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**Rego Interactive Co., Ltd**  
**( 潤 歌 互 動 有 限 公 司 )**

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

**(Stock Code: 2422)**

**MEMORANDUM OF UNDERSTANDING  
IN RELATION TO THE POTENTIAL ACQUISITION**

This announcement is made by Rego Interactive Co., Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company is pleased to announce that on 22 December 2023, the Company, as purchaser, entered into a legally binding memorandum of understanding (the “**MOU**”) with Mr. Cai Yewen\* (蔡葉文), Mr. Chen Hao\* (陳浩) and Mr. Song Derui\* (宋得瑞) (collectively as the “**Vendors**”), pursuant to which the Company will acquire and the Vendors will procure the sale of 100% of the equity interest (the “**Sale Shares**”) in Shanghai Maichun Brand Management Company Limited\* (上海麥純品牌管理有限公司) (the “**Target Company**”), a company established in the People’s Republic of China (the “**PRC**”), which according to the Vendors, is principally engaged in the provision of e-commerce solutions to its brand partners on product sales (the “**Potential Acquisition**”).

**The Vendors**

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Mr. Cai Yewen\* (蔡葉文), Mr. Chen Hao\* (陳浩) and Mr. Song Derui\* (宋得瑞) are the ultimate beneficial owners of the Target Company, who owns 50%, 30% and 20% of the equity interest in the Target Company, respectively. The Vendors are third parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules as at the date of this announcement).

## **Exclusivity**

Pursuant to the MOU, the Vendors undertake not to conduct any discussions or negotiations, nor sign any framework agreement or sale and purchase agreement as regards the sale of the Target Company during the period from the execution of the MOU to 31 August 2024 (the “**Exclusivity Period**”).

## **Earnest Money**

Under the MOU, the Company shall pay a refundable amount of HK\$16,500,000 to the Vendors as the earnest money (the “**Earnest Money**”) within seven (7) days upon the execution of the MOU. The amount of Earnest Money was determined after arm’s length negotiations between the parties. The Company intends to fund the Earnest Money by applying the net proceeds from the rights issue of the Company completed on 19 December 2023.

## **Due Diligence**

Within the Exclusivity Period, the Group is entitled to conduct due diligence on the Target Company, and the Vendors and the Target Company shall assist the Group in conducting the due diligence.

## **Formal Agreement**

Each of the parties to the MOU agrees to use all reasonable endeavours to negotiate the terms and conditions of a legally binding sale and purchase agreement (the “**Formal Agreement**”) between the relevant parties in relation to the Potential Acquisition during the Exclusivity Period.

Based on the initial negotiations between the Vendors and the Company, the consideration of the Sale Shares shall be determined with factors including but not limited to the valuation of the Target Company, which is expected to be approximately HK\$70 million and is subject to the final valuation of the Target Company and the due diligence results.

Upon entering into the Formal Agreement, the Earnest Money will be converted into part of the consideration. The remaining part of the consideration will be funded by the proceeds of the Rights Issue.

## **Termination**

If the parties are unable to enter into the Formal Agreement for any reasons(s), including but not limited to unsatisfactory due diligence results before expiry of the Exclusivity Period, the MOU shall terminate automatically. The Vendors shall fully refund the Earnest Money to the Company without interest, within five (5) days from the issue of a termination notice by the Company. If the Vendors default in refunding the Earnest Money to the Company, according to the terms of the MOU, the Vendors are deemed to have agreed to sell and the Company is deemed to have agreed to purchase approximately 22% of the equity interest of the Target Company at the consideration amount equals to the Earnest Money.

## **REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION AND PAYMENT OF EARNEST MONEY**

The Company is a company incorporated in the Cayman Islands with limited liability and is an investment holding company operating its business through its subsidiaries. The Group is principally engaged in (i) marketing and promotion services; (ii) IT solution services; and (iii) others. The Group offers (i) promotion and advertising services, including (a) traditional marketing and promotion services; (b) advertisement placement services; and (c) advertisement distribution services; and (ii) virtual goods sourcing and delivery services. After our success in tapping into the business involving the sale of branded products, the Directors are of the view that our Group could benefit from the Potential Acquisition in order to enlarge our Group's supplier and customer base and diversify our Group's business profile. Please refer to the paragraph headed "Reasons for the Rights Issue and Use of Proceeds" in the announcement of the Company dated 3 November 2023 for details.

The Directors consider that the terms of the MOU are fair and reasonable, and the payment of the Earnest Money, which is secured by personal guarantee provided by the Vendors, can secure the exclusive negotiation right of the Group in relation to the Proposed Acquisition during the Exclusivity Period. The entering of the MOU and the payment of the Earnest Money are in the interests of the Group and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio under the Listing Rules in respect of the payment of the Earnest Money exceeds 0.1% but is less than 5%, the payment of the Earnest Money under the MOU is not subject to any reporting and announcement requirements.

## **GENERAL**

As at the date of this announcement, the terms and conditions of the Potential Acquisition are still being negotiated and no definitive transaction agreement or other legally binding agreement has been entered into. The Potential Acquisition, if materialises, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in respect of the Potential Acquisition will be made by the Company as and when appropriate.

**As the Potential Acquisition may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Rego Interactive Co., Ltd**  
**Chen Ping**  
*Chairman and executive Director*

Hong Kong, 22 December 2023

*As at the date of this announcement, the Board comprises Mr. Chen Ping, Mr. Tian Huan, Mr. Zhang Yongli, Mr. Fan Lianshun, Mr. Xia Yuanbo and Ms. Zeng Zhen as executive Directors; and Ms. Hu Huijun, Mr. Wan Lixiang and Mr. Zhao Zhongping as independent non-executive Directors.*

*\* For identification purposes only*