offer Price when they are going to dispose of their partial or entire holdings. In such circumstances, the Offer might provide an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares at the Offer Price of HK$0.365 per Offer Share. However, for those Independent Shareholders who intend to accept the Offer, we would remind them to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from such sale of Shares would be higher than that receivable under the Offer. For those Independent Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the market prices of the Shares as a result of the thin trading in the Shares.

As different Independent Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Independent Shareholders who may require advice in relation to any aspect of the Offer Document or the Response Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Ignite Capital (Asia Pacific) Limited
Cecilia Tam
Managing Director

Ms. Cecilia Tam is a licensed person registered with the SFC and a responsible officer of Ignite Capital (Asia Pacific) Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 15 years of experience in the corporate finance industry.

* *For identification purposes only*

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

(a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.

(b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect hereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, marked "Contel Technology Company Limited — Offer" on the envelope, as soon as possible and in any event so as to reach the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.

(c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:

(i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar, marked "Contel Technology Company Limited — Offer" on the envelope, by no later than 4:00 p.m. on the Closing Date; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar, marked "Contel Technology Company Limited — Offer" on the envelope, by no later than 4:00 p.m. on the Closing Date; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.

(d) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed and signed and delivered to the Registrar, marked "Contel Technology Company Limited — Offer" on the envelope, together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be delivered to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

(e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar, marked "Contel Technology Company Limited — Offer" on the envelope, together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable instruction and authority to the Offeror and/or DL Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

(f) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar has recorded that the Form of Acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:

(i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (f)); or

(iii) certified by the Registrar or the Stock Exchange.

(g) If the Form of Acceptance is executed by a person other than the registered Shareholders, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

(h) In Hong Kong, seller's ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

(i) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/ or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. SETTLEMENT OF THE OFFER

(a) Provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete and in good order in all respects and have been received by the Registrar before the close of the Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of the duly completed acceptances of the Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

(b) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.

(c) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

3. ACCEPTANCE PERIOD AND REVISIONS

(a) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive.

(b) The Offeror and the Company will jointly publish an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.

(c) If the Offer are extended or revised, the Offeror and the Company will jointly publish an announcement on the Stock Exchange's website, and the announcement of such extension or revision will state the next closing date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given before the Offer are closed to the Independent Shareholders who have not accepted the relevant Offer.

(d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the relevant Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer will be kept open for at least fourteen (14) days after the date of the revised offer document.

(e) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENTS

(a) By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended, or has expired. The announcement will state the total number of Shares and rights over Shares:

   (i) for which acceptances of the Offer have been received;

   (ii) held, controlled or directed by the Offeror and/or parties acting in concert with it before the Offer Period; and

   (iii) acquired or agreed to be acquired during the Offer Period by the Offeror and/or parties acting in concert with it.

   The announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or parties acting in concert with it have borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

   The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

(b) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive, shall be included.

(c) As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

6. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraph (b) below.

(b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the section headed "5. ANNOUNCEMENTS" above), the Executive may require that acceptors of the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after receipt of the notice of withdrawal, despatch by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to, or make such document(s) available for collection by, the relevant Independent Shareholders at their own risks.

7. OVERSEAS INDEPENDENT SHAREHOLDERS

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Independent Shareholders. As the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions, the Overseas Independent Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice in respect of the Offer. It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Independent Shareholders in respect of the acceptance of the Offer in such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders for any taxes or duties as such persons may be required to pay.

Acceptance of the Offer by any Overseas Independent Shareholder will be deemed to constitute a representation and warranty from such Overseas Independent Shareholder to the Offeror that the all applicable laws and requirements have been complied with and such Overseas Independent Shareholder is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. Overseas Independent Shareholder should consult their professional advisers if in doubt.

8. TAXATION ADVICE

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

9. GENERAL

(a) All communications, notices, Form of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of Offeror and the parties acting in concert with it, the

Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.

(c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.

(d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Form of Acceptance will constitute an authority to the Offeror, DL Securities, Alpha Financial, the Registrar and/or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.

(f) Acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror, DL Securities and Alpha Financial that the Offer Shares are sold to the Offeror free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

(g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.

(h) Any Independent Shareholders accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.

(i) Unless otherwise expressly stated in this Composite Document and/or the Form of Acceptance, no person other than the Offeror and the accepting Independent Shareholders may enforce any terms of the Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

(j) Reference to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

(k) All acceptance, instructions, authorities and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

(l) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.

(m) In making their decisions, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of Offeror and the parties acting in concert with it, the Company, DL Securities, Alpha Financial, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.

(n) The Offer is made in accordance with the Takeovers Code.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited financial information of the Group for each of the year ended 31 December 2023, 15 months ended 31 March 2025 and year ended 31 March 2026 as extracted from the Company's annual reports for the aforementioned years/periods:

	year ended 31 December 2023	fifteen months ended 31 March 2025 (Note 1)	For the fifteen months ended 31 March 2025 presented on an annualized basis (Note 2)	year ended 31 March 2026
	US$'000	*US$'000*	*US$'000*	*US$'000*
Revenue	66,316	76,963	61,570	51,329
Cost of Sales	(63,382)	(74,891)	(59,913)	(50,463)
Gross profit	2,934	2,072	1,658	866
Other income and other gains or losses, net	193	201	161	(2,273)
Selling and distribution expenses	(2,959)	(3,918)	(3,134)	(2,970)
General and administrative expenses	(5,834)	(6,297)	(5,038)	(5,351)
Impairment loss on property, plant and equipment	(102)	—	—	(685)
Impairment loss on intangible and other assets	(98)	(32)	(26)	(1,333)
Impairment loss on goodwill	(257)	—	—	—
Provision for allowance for expected credit loss on trade receivables	(242)	(521)	(417)	(82)
Gain on disposal of subsidiaries	—	—	—	726
Finance costs	(2,284)	(3,553)	(2,842)	(3,130)
Loss before income tax	(8,649)	(12,048)	(9,638)	(14,232)
Income tax credit/(expense)	(1,100)	(86)	(69)	409
Loss for the period/year attributable to the owners of the Company (Note 3)	(9,749)	(12,134)	(9,707)	(13,823)
Other comprehensive loss for the period/year attributable to owners of the Company	(2,132)	(388)	(310)	(1,307)
Total comprehensive loss for the period/year attributable to the owners of the Company	(11,881)	(12,522)	(10,018)	(15,130)
	US$	*US$*	*US$*	*US$*
Loss per share attributable to the owners of the Company (Note 4)	(0.09)	(0.11)	(0.09)	(0.12)

Notes:

1. As disclosed in the Company's announcement dated 8 November 2024, the Board resolved to change the financial year end date of the Company from 31 December to 31 March. Accordingly, the then next financial year end date of the Company following the change would be 31 March 2025 and the then next audited consolidated financial statements of the Group published covered the period of fifteen months commencing on 1 January 2024 and ended on 31 March 2025.

2. For illustrative purposes only, the figures presented in this column for the fifteen months ended 31 March 2025 are adjusted on an annualized basis, i.e. the figures were divided by 15 and then multiplied by 12 to arrive at 12-month adjusted figures for comparison with the other 12-month financial years.

3. The Group did not have any non-controlling interest in each of the relevant year/period.

4. The calculation of the loss per share attributable to the owners of the Company is based on the loss for the year/period attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the relevant year/period. As per the relevant annual reports, there were no dilutive potential shares outstanding during the relevant year/period.

   The Company conducted a share consolidation on the basis of every ten shares with par value of HK$0.01 each in the then issued share capital of the Company into one consolidated share with par value of HK$0.10 each which became effective on 21 November 2025. Please refer to the Company's announcements dated 30 September 2025 and 19 November 2025 and the circular dated 28 October 2025 for further details. The loss per share attributable to owners of the Company for the year ended 31 December 2023 and fifteen months ended 31 March 2025 have therefore been adjusted to reflect the effects of the share consolidation.

No dividend was declared, distributed or paid by the Company for each of the year ended 31 December 2023, 15 months ended 31 March 2025 and year ended 31 March 2026.

The consolidated financial statements of the Company for the year ended 31 December 2023, 15 months ended 31 March 2025 and year ended 31 March 2026 were audited by Moore CPA Limited. The consolidated financial statements of the Company for the year ended 31 December 2023 and 15 months ended 31 March 2025 did not contain any qualified or modified opinion, emphasis of matter or material uncertainty related to going concern. The consolidated financial statements of the Company for the year ended 31 March 2026 contained an emphasis of matter on material uncertainty related to going concern. Set out below is the relevant extract from page 125 of the Company's annual report for the year ended 31 March 2026:

"Material uncertainty related to going concern

We draw attention to Note 2(c) to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately US$13,823,000 for the year ended 31 March 2026 and, as of that date, the Group had net current liabilities and net labilities of approximately US$3,810,000 and US$2,055,000 respectively. As stated in Note 2(c), these conditions, along with *other events or matters set forth in Note 2(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."*

Save for the aforementioned change in financial year, there has been no change in the Group's accounting policies which would result in the figures in its consolidated financial statements for the year ended 31 December 2023, fifteen months ended 31 March 2025 and year ended 31 March 2026 being not comparable to a material extent. The financial information for the fifteen months ended 31 March 2025 presented on an annualized basis and as explained under note 2 above is included for illustrative purposes.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statements of profit or loss, the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with the significant accounting policies and the notes to the relevant published audited accounts which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Group for the year ended 31 March 2026 (the "**2026 Financial Statements**") have been set out on pages 132 to 254 of the annual report of the Company for the year ended 31 March 2026 (the "**2026 Annual Report**"), which was posted on 23 July 2026 on the website of the Stock Exchange (www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0723/2026072300191.pdf

The audited consolidated financial statements of the Group for the fifteen months ended 31 March 2025 (the "**2025 Financial Statements**") have been set out on pages 140 to 272 of the annual report of the Company for the fifteen months ended 31 March 2025 (the "**2025 Annual Report**"), which was posted on 31 July 2025 on the website of the Stock Exchange (www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0731/2025073101852.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2023 (the "**2023 Financial Statements**") have been set out on pages 103 to 222 of the annual report of the Company for the year ended 31 December 2023 (the "**2023 Annual Report**"), which was posted on 30 April 2024 on the website of the Stock Exchange (www.hkexnews.hk), and is accessible via the following hyperlink:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043001231.pdf

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 June 2026, being the latest practicable date for the purpose of the preparation of this indebtedness statement prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

Other borrowings

The Group had other borrowings that were unsecured and interest-bearing in the aggregate amount of approximately US$9.8 million as at 30 June 2026.

Shareholder's loan

As at the close of business on 30 June 2026, the Group had Shareholder's loan that was unsecured and interest-free in the amount of approximately US$1.4 million.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of its business, the Group did not have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities as at 30 June 2026.

4. MATERIAL CHANGE

The Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 31 March 2026, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Offeror), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. SHARE CAPITAL

Set out below are the authorised and issued share capital of the Company as at the Latest Practicable Date:

Authorised		*HK$*
2,000,000,000	Shares	200,000,000
Issued and fully paid		*HK$*
461,209,833	Shares	46,120,983

All Shares in issue rank pari passu in all respects with each other, including rights to dividends, voting and return of capital.

The Company has issued 329,435,595 Shares since 31 March 2026, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

The Shares are listed and traded on the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

3. DISCLOSURE OF INTERESTS

(a) The Directors' interests and short positions in the Shares, underlying Shares and debenture

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered into the register referred to therein; (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules; and (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code are as follows:

Name of Director	Capacity in which Shares were held	Number of Shares[4]	Approximate percentage of the Shares to total issued Shares %
Mr. Lam[(1), (2) and (3)]	Interest in a controlled corporation / person acting in concert	74,674,600(L)	16.19

Notes:

(1) Pursuant to a confirmatory deed, Mr. Lam, Mr. Qing Haodong and Ms. Feng Tao (spouse of Mr. Qing Haodong) have acknowledged and confirmed, among other things, that they are acting in concert with each other. Accordingly, each of Mr. Lam, Mr. Qing Haodong and Ms. Feng Tao is deemed to be interested in all the Shares in which any of them is interested under the SFO.

(2) P. Grand (BVI) Ltd. is 100% owned by Mr. Lam, and Mr. Lam is deemed to be interested in all the Shares held by P. Grand (BVI) Ltd. under the SFO.

(3) Kingtech (BVI) Ltd. is 100% owned by Ms. Feng Tao, and Ms. Feng Tao is deemed to be interested in all the Shares held by Kingtech (BVI) Ltd. under the SFO.

(4) The letter "L" denotes the person's long position in the Shares.

Save as disclosed above and as at the Latest Practicable Date, so far as is known to the Directors, none of the Directors and the chief executives of the Company had or were deemed to have any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which would were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered into the Register referred to therein; (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules; and (iv) to be disclosed in this Composite Document pursuant to the Takeovers Code.

(b) Substantial Shareholders' interests or short positions in the Shares and underlying Shares

So far as is known to the Directors and chief executives of the Company, as at the Latest Practicable Date, the person (other than a Director or the chief executives of the Company) or corporations who had interests or short position in the Share and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	**Capacity/nature of interest**	**Number of Shares**[(5)]	**Approximate percentage of the Shares to total issued Shares** %
Zhuangyan Investment International Limited[(1)]	Beneficial owner	271,230,595 (L)	58.81
Mr. Zhuang[(1)]	Interest in a controlled corporation	271,230,595 (L)	58.81
P. Grand (BVI) Ltd.[(3)]	Beneficial owner	66,274,600 (L)	14.37

Name	Capacity/nature of interest	Number of Shares[5]	Approximate percentage of the Shares to total issued Shares %
Ms. Feng Tao[(2), (3) and (4)]	Interest of controlled corporation/ person acting in concert	74,674,600 (L)	16.19
Kingtech (BVI) Ltd.[(4)]	Beneficial owner	8,400,000 (L)	1.82

Notes:

(1) Mr. Zhuang is the sole legal and beneficial owner and the sole director of Zhuangyan Investment International Limited.

(2) Pursuant to a confirmatory deed, Mr. Lam, Mr. Qing Haodong and Ms. Feng Tao (spouse of Mr. Qing Haodong) have acknowledged and confirmed, among other things, that they are acting in concert with each other. Accordingly, each of Mr. Lam, Mr. Qing Haodong and Ms. Feng Tao is deemed to be interested in all the Shares in which any of them is interested under the SFO.

(3) P. Grand (BVI) Ltd. is 100% owned by Mr. Lam, and Mr. Lam is deemed to be interested in all the Shares held by P. Grand (BVI) Ltd. under the SFO.

(4) Kingtech (BVI) Ltd. is 100% owned by Ms. Feng Tao, and Ms. Feng Tao is deemed to be interested in all the Shares held by Kingtech (BVI) Ltd. under the SFO.

(5) The letter "L" denotes the person's long position in the Shares.

Save as disclosed above and as at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, no other person (other than a Director or the chief executives of the Company) or corporations who had interests or short position in the Share and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

4. ADDITIONAL DISCLOSURE OF INTERESTS

(a) Save as disclosed in the section headed "3. Disclosure of interests — (a) The Directors' interests and short positions in the Shares, underlying Shares and debenture" in this appendix, none of the Directors (i) had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable in to Shares as at the Latest Practicable Date and; (ii) had dealt in the same during the Relevant Period;

(b) the Company and the Directors had (i) no shareholding in the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror as at the Latest Practicable Date and; (ii) not dealt in the same during the Relevant Period;

(c) none of the subsidiaries of the Company, pension funds of the Company or any member of the Group, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding exempt principal traders and exempt fund managers), owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares as at the Latest Practicable Date, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Offer Period and up to the Latest Practicable Date;

(d) save as disclosed in the section headed "3. Disclosure of interests — (a) The Directors' interests and short positions in the Shares, underlying Shares and debenture" in this appendix, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares as at the Latest Practicable Date, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) during the Offer Period and up to the Latest Practicable Date;

(e) no fund manager (other than exempt fund managers) connected with the Company had managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis as at the Latest Practicable Date, and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Offer Period and up to the Latest Practicable Date;

(f) save for Mr. Lam Keung, an executive Director, who has indicated that he will accept the Offer in respect of the 66,274,600 Shares in which he has beneficial interest, none of the other Directors had any beneficial interest in the Shares as at the Latest Practicable Date and are accordingly not in a position to express his/her intention to accept or reject the Offer;

(g) none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares as at the Latest Practicable Date; and

(h) there was no understanding, arrangement or agreement or special deal between any Shareholder on one hand, and the Company, its subsidiaries or associated company on the other hand as at the Latest Practicable Date.

5. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

(a) No arrangement was in place for any benefit (other than statutory compensation) to be given to any Directors as compensation for loss of office or otherwise in connection with the Offer as at the Latest Practicable Date;

(b) there was no agreement or arrangement between any Director and any other person which was condition on or dependent upon the outcome of the Offer or is otherwise connected with the Offer as at the Latest Practicable Date; and

(c) save for the Subscription Agreement, there was no material contract entered into by the Offeror in which any Director had a material personal interest as at the Latest Practicable Date.

6. LITIGATION

Save for the statutory demand dated 12 March 2026 received by the Company from the legal advisors acting on behalf of Ms. Tse Hoi Ching, a creditor of the Company, for outstanding sum of approximately US$7.5 million (equivalent to approximately HK$58.5 million) as at the date of the statutory demand, further details of which are disclosed in its announcement dated 12 March 2026, there were no litigation or claims of material importance known to the Directors, pending or threatened against any member of the Group as at the Latest Practicable Date.

7. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which have been entered into by any member of the Group within the two years immediately preceding the commencement of the Offer Period:

(a) the placing agreement dated 22 September 2025 entered into between the Company and DL Securities (HK) Limited in connection with placing of a maximum of 219,624,476 placing shares at HK$0.065 per placing share as disclosed in the Company's announcements dated 22 September and 10 October 2025 (completion of such placing took place on 10 October 2025, and an aggregate of 219,620,000 placing shares had been placed with net proceeds of approximately HK$12.82 million) where a 3.5% placing commission which amounted to approximately HK$500,000 was paid to DL Securities (HK) Limited;

(b) the equity transfer contract dated 26 September 2025 entered into between Shenzhen IH Technology Co., Ltd.* (深圳市英浩控制技術有限公司), an indirect wholly-owned subsidiary of the Company as vendor and Huang Jian (黃健) as purchaser in connection with the disposal of 100% equity interest in two indirect wholly-owned subsidiaries of the Company at a consideration of RMB100,000 as disclosed in the Company's announcements dated 26 September and 31 October 2025;

(c) the Subscription Agreement; and

(d) the Placing Agreement.

8. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contracts with any members of the Group or the associated companies of the Company in force which (i) including both continuous and fixed term contracts have been entered into or amended within 6 months before the commencement of the Offer Period; (ii) were continuous contracts with a notice period of 12 months or more; or (iii) were fixed term contracts with more than 12 months to run irrespective of the notice period.

9. EXPERT AND CONSENT

The following is the name and qualification of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualification
Ignite Capital (Asia Pacific) Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The expert has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

As at the Latest Practicable Date, the expert did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 March 2026, being the date of the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

(a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(b) The principal place of business in Hong Kong of the Company is situated at Unit No. A, 13th Floor, Block 1, Leader Industrial Centre, Nos. 188–202 Texaco Road, Tsuen Wan, New Territories, Hong Kong.

(c) The Company's principal share registrar and transfer office is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(d) The Company's Hong Kong branch share registrar and transfer office is Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong.

(e) The registered office of Ignite Capital (Asia Pacific) Limited is Unit A, 15th Floor, CMA Building, 64–66 Connaught Road Central, Hong Kong.

(f) In the event of inconsistency, the English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese translation.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are available on display (i) on the website of the Company (www.conteltechnology.com); and (ii) on the website of the SFC (www.sfc.hk), from the date of this Composite Document up to and including the Closing Date:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the year ended 31 December 2023, the fifteen months ended 31 March 2025 and the year ended 31 March 2026;

(c) the letter from the Board, the text of which is set out on pages 28 to 34 of this Composite Document;

(d) the letter from the Independent Board Committee, the text of which is set out on pages 35 to 36 of this Composite Document;

(e) the letter from the Independent Financial Adviser, the text of which is set out on pages 37 to 63 of this Composite Document;

(f) the written consent as referred to in the section headed "9. Expert and consent" in this appendix;

(g) this Composite Document and the accompanying Form of Acceptance;

(h) the Placing Agreement; and

(i) each of the other material contract(s) as referred to in the section headed "7. Material contracts" in this appendix.

1. RESPONSIBILITY STATEMENT

As at the Latest Practicable Date, Mr. Zhuang is the sole director of the Offeror.

Mr. Zhuang accepts full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Group), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	**Closing price Per Shares** *(HK$)*
28 November 2025	0.66
31 December 2025	0.71
30 January 2026	0.56
27 February 2026	0.58
31 March 2026	0.36
30 April 2026	0.47
4 May 2026 (being the Last Trading Day)	0.56
30 June 2026	1.80
31 July 2026	1.62
19 August 2026 (being the Latest Practicable Date)	1.45

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK$2.16 per Share on 11 June 2026 and the lowest closing price of the Shares quoted on the Stock Exchange was HK$0.355 per Share on 19 March 2026, 10 April 2026, 13 April 2026 and 14 April 2026.

3. DISCLOSURE OF INTERESTS AND DEALINGS OF SECURITIES OF THE COMPANY

As at the Latest Practicable Date,

(a) the Offeror was interested in 271,230,595 Shares, being the Subscription Shares;

(b) Mr. Zhuang, being sole legal and beneficial shareholder and the sole director of the Offeror, was deemed to be interested in the 271,230,595 Shares that the Offeror was interested in;

(c) save for the Subscription Shares, none of the Offeror, its ultimate beneficial owner nor parties acting in concert with any of them had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares or other relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) of the Company during the Relevant Period;

(d) save for the Subscription Shares, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

(e) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them had received any irrevocable commitment to accept or reject the Offer;

(f) save for the Subscription Agreement and the Placing Agreement, none of the Offeror, its ultimate beneficial owner, associates of them and/or parties acting in concert with any of them had any arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other person in relation to the shares of the Offeror or the Shares;

(g) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

4. ARRANGEMENTS IN CONNECTION WITH THE OFFER

As at the Latest Practicable Date,

(a) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other person;

(b) no benefit would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(c) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror, its ultimate beneficial owner or any person acting in concert with any of them on the one hand, and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Offer;

(d) save for the Subscription Agreement and the Placing Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;

(e) other than the consideration paid by the Offeror to the Company or its concert parties under the Subscription Agreement, there is no other consideration, compensation or benefits paid by or to be paid by the Offeror, its ultimate beneficial owner or parties acting in concert with any of them to the Company or its concert parties; and

(f) save for the Subscription Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Shareholders on the one hand, and the Offeror, its ultimate beneficial owner or parties acting in concert with any of them on the other hand.

5. EXPERT AND CONSENT

The followings are the names and the qualifications of the expert whose letters, opinions or advices are contained or referred to in this Composite Document:

Name	Qualifications
DL Securities	a licensed corporation permitted 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
Alpha Financial	a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Each of DL Securities and Alpha Financial has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinions or advices and references to its name in the form and context in which it appears.

6. MISCELLANEOUS

As at the Latest Practicable Date:

(a) The registered office of the Offeror is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, the British Virgin Islands and the correspondence address of Mr. Zhuang is Room H, 26/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

(b) The registered office of DL Securities is situated at 21/F, DL Tower, 92 Wellington Street, Central, Hong Kong.

(c) The registered office of Alpha Financial is situated at Unit B, 15/F, Two Chinachem Plaza, 68 Connaught Road Central, Central, Hong Kong.

In the event of inconsistency, the English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the SFC (http://www.sfc.hk) and the Company (www.conteltechnology.com) from the date of this Composite Document up to and including the Closing Date:

(a) memorandum and articles of association of the Offeror;

(b) the letter from DL Securities, the text of which is set out on page 12 to 27 of this Composite Document;

(c) the written consents as referred to in the section headed "5. EXPERT AND CONSENT" in this Appendix; and

(d) the Subscription Agreement.