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**NET-A-GO TECHNOLOGY COMPANY LIMITED**

**網譽科技有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1483)**

**(1) CONNECTED TRANSACTION IN RELATION TO  
THE ACQUISITION OF 90% OF THE ISSUED  
SHARE CAPITAL OF THE TARGET COMPANY AND  
(2) CHANGE IN USE OF PROCEEDS FROM THE PLACING**

**Financial adviser to the Company**



**FDB Financial Group Ltd**  
**豐展金融集團有限公司**

**THE ACQUISITION**

On 8 April 2022, Aerospace Huatai, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Shanghai Benemae, pursuant to which Aerospace Huatai has conditionally agreed to acquire, and Shanghai Benemae has conditionally agreed to sell 90% of the equity interests in the Target Company at a total Consideration of RMB27,000,000 (equivalent to approximately HK\$33,067,972).

Upon the Completion, the Target Company will become an indirect non wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the financial statements of the Group.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Target Company is directly owned as to 94% by Shanghai Benemae, 5% by Mr. Wu Yajin and 1% by Mr. Wang Yifan. As Shanghai Benemae is wholly-owned by Mr. Sang Huiqing and Mr. Sang Huiqing is the brother of Mr. Sang Kangqiao, Shanghai Benemae is therefore an associate and a connected person of the Company under Rule 14A.12(2)(b) of the Listing Rules. Accordingly, the Acquisition contemplated under the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since each of the applicable percentage ratios (excluding profits ratio) in respect of the Acquisition is more than 0.1% but less than 5%, the transactions contemplated under the Sale and Purchase Agreement are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

## **CHANGE IN USE OF PROCEEDS FROM THE PLACING**

Reference is made to (i) the announcement of the Company dated 23 March 2021 in relation to the Placing; (ii) the announcement of the Company dated 15 April 2021 in relation to the completion of the Placing; and (iii) the announcement of the Company dated 30 April 2021 in relation to the termination of the memorandum of understanding (the "MOU") for a possible acquisition and capital injection into Beijing Yunling Technology Co., Ltd. (北京雲聆科技有限公司) (the "Possible Acquisition") (the "Termination Announcement"). The net proceeds received by the Company from the Placing (the "Net Proceeds"), after deducting the underwriting fees and commissions and other expenses payable by the Company in connection with the Placing, were approximately HK\$149.5 million.

Having considered the reasons for and benefits of the Acquisition as set out in the section headed "Reasons for and benefits of the Acquisition", in order to better utilize the financial resources of the Company and to capture favourable investment opportunities, the Board has reviewed and resolved to reallocate part of the unutilized Net Proceeds of approximately HK\$33.1 million from the Placing for the Acquisition.

## **THE ACQUISITION**

On 8 April 2022, Aerospace Huatai, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Shanghai Benemae, pursuant to which Aerospace Huatai has conditionally agreed to acquire, and Shanghai Benemae has conditionally agreed to sell, the Equity Interests, at a total Consideration of RMB27,000,000 (equivalent to approximately HK\$33,067,972).

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are as follows:

### **Date**

8 April 2022

### **Parties**

1. Aerospace Huatai, as the purchaser
2. Shanghai Benemae, as the vendor

### **Asset to be acquired**

Aerospace Huatai has conditionally agreed to acquire and Shanghai Benemae have conditionally agreed to sell the Equity Interests.

### **Consideration**

Pursuant to the Sale and Purchase Agreement, the Consideration is RMB27,000,000 (equivalent to approximately HK\$33,067,972) and shall be settled by Aerospace Huatai by cheque or by bank transfer in the following manner:

- (a) RMB13,500,000 (equivalent to approximately HK\$16,533,986) shall be paid within 3 Business Days from the date of signing of the Sale and Purchase Agreement; and
- (b) RMB13,500,000 (equivalent to approximately HK\$16,533,986) shall be paid within 3 Business Days upon the Completion.

The Consideration was arrived at after arm's length negotiations between Aerospace Huatai and Shanghai Benemae with reference to, among other things, (i) the financial position of the Target Company; (ii) the net liabilities of the Target Company of approximately RMB4,428,148 and approximately RMB4,639,224 as at 31 December 2021 and 28 February 2022, respectively; and (iii) the valuation report dated 31 March 2022 prepared by the independent valuer. According to the valuation report, as at 28 February 2022 (the valuation benchmark date), the appraised value of the Target Company on the basis of the market approach is RMB37,773,137 (equivalent to approximately HK\$46,262,260).

Having considered the aforesaid factors, the Board consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

It is expected that the Consideration will be financed by the unutilized Net Proceeds from the Placing.

### **Conditions precedent**

Completion shall be conditional upon fulfilment of the following conditions:

- (a) all the representations, warranties and undertakings given by Shanghai Benemae under the Sale and Purchase Agreement remaining true, complete and effective up to the Completion;
- (b) all necessary approvals, consents and permits from any relevant government or supervising authorities (including the Stock Exchange) or other relevant third parties in respect of the Acquisition having been obtained;
- (c) all necessary applications, documentation and registration procedures regarding the transfer of equity interest in relation to the Acquisition have been duly completed and/or filed with relevant local Administration of Industry and Commerce in the PRC;
- (d) Aerospace Huatai being satisfied that, from the date of the Sale and Purchase Agreement to the date of Completion that there has not been any change which has a material and adverse effect on the business and financial position of the Target Company as a whole; and
- (e) Aerospace Huatai being satisfied with the results of the due diligence in respect of the Target Company, including but not limited to assets, liabilities, operations and affairs of the Target Company.

If any of the Conditions Precedent is not fulfilled before the Long Stop Date, Aerospace Huatai may have an option to give a 3 days' notice to Shanghai Benemae to terminate the Sale and Purchase Agreement and Shanghai Benemae shall refund any paid Consideration to Aerospace Huatai within 7 Business Days after the notice.

## **Completion**

Completion shall take place within 7 Business Days following the date on which the last of the Conditions Precedent to the Sale and Purchase Agreement having been fulfilled.

Upon the Completion, the Target Company will become an indirect non wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the financial statements of the Group.

## **INFORMATION OF AEROSPACE HUATAI**

Aerospace Huatai is an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

## **INFORMATION OF SHANGHAI BENEMAE**

Shanghai Benemae, a company incorporated in the PRC with limited liability, and is wholly-owned by Mr. Sang Huiqing. It is principally engaged in investment holding.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a limited liability company incorporated in the PRC. The Target Company is principally engaged in the production and research and development of self-injection medical devices. As at the date of this announcement, the Target Company is directly owned as to 94% by Shanghai Benemae, 5% by Mr. Wu Yajin and 1% by Mr. Wang Yifan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, Mr. Wu Yajin and Mr. Wang Yifan are Independent Third Parties.

The Target Company's pen injector is categorized as a Class II medical devices in China and has obtained the relevant certification approved by the National Medical Products Administration ("NMPA"). The Target Company was granted with the International Organisation for Standardisation 13485 ("ISO 13485") Certificate for meeting the regulatory requirements of the design, development and production of pen injector and has obtained the CE Full Quality Assurance System Certificate ("CE marking") for its pen injector for complying the product safety requirement across Europe.

Set out below is an extract of the financial information of the Target Company for the two financial years ended 31 December 2020 and 31 December 2021, respectively:

|                          | <b>For the year ended</b> |                    |
|--------------------------|---------------------------|--------------------|
|                          | <b>31 December</b>        |                    |
|                          | <b>2020</b>               | <b>2021</b>        |
|                          | <b>(audited)</b>          | <b>(unaudited)</b> |
|                          | <i>RMB'000</i>            | <i>RMB'000</i>     |
| Revenue                  | 5,268                     | 10,283             |
| Net loss before taxation | (1,654)                   | (2,083)            |
| Net loss after taxation  | (1,654)                   | (2,083)            |

As at 31 December 2021 and 28 February 2022, the net liabilities of the Target Company was approximately RMB4,428,148 and RMB4,639,224, respectively. The net liabilities position of the Target Company was resulted from accumulated losses incurred during the course of its operation. Having considered that the Target Company is in its early stage of development, the Directors believe that financial position of the Target Company will gradually improve after the ramp up of production scale and increase in market shares. The Board is confident in the prospect of the medical devices industry and will provide further financing when necessary to develop the business of the Target Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company is principally engaged in environmental maintenance business, property leasing business and securities trading business. The Company has been actively seeking for potential investment opportunities which will enable the Company to expand its business portfolio and diversify the revenue sources to increase the Shareholders' value.

The Target Company is principally engaged in the production and research and development of self-injection medical devices. Pen injector have been widely used by patients for dosing as it is user-friendly and it can help maintaining the medication adherence and allow better control of disease. There is a growing acceptance of pen injector because of its convenience and portability and the Board expects the demand for pen injector will continuously increase and are optimistic on the business prospects of the Target Company.

The Target Company has already obtained certifications and recognitions such as ISO 13485, CE marking and Class II medical devices certification, the Board is of the view that these qualifications demonstrate the high product quality and are able to enhance the competitiveness of the product. Besides, the obtaining of CE marking means the pen injector is able to expand into the overseas markets as CE marking is a mandatory conformity mark for a product to enter into the European market.

The Board is of the view that the Acquisition serves as a good opportunity for the Company to enter the medical devices industry with growth potential and the Acquisition is in line with the Company's long-term development objectives and strategies and is in the interest of the Shareholders as a whole.

In light of the above, the Board (including the Independent Non-executive Directors) considers that the terms of the Acquisition are fair and reasonable, and on normal commercial terms, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Target Company is directly owned as to 94% by Shanghai Benemae, 5% by Mr. Wu Yajin and 1% by Mr. Wang Yifan. As Shanghai Benemae is wholly-owned by Mr. Sang Huiqing and Mr. Sang Huiqing is the brother of Mr. Sang Kangqiao, Shanghai Benemae is therefore an associate and a connected person of the Company under Rule 14A.12(2)(b) of the Listing Rules. Accordingly, the Acquisition contemplated under the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since each of the applicable percentage ratios (excluding profits ratio) in respect of the Acquisition is more than 0.1% but less than 5%, the transactions contemplated under the Sale and Purchase Agreement are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Mr. Sang Kangqiao has abstained from voting on the Board resolution approving for the Sale and Purchase Agreement and the transactions thereunder. Save as stated above, none of the Directors has any material interest in the Sale and Purchase Agreement and the transactions thereunder, and hence no other Director was required to abstain from voting.

All Directors are of the view that the Sale and Purchase Agreement was entered into after negotiation on arm's length basis and on normal commercial terms, and the relevant terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole. However, due to the nature of the Acquisition, it is not in the usual course of business of the Group.

## CHANGE IN USE OF PROCEEDS FROM THE PLACING

Reference is made to (i) the announcement of the Company dated 23 March 2021 in relation to the Placing; (ii) the announcement of the Company dated 15 April 2021 in relation to the completion of the Placing; and (iii) the announcement of the Company dated 30 April 2021 in relation to the termination of the memorandum of understanding (the “MOU”) for a possible acquisition and capital injection into Beijing Yunling Technology Co., Ltd. (北京雲聆科技有限公司) (the “Possible Acquisition”) (the “Termination Announcement”). The net proceeds received by the Company from the Placing (the “Net Proceeds”), after deducting the underwriting fees and commissions and other expenses payable by the Company in connection with the Placing, were approximately HK\$149.5 million.

As stated in the Termination Announcement, the MOU was terminated with effect from 30 April 2021 and the parties to the MOU decided not to proceed with the Possible Acquisition. The Board has therefore decided to apply the Net Proceeds for other possible investments in high-growth business in PRC which will generate a stable and constant stream of income to the Group and create long term value for the Shareholders. As at the date of this announcement, the Group had utilised approximately HK\$55.7 million of the Net Proceeds and the unutilised Net Proceeds amounted to approximately HK\$93.8 million. Details of the original allocation and the revised allocation of the Net Proceeds are set out as follows:

|   | Original<br>allocation<br>of the<br>Net Proceeds<br><i>HK\$ million</i> | Utilised amount<br>of the<br>Net Proceeds<br>as at the date<br>of this<br>announcement<br><i>HK\$ million</i> | Unutilised<br>Net Proceeds<br>as at the date<br>of this<br>announcement<br><i>HK\$ million</i> | Revised<br>allocation of<br>the Unutilised<br>Net Proceeds<br><i>HK\$ million</i> | Expected date<br>of full utilisation<br>of the unutilised<br>Net Proceeds |
|---|---|---|--|---|---|
| Operating costs and expenses of<br>the initial stages of the new<br>environmental maintenance projects  | 41.7  | 41.7  | –  | –   | –   |
| General working capital of the Group  | 14.0  | 14.0  | –  | –   | –   |
| Investments in high growth businesses<br>in the PRC, including high<br>technology, software consulting and<br>internet service related business | 93.8  | –   | 93.8   | 60.7  | December 2022   |
| Investment in the Acquisition   | –   | –   | –  | 33.1  | May 2022  |
| <b>Total</b>  | <b>149.5</b>  | <b>55.7</b>   | <b>93.8</b>  | <b>93.8</b>   |   |



## **Reason for the Change in Use of Proceeds from the Placing**

Having considered the reasons for and benefits of the Acquisition as set out in the section headed “Reasons for and benefits of the Acquisition”, in order to better utilize the financial resources of the Company and to capture favourable investment opportunities, the Board has reviewed and resolved to reallocate part of the unutilized Net Proceeds of approximately HK\$33.1 million from the Placing for the Acquisition. The Board is of the view that the Acquisition will be favourable to the Group’s long-term business development and deliver returns to Shareholders in the near future.

The Board confirms that there is no material change in the business nature of the Group, and considers that the proposed change in the use of the Net Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its Shareholders as a whole.

## **DEFINITIONS**

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

|                    |  |
|--------------------|--|
| “Acquisition”      | the proposed acquisition of the Equity Interests by Aerospace Huatai from Shanghai Benemae pursuant to the Sale and Purchase Agreement |
| “Aerospace Huatai” | Aerospace Huatai Environmental Protection Co., Ltd.* (航天華泰環保有限公司), an indirect wholly-owned subsidiary of the Company                  |
| “associate(s)”     | has the meaning ascribed to it under the Listing Rules   |
| “Board”            | the board of Directors   |

|                                |  |
|--------------------------------|--|
| “Business Day”                 | any day (other than a Saturday or a Sunday or public holiday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business |
| “Company”                      | Net-A-Go Technology Company Limited (網譽科技有限公司), a 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: 1483)   |
| “Completion”                   | the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement  |
| “Conditions Precedent”         | the conditions precedent to the Completion, as more particularly set out under the paragraph headed “The Sale and Purchase Agreement – Conditions Precedent” in this announcement  |
| “connected person(s)”          | has the meaning ascribed to it under the Listing Rules   |
| “Consideration”                | RMB27,000,000 (equivalent to approximately HK\$33,067,972)   |
| “Director(s)”                  | the director(s) of the Company   |
| “Equity Interests”             | 90% of the issued share capital of the Target Company  |
| “Group”                        | the Company and its subsidiaries   |
| “HK\$”                         | Hong Kong dollar(s), the lawful currency of Hong Kong  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Independent Third Party(ies)” | has the meaning ascribed there to under the Listing Rules  |

|                               |   |
|-------------------------------|---|
| “Listing Rules”               | the Rules Governing the Listing of Securities on Main Board of the Stock Exchange, as amended, supplemented or otherwise modified from time to time             |
| “Long Stop Date”              | 31 May 2022, or such other date(s) as Aerospace Huatai and Shanghai Benemae agree in writing  |
| “Mr. Sang Huiqing”            | Mr. Sang Huiqing, the brother of Mr. Sang Kongqiao  |
| “Mr. Sang Kangqiao”           | Mr. Sang Kangqiao, an executive Director, the chairperson and one of the controlling shareholders of the Company and the brother of Mr. Sang Huiqing            |
| “Placing”                     | the placing of 90,000,000 new Shares by the Company as described in the announcement of the Company dated 23 March 2021   |
| “PRC”                         | the People’s Republic of China  |
| “RMB”                         | Renminbi, the lawful currency of the PRC  |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 8 April 2022 entered into between Aerospace Huatai and Shanghai Benemae in relation to the Acquisition                    |
| “Shanghai Benemae”            | Shanghai Benemae Pharmaceutical Corporation (上海仁會生物科技集團有限公司), a company incorporated in the PRC with limited liability, and is wholly-owned by Mr. Sang Huiqing |
| “Share(s)”                    | ordinary share(s) of HK\$0.01 in the capital of the Company   |
| “Shareholder(s)”              | shareholder(s) of the Company   |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited   |

“Target Company”

Shanghai Umitai Medical Technology Co., Ltd. (上海優米泰醫療科技有限公司), a company incorporated in PRC with limited liability and is owned as to 94% by the Shanghai Benemae, 5% by Mr. Wu Yajin and 1% by Mr. Wang Yifan

“%”

per cent

By Order of the Board of  
**Net-A-Go Technology Company Limited**  
**Sang Kangqiao**  
*Chairman and Executive Director*

Hong Kong, 8 April 2022

*As at the date of this announcement, the Executive Directors are Mr. Sang Kangqiao, Mr. Xu Wenze and Mr. Cui Peng; and the Independent Non-executive Directors are Mr. Xu Zhihao, Mr. Lam Ka Tak and Mr. Wong Sincere.*

\* *for identification purpose only*