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研祥高科技控股集團有限公司
EVOC Hi-Tech Holding Group Co., Ltd*
*(a company incorporated in the People's
Republic of China with limited liability)*

研祥智能科技股份有限公司
EVOC Intelligent Technology Company Limited*
*(a joint stock limited company incorporated in the People's
Republic of China with limited liability)*
(Stock Code: 2308)

JOINT ANNOUNCEMENT

VOLUNTARY CONDITIONAL OFFER BY ICBC INTERNATIONAL CAPITAL LIMITED ON BEHALF OF THE OFFEROR TO ACQUIRE ALL OF THE ISSUED H SHARES IN EVOC INTELLIGENT TECHNOLOGY COMPANY LIMITED

PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF EVOC INTELLIGENT TECHNOLOGY COMPANY LIMITED

AND

RESUMPTION OF TRADING

Financial Adviser to the Offeror

ICBC  工银国际

* For identification purposes only

INTRODUCTION

On 22 June 2020, the Board and the Offeror jointly announced that ICBCI Capital, on behalf of the Offeror, firmly intends to make a voluntary conditional cash offer to acquire all the issued H Shares.

The H Share Offer is subject to the fulfilment of a number of Conditions as set out in this joint announcement, including the passing of resolutions by the Independent H Shareholders approving the Delisting at the H Share Class Meeting and the Extraordinary General Meeting.

CONSIDERATION FOR THE H SHARE OFFER

The H Share Offer will be made by ICBCI Capital on behalf of the Offeror in accordance with the provisions of the Takeovers Code on the following basis:

For each H Share HK\$1.50 in cash

The Offeror will not increase the H Share Offer Price for the H Share Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the H Share Offer Price and the Offeror does not reserve the right to increase the H Share Offer Price.

INTENTION IN RELATION TO THE COMPANY

The Offeror intends to continue with the existing business of the Group and does not intend to make any material changes to the current business operations of the Group following completion of the H Share Offer. It is also the intention of the Offeror that there will not be any material changes in the management or employees of the Group as a result of the H Share Offer.

SHAREHOLDING IN THE COMPANY

As at the date of this joint announcement, the Offeror and parties acting in concert with it owned 924,792,000 Domestic Shares, representing 75% of the issued share capital of the Company and the H Shareholders were interested in 308,352,000 H Shares, representing 25% of the issued share capital of the Company. None of the Offeror or parties acting in concert with it legally or beneficially owns any H Shares.

As at the date of this joint announcement, there were no outstanding options, warrants, derivatives or convertible securities issued by the Company.

CLOSING DATE OF THE H SHARE OFFER

The H Share Offer will initially open for acceptances for at least 21 days from the date of the Composite Document. Once all of the Conditions have been satisfied, the H Share Offer will be declared unconditional and the H Share Offer will remain open for acceptance for not less than 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer or to process the transfer of their H Shares.

NO RIGHT OF COMPULSORY ACQUISITION

The Offeror has no rights under the laws of the PRC and the Articles of Association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules, and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document for the H Share Offer containing, *inter alia*, further details of (a) the H Share Offer; (b) the expected timetable relating to the H Share Offer; (c) the Delisting; (d) the recommendation from the Independent Board Committee with respect to the H Share Offer and the Delisting; (e) the advice of the independent financial adviser to the Independent Board Committee; (f) a notice of H Share Class Meeting to approve the Delisting; (g) a notice of the Extraordinary General Meeting to approve the Delisting; and (h) other particulars required by the Listing Rules and the Takeovers Code (if any) will be despatched to the H Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

VOLUNTARY WITHDRAWAL LISTING OF THE H SHARES

Subject to the H Share Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.12 and Rule 6.15 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the voluntary withdrawal of the listing of the H Shares on the Stock Exchange will become effective.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Mr. Michael Yu Tat Chi, Mr. Dong Li Xin, Mr. Wen Bing and Mr. Zhang Da Ming (being the independent non-executive Directors) have been appointed as members of the Independent Board Committee to advise the Independent H Shareholders in respect of the H Share Offer and the Delisting.

Pursuant to the Rule 2.1 of the Takeovers Code, the Company will appoint an independent financial adviser to advise the Independent Board Committee in respect of the H Share Offer and, in particular, as to whether the H Share Offer is fair and reasonable and as to its acceptance and whether the Delisting is fair and reasonable and as to voting. A separate announcement will be made as soon as possible after the independent financial adviser has been appointed.

TRADING IN THE H SHARES

At the request of the Company, trading in the H Shares on the Stock Exchange has been halted from 10:07 a.m. on 15 June 2020 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 23 June 2020.

WARNING:

Shareholders and/or potential investors of the Company should note that the H Share Offer is subject to the satisfaction of the Conditions in all respects. Accordingly, the H Share Offer may or may not become unconditional and the issue of this announcement does not imply that the H Share Offer or the Delisting will be completed. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including the H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

INTRODUCTION

On 22 June 2020, the Offeror and the Company jointly announced that ICBCI Capital, on behalf of the Offeror, firmly intends to make a voluntary conditional cash offer to acquire all the issued H Shares.

THE H SHARE OFFER

As at the date of this joint announcement, the Company has 1,233,144,000 Shares in issue, with 924,792,000 Domestic Shares and 308,352,000 H Shares. Apart from the aforementioned, there were no other outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of the Shares and no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company as at the date of this joint announcement.

The H Share Offer will be made by ICBCI Capital, on behalf of the Offeror, on the following basis:

For each H ShareHK\$1.50 in cash

The H Share Offer Price was determined after taking into account historical share price of the H Share during the recent years and the Offeror's assessment of the Company's business and its prospects and its market position.

The Offeror will not increase the H Share Offer Price for the H Share Offer as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the H Share Offer Price and the Offeror does not reserve the right to increase the H Share Offer Price.

Comparisons of value

The H Share Offer Price offered under the H Share Offer represents:

- (a) a premium of approximately 64.8% over the closing price of HK\$0.91 per H Share as quoted on the Stock Exchange on 15 June 2020 prior to the trading halt of the H Shares pending from the release of this joint announcement;
- (b) a premium of approximately 82.9% over HK\$0.82 which is the average closing price per H Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Date;
- (c) a premium of approximately 94.8% over HK\$0.77 which is the average closing price per H Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Date;
- (d) a premium of approximately 100.0% over HK\$0.75 which is the average closing price per H Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Date;
- (e) a premium of approximately 105.5% over the average closing price of approximately HK\$0.73 per H Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Date;

- (f) a premium of approximately 100.0% over the average closing price of approximately HK\$0.75 per H Share as quoted on the Stock Exchange for the last 90 trading days immediately prior to and including the Last Trading Date;
- (g) a premium of approximately 89.9% over the average closing price of approximately HK\$0.79 per H Share as quoted on the Stock Exchange for the last 180 trading days immediately prior to and including the Last Trading Date; and
- (h) a discount of approximately 35.3% to the audited consolidated net asset value of the Company of approximately RMB2.09 per Share as at 31 December 2019 (equivalent to approximately HK\$2.32 per Share, based on the exchange rate of RMB1: HK\$1.11).

Highest and lowest prices

During the period beginning on 22 December 2019 (being six months preceding the commencement of the offer period) and ending on 15 June 2020, the highest closing price of the H Shares as quoted on the Stock Exchange was HK\$0.91 on 15 June 2020, prior to the trading halt of the H Shares pending the release of this joint announcement and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK\$0.66 on 16 March 2020.

Consideration

Based on the H Share Offer Price of HK\$1.50 per H Share and 308,352,000 H Shares in issue as at the date of this joint announcement, the maximum value of the H Share Offer (assuming the H Share Offer is accepted in full and there is no change in the share capital of the Company) is approximately HK\$462,528,000. The consideration will be paid in cash.

The consideration was determined by the Offeror with reference to historical share price of the H Share during the recent years and the Offeror's assessment of the Company's business and its prospects and its market position. Please refer to the section headed "Reasons for and benefits of the H Share Offer and the Delisting" for further details.

Settlement of consideration

Settlement of consideration in respect of acceptance of the H Share Offer will be made as soon as possible in any event within seven (7) business days of (i) the date of receipt of a complete and valid acceptance in respect of the H Share Offer or (ii) on the Unconditional Date, whichever is later.

Confirmation of financial resources in respect of the H Share Offer

The H Share Offer will be financed by a combination of cash available in Hong Kong from the Offeror's internal resources and a term loan facility provided to the Offeror by ICBC International Securities Limited (the "ICBCI Facility"). The Offeror also has

internal resources and cash available in the PRC and may also seek to obtain and draw down debt facility from ICBC Shenzhen in the PRC (together, the “**Alternative PRC Funds**”). Subject to receiving the relevant regulatory approval from the SAFE, the Offeror may consider remitting the Alternative PRC Funds into Hong Kong for partial payment of acceptance of the H Share Offer. In any event, if the Alternative PRC Funds are not available in Hong Kong before the payment of acceptance of the H Share Offer, the Offeror will draw down the ICBCI Facility and use its existing internal cash resources in Hong Kong for the satisfaction of the payment of acceptance of the H Share Offer. ICBCI Capital has been appointed as the financial adviser to the Offeror in respect of the H Share Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the H Share Offer.

The Offeror and its concert parties have not dealt in the H Shares, convertible securities, warrants, options or derivatives of the Company during the six month period immediately prior to the date of this joint announcement.

CONDITIONS OF THE H SHARE OFFER

The H Share Offer is subject to the fulfilment of the following conditions:

- (a) the passing of a resolution by the Independent H Shareholders approving the Delisting at the H Share Class Meeting to be convened for this purpose, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of a resolution by the Independent H Shareholders approving the Delisting at the Extraordinary General Meeting to be convened for this purpose:
 - (i) approval is given by at least 75% of the votes attaching to the Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the Shares held by the Independent H Shareholders;
- (c) minimum valid acceptances of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date amounting to at least 90% of the H Shares held by the Independent H Shareholders;

- (d) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body (including the necessary filing and approval of Development and Reform Commission of Shenzhen Municipality and State Administration of Foreign Exchange Shenzhen Branch) in relation to the H Share Offer (including its implementation) (if applicable) having been obtained and remaining in full force and effect pursuant to the provision of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;
- (e) no event having occurred and no action, decision, order, proceedings, enquiry or investigation having been taken or made by any relevant government, governmental, quasi-governmental regulatory body, court or agent that has the effect of making unlawful, void or unenforceable or otherwise prohibiting or restricting the H Share Offer (including its implementation) or imposing any material conditions or obligations with respect to the H Share Offer (including its implementation) (other than such action, decision, order, proceeding, enquiry or investigation as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the H Share Offer); and
- (f) the granting of the waiver by the Executive from the requirements under Rule 2.2(c) of the Takeovers Code.

None of the Conditions can be waived. As at the date of this joint announcement, none of the Condition has been fulfilled.

All the issued Domestic Shares are held by the Offeror and SZ Haoxuntong (being a party acting in concert with the Offeror), and therefore no class meeting of Domestic Shareholders will be convened for the purpose of approving the Delisting and the Domestic Shareholders are not entitled to vote at the Extraordinary General Meeting to be convened for approving the Delisting.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror will not invoke any or all of the Conditions set out above, so as to cause the H Share Offer to lapse unless the circumstances which give rise to the right to invoke the condition are of material significance to the Offeror in the context of the H Share Offer. Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the first Closing Date or the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is later, the H Share Offer will lapse.

The latest time on which the Offeror can declare the H Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent). If the H Share Offer becomes or is declared unconditional in all respects, it should remain open for acceptance for at least 28 days, and H Shareholders will be notified as soon as possible by way of an announcement in accordance with the Takeovers Code and the Listing Rules.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive.

Further Terms and general matters relating to the H Share Offer

Effect of accepting the H Share Offer

Under the terms of the H Share Offer, the H Shares will be acquired: (i) with all rights attached thereto as at the date of this joint announcement or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, and where the record date for such entitlement is on or after the date of this joint announcement; and (ii) free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

The H Share Offer is therefore made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of this joint announcement or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date of this joint announcement.

There are no dividends attaching to the H Shares which are outstanding or in contemplation to be declared as at the date of this joint announcement. The Company expects that no dividends attaching to the H Shares will be outstanding or in contemplation to be declared before close of the H Share Offer.

Hong Kong stamp duty

Seller's ad valorem stamp duty arising in connection with acceptances of the H Share Offer will be payable by each accepting H Shareholder at the rate of 0.1% of (i) the market value of the H Offer Share; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the H Share Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to such accepting H Shareholder (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will pay the buyer's ad valorem stamp duty on its own behalf.

Settlement of consideration

Settlement of consideration in respect of acceptances of the H Share Offer will be made as soon as possible but in any event within seven (7) business days following the later of (i) the date of on which the H Share Offer becomes, or is declared, unconditional in all respects, and (ii) the date of receipt of a complete and valid acceptance in respect of the H Share Offer.

Closing Date of the H Share Offer

The H Share Offer will initially be open for acceptances for at least 21 days from the date of the Composite Document. Once all of the Conditions have been satisfied, the H Share Offer will be declared unconditional in all respects and the H Share Offer should remain open for acceptance for at least 28 days in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code before the H Share Offer is closed in order to allow sufficient time for those H Shareholders who have not initially accepted the H Share Offer to accept the H Share Offer or to process the transfer of their H Shares.

Completion of the H Share Offer

Except with the consent of the Executive, if any of the Conditions is not satisfied within 21 days of the first Closing Date or of the date the H Share Offer becomes or is declared unconditional as to acceptances, whichever is the later, the H Share Offer will lapse.

The Company and the Offeror will issue an announcement in relation to the extension or lapse of the H Share Offer or the fulfilment of the Conditions in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the H Share Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

OFFEROR'S INTENTION IN RELATION TO THE GROUP

Business of the Group

The Offeror intends to continue with the existing business of the Group and do not intend to make any material changes to the current business operations of the Group following completion of the H Share Offer. It is also the intention of the Offeror that there will not be any material changes in the management or employees of the Group as a result of the H Share Offer.

Delisting

Upon the H Share Offer becoming unconditional, the Company will make an application for the Delisting in accordance with Rule 6.12 and Rule 6.15 of the Listing Rules. The H Shareholders will be notified by way of an announcement of the dates for the last day for dealing in the H Shares and on which the Delisting will become effective.

No Right of Compulsory Acquisition

The Offeror has no rights under the laws of the PRC and the Articles of Association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Stock Exchange and the liquidity of the H Shares may be severely reduced. In addition, the Company will no longer be subject to the requirements under the Listing Rules, and may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether it remains as a public company in Hong Kong for the purposes of the Takeovers Code thereafter.

The Offeror will apply to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

INFORMATION AND PRINCIPAL BUSINESS OF THE OFFEROR

The Offeror was incorporated on 5 February 1997 and is validly existing under the laws of the PRC as a company with limited liability. Its principal business activities include investment holding, development, production and trading of computer and electronic products. The Offeror is held as to 70.5% by Mr. Chen, who is an executive Director, the ultimate controlling shareholder, the chairman and the founder of the Company, and 29.5% by Ms. Wang Rong, the spouse of Mr. Chen. As at the date of this joint announcement, the directors of the Offeror are Mr. Chen, Ms. Wang Rong and Ms. Chen Xi and the supervisor of the Offeror is Mr. Wang Jiajie.

INFORMATION AND PRINCIPAL BUSINESS OF THE GROUP

Principal activities of the Group

The Company is a joint stock limited company established under the laws of the PRC with limited liability whose H Shares were listed on the GEM Board of the Stock Exchange from October 2003, and which have since July 2010 been listed on the Main Board of the Stock Exchange by way of transfer from the GEM Board.

The Group is principally engaged in the research, development, manufacture and distribution of special computer products and the trading of electronic products and accessories. The Company operates its business through two segments: (1) research, development, manufacturing and distribution of special computer products and trading of electronic accessories segment; and (2) sales of development properties segment.

Financial information of the Group

Selected financial information of the Group as extracted from the Company's audited consolidated financial statements for the two financial years ended 31 December 2019 is set out below:

	For the year ended	
	31 December	
	2019	2018
	(audited)	(audited)
	RMB'000	RMB'000
Turnover	1,688,153	1,423,139
Profit before income tax	313,713	207,648
Profit attributable to owners of the Company	263,154	156,940

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the Company has 1,233,144,000 Shares in issue, comprising 924,792,000 Domestic Shares and 308,352,000 H Shares. The Offeror and parties acting in concert with it, being SZ Haoxuntong, owned the entirety of 924,792,000 Domestic Shares, representing 75% of the issued share capital of the Company and H Shareholders were interested in 308,352,000 H Shares, representing 25% of the issued share capital of the Company. None of the Offeror or parties acting in concert with it legally or beneficially owns any H Share. The rights of the holders of Domestic Shares and H Shares rank *pari passu* to each other, including voting rights and the right to receive dividend payment, except that payment of dividend will be made in RMB to the holders of the Domestic Shares and in Hong Kong dollars to the H Shareholders. As at the date of this joint announcement, the Company does not have any other outstanding convertible securities, options, warrants or derivatives in issue which may confer any right to subscribe for, convert or exchange into Domestic Shares or H Shares.

The shareholding structure of the Company as at the date of this joint announcement and immediately after completion of the H Share Offer (assuming the H Share Offer is fully accepted and the total issued share capital of the Company remains unchanged) is as follows:

	As at the date of this joint announcement		Immediately after completion of the H Share Offer (assuming the H Share Offer is fully accepted and the total issued share capital of the Company remains unchanged)	
	Number of Shares	Percentage of the issued share capital of the Company	Number of Shares	Percentage of the issued share capital of the Company
Domestic Shares				
Offeror (<i>note 1</i>) and parties acting in concert with it (<i>note 2</i>)	924,792,000	75.0%	924,792,000	75.0%
H Shares				
Offeror and parties acting in concert with it	—	—	308,352,000	25.0%
Public Shareholders (i.e., Independent H Shareholders)	308,352,000	25.0%	—	—
Total number of issued Shares	1,233,144,000	100.0%	1,233,144,000	100.0%

Notes:

- (1) Mr. Chen and his spouse, Ms. Wang Rong, respectively own 70.5% and 29.5% of the issued share capital of the Offeror. The Offeror is the registered and beneficial owner of 878,552,400 Domestic Shares, representing 95.0% of the total issued Domestic Shares.
- (2) Mr. Chen owns the entire issued share capital of SZ Haoxuntong, which is a concert party of the Offeror. SZ Haoxuntong is the registered and beneficial owner of 46,239,600 Domestic Shares, representing 5.0% of the total issued Domestic Shares.

Other arrangement

As at the date of this joint announcement:

- (a) save for the existing shareholding of Offeror and parties acting in concert with it as set out in the paragraph headed “Shareholding Structure of the Company”, neither the Offeror nor the parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, convertible securities, warrants, options or derivatives, other securities convertible into Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);

- (b) neither the Offeror nor parties acting in concert with it had received any irrevocable voting commitment in respect of the Extraordinary General Meeting and/or the H Share Class Meeting and/or any irrevocable commitment to accept the H Share Offer;
- (c) there is no outstanding derivative in respect of securities in the Company entered into by the Offeror or any of its concert parties;
- (d) save for the H Share Offer, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Offeror in relation to shares of the Offeror or the Company which might be material to the H Share Offer;
- (e) there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the H Share Offer;
- (f) neither the Offeror nor parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (g) there was no agreement, arrangement or understanding (including any compensation arrangement) existed between any directors, recent directors, Shareholders or recent Shareholders of the Company and other persons which is conditional on or having any connection with or which dependent upon the H Share Offer;
- (h) save for the consideration in respect of acceptance of the H Share Offer, there is no other consideration, compensation or benefits in whatever form provided (or to be provided) by the Offeror or any parties acting in concert with it to the Independent H Shareholders and any parties acting in concert with them; and
- (i) there is no understanding, arrangement or agreement which constitutes a special deal between:
 - the Offeror or parties acting in concert with it on one hand and the Independent H Shareholders and parties acting in concert with them on the other hand; and
 - any Shareholder on one hand and the Company, its subsidiaries or associated companies on the other hand.

The Offeror and parties acting in concert with it have not dealt for value in any Shares or any options, warrants, derivatives or securities convertible into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the period beginning six months prior to the date of this joint announcement.

REASONS FOR AND BENEFITS OF THE H SHARE OFFER AND THE DELISTING

The Company is principally engaged in the research, development, manufacture and distribution of special computer products and the trading of electronic products and accessories. The Company operates its business through two segments: (1) research, development, manufacturing and distribution of special computer products and trading of electronic accessories segment; and (2) sales of development properties segment.

As stated in the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”), the Group’s business, future results of operations and future prospects could be materially affected by certain risks and uncertainties. For example, as the Group is engaged in the development and production of computer, communication and electronic hardware which are technology-intensive and capital-intensive, there is uncertainty as to whether the Group can continue to succeed in research and development and maintain its competitive edge in technology. Furthermore, as stated in the 2019 Annual Report, the outbreak of coronavirus epidemic has caused increase in production cost in Mainland Chain, delay in supply of materials, production and sales schedule. There are also increasing risks pertaining to the availability of and price rise in import of foreign ICs, which poses relatively serious concerns to the continuous production and technological innovation of the Group’s products.

Given such uncertainties to the Group’s prospects and future financial performance, investors may have different expectations and requirements with regard to the return on investment of the Group, which may differ from the development plan of the Group in the long run. The H Share Offer, if completed, will enable the Company to have greater flexibility to make timely investment decisions and to focus on the long term development of the Group.

The Offeror also considers that the Delisting will facilitate business integration between the Offeror and the Company, giving the Offeror more flexibility to support the future business development of the Company without being subject to regulatory restrictions and compliance obligations associated with the related obligations arising from the listing status of the Company on the Stock Exchange. After the Delisting, the relevant listing costs and expenses will also be saved.

For H Shareholders, the Offeror believe that the H Share Offer provides a compelling opportunity to dispose of their H Shares for the following reasons:

- **Premium valuation:** the H Share Offer provides an opportunity for H Shareholders to sell their H Shares and receive cash at a price above the prevailing market price. In particular, closing price of the H Shares has never exceeded the H Share Offer Price since 16 July 2018 for almost two year-time. The H Share Offer Price represented a premium of 105.5% over the last 60 trading days immediately prior to and including the Last Trading Date. Please refer to the sub-section headed “Comparisons of value” under the section headed “THE H SHARE OFFER” for details.

- **Certain and immediate value:** trading volume in the H Shares has been thin for most of the time during relatively long period, it may be challenging for the H Shareholders to dispose of their H Shares without adversely affecting the market price of the H Shares. The monthly total trading volume of the H Shares (as a percentage to total issued H Shares) during 1 January 2020 to 31 May 2020 ranged from 0.7% to 2.1% only. The H Share Offer presents an opportunity for the H Shareholders to dispose of their H Shares and exit their investment for cash proceeds which may be reinvested in alternative investments with higher quality.
- **Avoidance of holding unlisted shares:** assuming the H Share Offer will become unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.12 and Rule 6.15 of the Listing Rules. If the H Shares are delisted from the Stock Exchange, the H Shares will become securities that are not listed or quoted on any stock exchange and the liquidity of the H Shares will be severely reduced.

MEETINGS AND DESPATCH OF COMPOSITE DOCUMENT

The H Share Class Meeting and the Extraordinary General Meeting will be convened for the purpose of passing resolutions by way of poll to approve the Delisting by the Independent H Shareholders, and pursuant to Rule 2.2 of the Takeovers Code such approval must be given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy at the H Share Class Meeting and the Extraordinary General Meeting; and the number of votes cast (by way of poll) against the resolutions should not be more than 10% of the votes attaching to all of the H Shares held by the Independent H Shareholders.

Notices of the H Share Class Meeting and the Extraordinary General Meeting will be sent to the H Shareholders together with the Composite Document.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into the Composite Document. The Composite Document for the H Share Offer containing, *inter alia*, further details of (a) the H Share Offer; (b) the expected timetable relating to the H Share Offer; (c) the Delisting; (d) the recommendation from the Independent Board Committee with respect to the H Share Offer and the Delisting; (e) the advice of the independent financial adviser to the Independent Board Committee; (f) a notice of the H Share Class Meeting to approving the Delisting; (g) a notice of the Extraordinary General Meeting to approve the Delisting; and (h) other particulars required by the Listing Rules and the Takeovers Code (if any), will be despatched to the H Shareholders within 21 days from the date of this joint announcement or such later date to which the Executive may consent.

Overseas H Shareholders

The Offeror intends to make available the H Share Offer to all H Shareholders (other than holders of the H Shares which are owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it), including those who are resident outside Hong Kong.

The making of the H Share Offer to the Overseas H Shareholders and/or their ability to participate in the H Share Offer may be subject to the laws of the relevant jurisdictions in which they are resident or domiciled. Any acceptance of the H Share Offer by any H Shareholder will be deemed to constitute a representation and warranty from such H Shareholder to the Offeror and the Company that all applicable legal and regulatory requirements to which they may be subject, including obtaining any governmental, exchange control and other consents, filing and registration and other necessary formalities, and the payment of any transfer or other taxes, have been complied with and that the H Share Offer can be extended to and/or accepted by such H Shareholder lawfully under such requirements. It is the responsibility of the Overseas H Shareholders wishing to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith. H Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to Overseas H Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's consent, the Composite Document may not be despatched to such Overseas H Shareholders. For that purpose, the Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee has been established to make recommendations as to whether the terms of the H Share Offer are, or are not, fair and reasonable and as to acceptances and whether the Delisting is, or is not, fair and reasonable and as to voting. Since the Company has no non-executive Director(s), the Independent Board Committee comprises all of the independent non-executive Directors, namely, Mr. Michael Yu Tat Chi, Mr. Dong Li Xin, Mr. Wen Bing and Mr. Zhang Da Ming, each of whom has no direct or indirect interest in the H Share Offer and the Delisting.

An independent financial adviser to the Independent Board Committee will be appointed to advise the Independent Board Committee as to whether the terms of the H Share Offer are, or are not, fair and reasonable and as to acceptances and whether the Delisting is, or is not fair and reasonable and as to voting. Further announcement will be made by the Company as soon as practicable after the appointment of the independent financial adviser.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant provisions of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN THE H SHARES

At the request of the Company, trading in the H Shares on the Stock Exchange has been halted from 10:07 a.m. on 15 June 2020 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 23 June 2020.

WARNING

The H Share Offer is conditional upon the satisfaction of the Conditions as described in this joint announcement in all aspects. Accordingly, the H Share Offer may or may not become unconditional and the issue of the joint announcement does not imply that the H Share Offer or the Delisting will be completed. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning given to it in the Takeovers Code, and “parties acting in concert” shall be construed accordingly
“Board”	the board of Directors
“business day”	a day on which the Stock Exchange is open for transaction of business
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the H Share Offer or any subsequent closing date as may be decided and announced by the Offeror and approved by the Executive
“Company”	研祥智能科技股份有限公司 (EVOC Intelligent Technology Company Limited*), a joint stock company incorporated in the PRC with limited liability whose H Shares are listed on the Main Board of the Stock Exchange under stock code 2308
“Composite Document”	the composite offer document to be jointly issued by or on behalf of the Offeror and the Company in connection with, among other things, the detailed terms of the H Share Offer in accordance with the Takeovers Code and the Listing Rules
“Conditions”	the conditions of the H Share Offer, as set out under the section headed “Conditions of the H Share Offer” of this joint announcement and “Condition” means any of them
“Delisting”	the voluntary withdrawal of the listing of the H Shares from the Stock Exchange

“Directors”	the directors of the Company
“Domestic Share(s)”	domestic share(s) of nominal value of RMB0.10 each in the share capital of the Company which are subscribed for in RMB
“Domestic Shareholder(s)”	registered holder(s) of the Domestic Shares
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Extraordinary General Meeting”	the extraordinary general meeting of Shareholders be held to consider and vote on, among other matters, the Delisting
“GEM Board”	the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“H Share Class Meeting”	the extraordinary general meeting of the Independent H Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Delisting
“H Share Offer”	the voluntary conditional offer to be made by ICBCI Capital on behalf of the Offeror to acquire all of the issued H Shares (other than those already owned by the Offeror and parties acting in concert with it)
“H Share Offer Price”	the cash offer price of the H Share Offer, being HK\$1.50 per H Share
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB0.10 each, all of which are subscribed for and traded in Hong Kong dollar and listed on the Stock Exchange
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“ICBCI Capital”	ICBC International Capital Limited, the financial advisor to the Offeror, which is a licensed corporation under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities

“ICBC Shenzhen”	Industrial and Commercial Bank of China Limited, Shenzhen Branch
“Independent Board Committee”	the independent committee of the Board, comprising all of independent non-executive Directors, formed pursuant to Rule 2.1 of the Takeovers Code for the purpose of making recommendations as to whether the terms of the H Share Offer are, or are not, fair and reasonable and as to acceptances and whether the Delisting is, or is not, fair and reasonable and as to voting
“Independent H Shareholder(s)”	H Shareholder(s) other than the Offeror and parties acting in concert with it
“Last Trading Date”	12 June 2020, being the last full business day for trading in the H Shares on the Stock Exchange immediately before the suspension of trading in the H Shares pending publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Mr. Chen”	Mr. Chen Zhi Lie, the chairman of the Board and an executive Director
“Offeror”	研祥高科技控股集團有限公司(EVOC Hi-Tech Holding Group Co., Ltd*), a company incorporated in the PRC with limited liability and the controlling shareholder of the Company
“Overseas H Shareholder(s)”	H Shareholder(s) who are not resident in Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (including its successors and local counterparts)
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	the Domestic Share(s) and H Share(s)

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Haoxuntong”	深圳市好訊通實業有限公司(Shenzhen Haoxuntong Industry Co. Ltd.*), a company incorporated in the PRC with limited liability, which is owned as to 100% by Mr. Chen
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“Unconditional Date”	the date on which the H Share Offer becomes or is declared unconditional in all respects
“%”	per cent.

In this joint announcement, unless otherwise stated, the translation of RMB into HK\$ is based on the exchange of rate of RMB1.0 to HK\$1.1. Such conversion shall not be construed as a representation that amounts in RMB were or may have been converted into HK\$ using such exchange rate or any other exchange rate or at all.

By order of the board of directors of
**EVOC Hi-Tech Holding
Group Co., Ltd***
Chen Zhi Lie
Director

By order of the Board of
**EVOC Intelligent Technology
Company Limited***
Chen Zhi Lie
Chairman and executive Director

Shenzhen, the PRC, 22 June 2020

As at the date of this joint announcement, the directors of the Offeror are Mr. Chen Zhi Lie, Ms. Wang Rong and Ms. Cheng Xi.

All directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this joint announcement and confirm, having -made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the executive Directors of the Company are Mr. Chen Zhi Lie, Mr. Tso Cheng Shun and Mr. Geng Wen Qiang; the independent non-executive Directors of the Company are Mr. Michael Yu Tat Chi, Mr. Dong Li Xin, Mr. Wen Bing and Mr. Zhang Da Ming.

* For identification purposes only

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Offeror and parties acting in concert with it) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror and parties acting in concert with the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.