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
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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