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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)**

## **DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY**

### **DISPOSAL OF A SUBSIDIARY**

The Board wishes to announce that on 30 April 2024 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser, an Independent Third Party, entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, being 90% of the equity interest in the Disposed Company, at a consideration of RMB22,500,000.

Upon Completion, the Company will cease to have any equity interest in the Disposed Company and it will cease to be subsidiary of the Company. Accordingly, the financial results of the Disposed Company will no longer be consolidated into the consolidated financial statements of the Group.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios defined under Rule 14.07 of the Listing Rules of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 30 April 2024 (after trading hours), the Vendor and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sales Shares in the Disposed Company at a consideration of RMB22,500,000.

## **THE DISPOSAL**

Set out below are the principal terms of the Disposal Agreement:

### **Date**

30 April 2024 (after trading hours)

### **Parties**

Vendor: Aerospace Huatai Environmental Protection Co. Ltd\* (航天華泰環保有限公司), an indirect wholly-owned subsidiary of the Company

Purchaser: Ho Wan Choi\* (何雲才)

Disposed Company: Shanghai Umitai Medical Technology Co. Ltd\* (上海優米泰醫療科技有限公司)

As advised by the Purchaser and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Purchaser is an Independent Third Party.

The Vendor is a company incorporated in the PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

### **Assets to be disposed of**

Pursuant to the Disposal Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the 90% equity interest in the Disposed Company, free from all encumbrances and together with all rights then or thereafter attaching thereto including all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date.

## **Consideration**

The consideration of the Disposal shall be RMB22,500,000.

The consideration of the Disposal was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the prevailing market conditions; (ii) the operational and financial performance of the Disposed Company; and (iii) the original consideration of RMB21,500,000 paid by the Vendor for acquiring the 90% of the Sale Shares pursuant to the sale and purchase agreement dated 8 April 2022 (as supplemented by a supplemental agreement dated 29 December 2022), details of which are set out in the announcements of the Company dated 8 April 2022 and 29 December 2022. The consideration of the Disposal of RMB22,500,000, which is higher than the original acquisition cost of RMB21,500,000, allows the Group to recoup its investment notwithstanding the loss-making and net liabilities status of the Disposed Company.

In view of the above, the Directors consider that the terms and conditions of the Disposal Agreement were concluded under normal commercial terms, and are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **Payment of the Consideration**

The consideration shall be payable by the Purchaser to the Vendor by way of bank transfer in the following manner:

- (a) a deposit of RMB2,000,000 upon signing of the Disposal Agreement;
- (b) second instalment of RMB5,000,000 on or before 30 May 2024; and
- (c) the balance of RMB15,500,000 upon Completion.

## **Conditions Precedent**

Completion is conditional upon fulfilment of each of the following conditions:

- (a) the Purchaser being satisfied with the results of the due diligence in respect of the Disposed Company, including but not limited to the assets, liabilities, operations and affairs of the Disposed Company;

- (b) the board of directors of the Vendor having passed the relevant resolutions approving the Disposal Agreement;
- (c) the Vendor having obtained all necessary government or regulatory consent or approval to transfer the permits or licences to the Purchaser;
- (d) all representations, warranties and undertakings as set out in the Disposal Agreement remaining true, valid, and effective up to and including the Completion Date;
- (e) all necessary applications, documentation and registration procedures regarding the transfer of equity interest in relation to the Disposal have been duly completed and/or filed with relevant local Administration of Industry and Commerce in the PRC;
- (f) the Purchaser being satisfied that, from the date of the Disposal 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 Disposed Company as a whole; and
- (g) the Vendor having obtained all necessary consents and authorizations which may be required to implement the Disposal Agreement under any existing contractual arrangements or documentation;

If any of the above conditions have not been fulfilled or waived by the Purchaser in writing on or before the Completion Date, all rights and obligations of the parties under the Disposal Agreement shall cease and terminate. No party shall have any claim against the other save for any claim in respect of any antecedent breach thereof and the Vendor shall refund the deposit of RMB2,000,000 to the Purchaser.

### **Completion**

Completion shall take place on or before 30 June 2024 following the satisfaction of all the aforesaid conditions.

## **INFORMATION ON THE GROUP AND THE PURCHASER**

### **The Group**

The Company is a company incorporated in Cayman Islands with limited liability. It is an investment holding company and its subsidiaries are principally engaged in environmental maintenance business, property leasing, securities trading business and others.

### **The Purchaser**

As advised by the Purchaser and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party. The Purchaser is an investor from China with extensive experience in securities investment. It is mainly engaged in the business of chain beauty salons, health food and tea trading, etc.

## **INFORMATION ON THE DISPOSED COMPANY**

### **Shanghai Umitai Medical Technology Co. Ltd\* (上海優米泰醫療科技有限公司)**

Shanghai Umitai is a limited company incorporated in the PRC and is an indirect subsidiary of the Company as at the date of this announcement. It is principally engaged in the production and research and development of self-injection medical devices.

Set out below is the extract of the financial information of Disposed Company for the two years ended 31 December 2022 and 2023 and three months ended 31 March 2024 prepared in accordance with the Hong Kong Financial Reporting Standards:

	<b>For the year ended 31 December 2022 <i>RMB'000</i></b>	<b>For the year ended 31 December 2023 <i>RMB'000</i></b>	<b>For the three months ended 31 March 2024 <i>RMB'000</i></b>
Revenue	7,175	12,675	285.3
Loss before income tax	(2,084)	(1,516)	(688)
Loss after income tax	(2,084)	(1,516)	(688)
Total assets	7,514	5,574	6,058
Total liabilities	13,266	12,842	(14,014)
Net liabilities	(5,752)	(7,268)	(7,956)

As at 31 March 2024, the unaudited net liabilities of the Disposed Company was approximately RMB7.96 million. Upon Completion, the Disposed Company will cease to be a subsidiary of the Vendor and its financial results will no longer be consolidated into the financial results of the Group.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Based on (i) the expected aggregate net liabilities of the Disposed Company of not less than RMB7.96 million immediately prior to the Completion; and (ii) the aggregate consideration for the Disposal of RMB22.50 million, it is estimated that the Group will record an unaudited gain on disposal for approximately RMB30.46 million (subject to Completion) before deducting the expenses associated with the Disposal.

Upon Completion, the Company will cease to have any equity interest in the Disposed Company and it will cease to be subsidiary of the Company. Accordingly, the financial results of the Disposed Company will no longer be consolidated into the consolidated financial statements of the Group.

## **USE OF PROCEEDS**

The Group intends to apply the sales proceeds for general working capital purpose.

## **REASONS FOR AND BENEFIT OF THE DISPOSAL**

The Board considers that the financial performance of the Disposed Company was unsatisfactory as a total net loss of approximately RMB2.08 million, RMB1.52 million and RMB0.69 million were recorded for the years ended 31 December 2022 and 2023 and three months ended 31 March 2024 respectively. Besides, the Disposed Companies also recorded aggregate net liabilities of RMB7.96 million as at 31 March 2024. Taking into account the uncertain market and increasingly challenging operating environment, the Board is of the view that the Disposal serves as a good opportunity for the Group to cut loss and realise the investment in the Disposed Company and to dedicate its resources to other business segments of the Group. The Disposal also helps to streamline the business in order to improve the liquidity and overall financial position of the Group.

In view of the above, the Board considers that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios defined under Rule 14.07 of the Listing Rules of the Disposal exceed 5% or more but are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	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”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Disposal Agreement
“Completion Date”	a date on or before 30 June 2024 (or such other date as may be agreed in writing between the Purchaser and the Vendor), on which Completion shall take place following the satisfaction of the conditions precedent to the Disposal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms of the Disposal Agreement



“Disposal Agreement”	the sale and purchase agreement dated 30 April 2024 in relation to the Disposal entered into between the Vendor and the Purchaser
“Disposed Company”	Shanghai Umitai Medical Technology Co. Ltd* (上海優米泰醫療科技有限公司)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected to the Company and any of its connected persons or its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as may be amended from time to time)
“Purchaser”	Mr. Ho Wan Choi* (何雲才)
“PRC”	the People’s Republic of China
“RMB”	Renminbi the lawful currency of the PRC
“Sale Shares”	90% equity Shares of the Disposed Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules

“Vendor” Aerospace Huatai Environmental Protection Co. Ltd\* (航天華泰環保有限公司), an indirect wholly-owned subsidiary of the Company

“%” per cent

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

Hong Kong, 30 April 2024

*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*