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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)

SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION IN RELATION TO THE
ACQUISITION OF EQUITY INTERESTS OF THE TARGET COMPANY

Reference is made to the announcement of the Company dated 30 June 2025 in relation to the acquisition of equity interests of the Target Company (the “**Announcement**”). Unless otherwise stated, all the capitalised terms used herein shall have the same meaning as those adopted in the Announcement.

The Board wishes to provide the supplemental information in relation to the Acquisition.

INFORMATION OF THE TARGET COMPANY

The Target Company (彩平方科技有限公司) was established on 11 June 2020 in China and its principal nature of business relates to “the provision of lottery marketing support services authorised by the Welfare Lottery Issuance Centre (福利彩票發行中心)” and the nature of its welfare lottery marketing activities is classified as charitable fundraising activities under the PRC laws. As confirmed by the PRC legal adviser of the Company, the business and operation of the business nature of the Target Company is different from the operation of gambling business as the sale of welfare lottery ticket authorised by the Welfare Lottery Issuance Centre is a type of charitable fundraising activities permitted and regulated under the PRC laws. The Target Company only acts as a channel service provider authorised by the Welfare Lottery Issuance Centre to provide marketing support such as establishing and maintaining sales channels.

As advised by the PRC legal adviser of the Company, the Target Company has obtained all the required permit to operate its business in the PRC and its operation is in compliance with the relevant PRC laws and regulations.

THE VALUATION

The Company entered into the Share Transfer Agreement to acquire 95% equity interests in the Target Company (the “**Acquisition**”) at a consideration of RMB18,300,000 (the “**Consideration**”). The Consideration was determined with reference to, among others, the financial performance, business growth and prospects of the Target Company, and the valuation report prepared by an independent qualified valuer (the “**Valuer**”) based on the market approach, pursuant to which the appraised value of 100% equity interest in the Target Company as at 31 March 2025 (the “**Valuation**”) was approximately RMB23,960,000. The effective date of the Valuation (i.e. valuation date) is 31 March 2025.

Qualification of the Valuer

The person-in-charge of the Valuer possesses over 15 years of experience in valuation advisory services, having provided guidance to clients across a variety of sectors, including the gaming industry. He is a Chartered Financial Analyst (CFA) Charterholder, a chartered member of the Royal Institution of Chartered Surveyors (RICS) and a fellow member of the Association of Chartered Certified Accountants (ACCA).

The Board have conducted a comprehensive evaluation of the Valuer’s qualifications and affirmed that it is fully capable of performing the Valuation with the highest standards of competency.

Valuation Approach

The Valuer considered the cost approach, the income approach, and the market approach for the Valuation and solely adopted guideline public company method under the market approach for the following reasons:

- the cost approach was not applied as the Valuation of the Target Company is conducted on a going concern basis; therefore, the cost of reproducing and replacing its assets is inappropriate as such method ignores the future economic benefits of the business as a whole;
- the income approach was not applied as this approach requires many long-term assumptions and the Valuation could be largely influenced by any inappropriate assumptions made; and
- there are two common methods under the market approach, namely, guideline public company method and guideline transaction method, and the guideline transaction method was not applied due to the lack of recent market transactions with similar nature as the Target Company, the guideline public company method was therefore adopted.

In order to reflect the latest financial performance and capital structure of the Target Company, the Valuer has adopted the trailing enterprise value-to-sales multiple in the Valuation.

After discussions with the Valuer regarding the above factors, the Board agreed that guideline public company method under the market approach is more applicable to the Valuation.

VIEW OF THE BOARD ON THE VALUATION AND THE ACQUISITION

The Directors have discussed with the Valuer the different aspects upon which the Valuation was prepared (including the principal assumptions and commercial assumptions) and have reviewed the Valuation for which the Valuer is responsible. The Directors have confirmed that the Valuation has been done after a due and careful inquiry by them.

As the Valuation states the appraised value of 100% equity interest in the Target Company as RMB23,960,000 and the Group had the 5% investment of the Target Company as at 31 December 2024. The final acquisition consideration represents a 20% discount to the appraised price. The final consideration was set at RMB18,300,000.

For the 20% discount, the Board had considered the Target Company was in loss-making situation during the years ended 31 December 2024 and 2023 and together with net liabilities situation. Considering the Company and the Shareholders as a whole, the Target Company had the improvement on the loss before tax of 76.1% compared with 2023, the Board had decided to adopt the 20% discount on the appraised value.

By order of the Board
Rego Interactive Co., Ltd
Chen Ping
Executive Director

Hong Kong, 21 July 2025

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 Mr. Chen Wei as executive Directors; and Ms. Mo Lan, Mr. Shen Yunjia and Mr. Zeng Liang as independent non-executive Directors.