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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
SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE DISPOSAL OF A SUBSIDIARY**

We refer to the announcement (the “**Announcement**”) made by Net-a-Go Technology Company Limited (the “**Company**”) on 10 January 2025 regarding the disposal of a subsidiary. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Reasons for Selecting the Asset-Based Approach for Valuing the Disposal Group

The asset-based approach involves valuing the business on an individual asset basis, with the total valuation determined by summing up the values of its individual components. Under this approach, valuers estimate the expenses or costs associated with replacing or re-acquiring each item or part on an itemized basis, thereby arriving at the overall valuation of the target business. This method is commonly adopted for valuing companies that primarily possess tangible assets.

The Board has determined that the asset-based approach is the most appropriate method for valuing the Disposal Group.

The Disposal Group comprises investment holding companies, including Qian Xun Technology Limited, Top Fortune Group Limited, and Shenzhen Yurun Xiangxin Information Development Company Limited* (“**Shenzhen Yurun Xiangxin**”). These investment holding companies do not have material business operations.

Additionally, Beijing Huashu Property Development Company Limited* (“**Beijing Huashu**”), which is included in the Disposal Group, is principally engaged in the property leasing business. Beijing Huashu’s only substantial asset is the property (the “**Property**”) located at No. 8, Fuchengmen Wai Road, Xicheng District, Beijing, the PRC* (北京市西城區阜成門外大街8號樓). The independent valuer considered the adjusted net asset value of Beijing Huashu could represent the market value of the equity interest of Beijing Huashu.

Key Quantitative Inputs and Assumptions of the Valuation for the Equity Interest of the Disposal Group

The independent valuer adopted the following quantitative inputs for the valuation of the equity interest of the Disposal Group:–

The Equity Interest:

- i. Beijing Huashu holds the Property, which has a total gross floor area of approximately 2,389.90 square metres and is used for office leasing purposes.
- ii. The fair value of the Property as of 31 December 2024 is RMB64,000,000, and this value is adopted as the fixed asset (net) in the valuation.
- iii. After incorporating the valuation of the Property to the balance sheet of Beijing Huashu, the unaudited net asset value of Beijing Huashu is RMB70,322,463 as of 31 December 2024.

Lack of Marketability Discount:

- iv. A 15.7% discount is applied to reflect the potential difficulty in selling the equity shares, as the shares of the Beijing Huashu are not traded on a stock exchange. This discount accounts for the lower marketability of privately held shares compared to publicly traded shares.

Control Premium:

- v. A control premium of 18.9% is applied to the valuation, as Shenzhen Yurun Xiangxin holds a 100% equity interest in Beijing Huashu. This premium reflects the value of having full control over Beijing Huashu.

The independent valuer adopted the following key assumptions for the valuation of the equity interest of the Disposal Group:–

- i. There was no unidentified liability in the balance sheet of Beijing Huashu as at 31 December 2024.
- ii. There were no other material business operations among the companies in the Disposal Group except Beijing Huashu.

Reasons for Selecting the Valuation Approach for Valuing the Property

The independent valuer adopted the direct comparison method in valuing the Property. The direct comparison method refers to a variety of assessment techniques that utilize recent transaction prices of the same or similar assets in the market, through direct comparison or analogical analysis, to estimate property value.

In using the direct comparison method to appraise the value of the Property, there should be (i) the existence of an active public market; and (ii) the availability of comparable assets and their transaction activities in the public market.

The independent valuer considered that the direct comparison method was appropriate in valuing the Property because (i) the real estate transaction market in the prosperous area of Beijing was considered relatively active, and (ii) there were sufficient recent comparable cases, either from actual sales or market offerings, that could be used for analysis.

Conclusion

The Board believes that the asset-based approach provides a fair and reasonable valuation of the Disposal Group, given its composition and the nature of its assets. The use of the direct comparison method for valuing the Property further ensures the valuation is aligned with market conditions.

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

Hong Kong, 17 January 2025

As at the date of this announcement, the Executive Directors are Mr. Sang Kangqiao and Mr. Xu Wenze; the Non-executive Director is Ms. Chen Wenting; the Independent Non-executive Directors are Mr. Xu Zhihao, Mr. Lam Ka Tak and Mr. Wong Sincere.

* *For identification purposes only*