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深圳市研祥智慧科技股份有限公司  
Shenzhen EVOC Intelligence Technology  
Company Limited\*

*(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

### (1) PROPOSED CONDITIONAL PRIVATISATION OF THE COMPANY BY THE OFFEROR BY WAY OF MERGER BY ABSORPTION

### (2) PROPOSED WITHDRAWAL OF LISTING

AND

### (3) RESUMPTION OF TRADING

Financial Adviser to the Offeror



#### SUMMARY

##### 1. INTRODUCTION

The Offeror and the Company are pleased to jointly announce that on 8 August 2022, the Offeror and the Company entered into the Merger Agreement, pursuant to which the Offeror and the Company will implement the Merger subject to the terms and conditions of the Merger Agreement, including the Conditions. After completion of the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws.

## 2. PROPOSED MERGER

Pursuant to the Merger Agreement, conditional upon the fulfilment (or waiver, as applicable) of the Conditions set out in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*”, the Offeror will pay the Cancellation Price in the amount of:

- (a) HK\$1.75 per H Share to the H Shareholders in cash to cancel the H Shares held by the H Shareholders; and
- (b) RMB1.5091475 per Domestic Share, which is equivalent of the Cancellation Price of each H Share based on the Exchange Rate, to the Domestic Shareholders (namely (i) EVOC Hi-Tech (equity interests of which are owned as to 70.5% by Mr. Chen and 29.5% by Mrs. Chen); and (ii) Shenzhen Haoxuntong (equity interests of which are owned as to 100% by Mr. Chen), which in aggregate held all the Domestic Shares in issue and all being parties acting in concert with the Offeror as at the date of this joint announcement), which will be satisfied through the issuance of registered capital of the Offeror to the Domestic Shareholders, in accordance with the description under the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*”.

After completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

The Offeror shall, as soon as possible and in any event no later than seven (7) business days after fulfilment (or waiver, if applicable) of all the Conditions (being the Conditions to Effectiveness and the Conditions to Implementation), pay the Cancellation Price to all H Shareholders and issue the registered capital of the Offeror to EVOC Hi-Tech and Shenzhen Haoxuntong in accordance with the Merger Agreement.

The payment of the total consideration for cancellation of the H Shares will be financed by internal resources of the Offeror and intra-group borrowings from EVOC Hi-Tech. EVOC Smart, a wholly-owned subsidiary of the Offeror, as the Offeror’s payment agent, has undertaken to pay the total consideration for the cancellation of the H Shares for and on behalf of the Offeror.

Subject to the satisfaction of all the Conditions to Implementation, after payment of consideration is made to the H Shareholders and the relevant registered capital of the Offeror is issued to the Domestic Shareholders by or on behalf of the Offeror, all rights attaching to such Shares shall cease to have effect and the relevant Shares shall be cancelled with effect from delisting date. The share certificates for such H Shares and Domestic Shares will cease to have effect as documents or evidence of title.

**The Offeror will not increase the Cancellation Price as set out above, and the Offeror does not reserve the right to do so.**

### **3. PROPOSED WITHDRAWAL OF LISTING OF H SHARES**

Upon satisfaction of all the Conditions to Effectiveness, the Company will apply to the Stock Exchange for voluntary withdrawal of the listing of the H Shares from the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules.

The Company will issue separate announcement(s) notifying H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in H Shares on the Stock Exchange as well as when the formal delisting of the H Shares will become effective.

The listing of the H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason.

### **4. SHAREHOLDING IN THE COMPANY**

As at the date of this joint announcement, the relevant securities of the Company in issue are 1,233,144,000 Shares, which comprise 308,352,000 H Shares and 924,792,000 Domestic Shares.

As at the date of this joint announcement, the Offeror does not own any Share. Mr. Chen and Mrs. Chen, together with EVOC Hi-Tech and Shenzhen Haoxuntong, all being parties acting in concert with the Offeror, are interested in 924,792,000 Domestic Shares, representing all of the Domestic Shares in issue and approximately 74.99% of the total issued Shares in the Company.

As at the date of this joint announcement, the Company does not have any outstanding options, warrants or convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

## **5. DESPATCH OF THE COMPOSITE DOCUMENT**

The Company will convene the EGM and the H Shareholder's Class Meeting for the Shareholders and the H Shareholders respectively, to consider and, if thought fit, approve matters including the Merger.

The Composite Document containing, amongst others, (i) further details of the Merger, the Merger Agreement and other matters in relation to the Merger; (ii) a letter of advice issued by the Independent Financial Adviser to the Independent Board Committee; and (iii) recommendations and advice from the Independent Board Committee, together with a notice of the EGM, a notice of the H Shareholders' Class Meeting and proxy forms are expected to be despatched to H Shareholders within 21 days of the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code or such later date as the Executive may approve.

Further announcement(s) will be made in respect of the despatch of the Composite Document if and when appropriate in accordance with the Takeovers Code.

## **6. BOARD APPROVAL, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Board has established the Independent Board Committee, consisting of all of the independent non-executive Directors, being Ms. Wu Yan Nan, Ms. Li Qian and Ms. Xu Hai Hong. The Independent Board Committee will advise the Independent H Shareholders as to: (a) whether the terms of the Merger are fair and reasonable for the purpose of the Takeovers Code; and (b) whether to vote in favour of the Merger at the EGM and the H Shareholders' Class Meeting.

The Independent Financial Adviser will be appointed by the Company upon the approval by the Independent Board Committee to provide advice to the Independent Board Committee in respect of the Merger. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser. The Independent Board Committee is evaluating the Merger and its views and recommendations will be set out in the Composite Document to be despatched to the H Shareholders.

## **7. RESUMPTION OF TRADING**

At the request of the Company, trading in the H Shares on the Stock Exchange was halted from 11:36 a.m. on 1 August 2022. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares from 9:00 a.m. on 9 August 2022.

## **8. WARNING**

**The Conditions to Effectiveness must be satisfied before the Merger Agreement becoming effective. The Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to Implementation set out in this joint announcement being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

## **NOTICE TO U.S. HOLDERS OF SHARES**

*The Merger will involve the cancellation of the securities of a joint stock limited company incorporated in the PRC with limited liability by means of a merger by absorption provided for under the laws of the PRC. The Merger is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial information included in this joint announcement has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of cash pursuant to the Merger by a U.S. holder of Shares as consideration for the cancellation of its Shares pursuant to the Merger may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of the implementation of the Merger.*

*U.S. holders of Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Offeror and the Company are located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. holders of Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.*

*In accordance with normal Hong Kong practice, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the United States, before or during the Offer Period. In accordance with the Takeovers Code and Rule 14e-5(b) of the U.S. Exchange Act, CICC and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law, including but not limited to the Takeovers Code, and is made outside the United States. Any information about such purchases will be reported to the SFC in accordance with the requirements of the Takeovers Code and, to the extent made public by the SFC, will be available on the website of the SFC at <http://www.sfc.hk>.*

## 1. INTRODUCTION

The Offeror and the Company are pleased to jointly announce that on 8 August 2022, the Offeror and the Company entered into the Merger Agreement pursuant to which the Offeror and the Company will implement the Merger subject to the terms and conditions of the Merger Agreement, including the Conditions. After the Merger, the Company will be merged into and absorbed by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws.

## 2. PROPOSED MERGER

Pursuant to the Merger Agreement, conditional upon, among others, the fulfilment (or waiver, as applicable) of the Conditions set out in the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*”, the Offeror will pay the Cancellation Price in the amount of:

- (a) HK\$1.75 per H Share to the H Shareholders in cash to cancel the H Shares held by the H Shareholders; and
- (b) RMB1.5091475 per Domestic Share, which is equivalent of the Cancellation Price of each H Share based on the Exchange Rate, to the Domestic Shareholders (namely (i) EVOC Hi-Tech (equity interests of which are owned as to 70.5% by Mr. Chen and 29.5% by Mrs. Chen); and (ii) Shenzhen Haoxuntong (equity interests of which are owned as to 100% by Mr. Chen), which in aggregate held all the Domestic Shares in issue and all being parties acting in concert with the Offeror as at the date of this joint announcement), which will be satisfied through the issuance of registered capital of the Offeror to the Domestic Shareholders, in accordance with the description under the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*”.

On the basis of (i) the Cancellation Price of HK\$1.75 per H Share; (ii) 308,352,000 H Shares in issue as at the date of this joint announcement; and (iii) assuming there is no change in the number of H Shares and Domestic Shares in issue from the date of this joint announcement up to the satisfaction (or waiver, if applicable) of the Conditions, the amount of aggregate Cancellation Price required to be paid in cash by the Offeror to cancel the H Shares held by H Shareholders is HK\$539,616,000.00.

After completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

### **3. PRINCIPAL TERMS OF THE MERGER AGREEMENT**

The principal terms and conditions of the Merger Agreement include:

- Parties**
- (1) The Offeror (the equity interests of which is held as to 99% by EVOC Hi-Tech and as to 1% by Mr. Chen); and
  - (2) The Company

**Overview of the Merger** Subject to the terms and conditions of the Merger Agreement, the Merger will be implemented by the Offeror merging the Company by way of merger by absorption.

After completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

## Consideration

Pursuant to the Merger Agreement, conditional upon, the fulfilment (or waiver, as applicable) of the Conditions to Effectiveness and the Conditions to Implementation set out in the paragraphs headed “*Conditions to Effectiveness*” and “*Conditions to Implementation*” below, the Offeror will pay the Cancellation Price in the amount of (a) HK\$1.75 per H Share to the H Shareholders in cash to cancel the H Shares held by the H Shareholders and (b) RMB1.5091475 per Domestic Share, which is equivalent of the Cancellation Price of each H Share based on the Exchange Rate, to the Domestic Shareholders (namely (i) EVOC Hi-Tech (equity interests of which are owned as to 70.5% by Mr. Chen and 29.5% by Mrs. Chen; and (ii) Shenzhen Haoxuntong (equity interests of which are owned as to 100% by Mr. Chen), which in aggregate held all the Domestic Shares in issue and all being parties acting in concert with the Offeror as at the date of this joint announcement), which will be satisfied through the issuance to the Domestic Shareholders RMB1.5091475 registered capital of the Offeror for each Domestic Share (equivalent to the amount of Cancellation Price per Domestic Share). The total amount of the consideration to be paid to the Domestic Shareholders shall be calculated by multiplying the aforementioned cancellation price per Domestic Share by the number of Domestic Shares held by the Domestic Shareholders, and rounded down to two decimal places. Hence, RMB1,325,865,158.00 and RMB69,782,376.00 registered capital of the Offeror will be issued to EVOC Hi-Tech and Shenzhen Haoxuntong respectively. The Offeror and the Domestic Shareholders, being EVOC Hi-Tech and Shenzhen Haoxuntong, have entered into the Capital Increase Agreement to effect and complete the said issuance of registered capital of the Offeror to the Domestic Shareholders for satisfaction of the consideration for cancellation of the Domestic Shares. Upon completion of issuance of registered capital pursuant to the Capital Increase Agreement, the registered capital of the Offeror will be held as to 95.2674% by EVOC Hi-Tech, 4.6657% by Shenzhen Haoxuntong, and 0.0669% by Mr. Chen.

**Conditions to Effectiveness** The Merger Agreement shall become effective upon satisfaction of all of the following conditions (none of which is capable of being waived) (the “**Conditions to Effectiveness**”):

- (1) the passing of special resolution(s) by a majority of not less than two-thirds of the votes cast by way of poll by the Shareholders present and voting in person or by proxy at the EGM to approve the Merger under the Merger Agreement in accordance with the Articles and the PRC Laws; and
- (2) the passing of special resolution(s) by way of poll approving the Merger under the Merger Agreement at the H Shareholders’ Class Meeting to be convened for this purpose, provided that:
  - (a) 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
  - (b) the number of votes cast against the resolution(s) is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders.

If the above Conditions to Effectiveness are not satisfied by the Long-stop Date, the Merger Agreement may be terminated by either party. Please also refer to the paragraph headed “*Termination*” in this section.

**Conditions to  
Implementation**

After the Merger Agreement becomes effective upon satisfaction of all the Conditions to Effectiveness, the implementation of the Merger shall be subject to the following conditions being satisfied or waived, as applicable (the “**Conditions to Implementation**”, together with the Conditions to Effectiveness, collectively, the “**Conditions**”):

- (1) there being no error or omission of the representations and warranties given by the Offeror in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger. The Offeror shall comply with its undertakings under the Merger Agreement in all material respects and there being no breach of such undertakings which has a material impact on the Merger;
- (2) there being no error or omission of the representations and warranties given by the Company in the Merger Agreement on the Delisting Date which has a material adverse impact on the Merger. The Company shall comply with its undertakings under the Merger Agreement in all material respects and there being no breach of such undertakings which has a material impact on the Merger; and
- (3) there being no law, restriction or prohibition of any governmental authority, or any judgment, decision or adjudication of any court on the Delisting Date which restricts, prohibits or terminates the Merger, and all the required approval, filing or report (as applicable) having been obtained or completed. As at the date of this joint announcement, there are no outstanding approval, filing or report required to be obtained or completed.

The Company shall be entitled to waive Condition to Implementation (1) above and the Offeror shall be entitled to waive Condition to Implementation (2) above. Condition to Implementation (3) above is not capable of being waived. If the above Conditions to Implementation are not satisfied or if applicable, waived, by the Long-stop Date, the Merger Agreement will be automatically terminated.

**Payment of consideration**

After fulfilment (or waiver, if applicable) of all the Conditions (being the Conditions to Effectiveness and the Conditions to Implementation), the Offeror shall as soon as possible and in any event within seven (7) Business Days, on the same date (a) pay the Cancellation Price to all H Shareholders and (b) satisfy the Cancellation Price for the Domestic Shares through issuance of the registered capital of the Offeror to all Domestic Shareholders.

Subject to the satisfaction of all the Conditions to Implementation, and after payment of consideration is made to the H Shareholders and the relevant registered capital of the Offeror is issued to the Domestic Shareholders by or on behalf of the Offeror, all rights attaching to such Shares shall cease to have effect and the relevant Shares shall be cancelled with effect from the Delisting Date. The share certificates for such H Shares and Domestic Shares will cease to have effect as documents or evidence of title.

Payment of consideration to the H Shareholders is deemed to be completed once the Offeror or any entity designated by it has despatched to the H Shareholders the cheques for such consideration, while payment of consideration to the Domestic Shareholders is deemed to be completed once the Offeror has delivered to EVOC Hi-Tech and Shenzhen Haoxuntong the Offeror's register of members and certification of capital contribution affixed with the Offeror's official seal reflecting the Offeror's shareholding structure after the issuance of the registered capital of the Offeror to EVOC Hi-Tech and Shenzhen Haoxuntong in accordance with the Merger Agreement.

**The Company's  
Undertakings**

Unless with the prior written consent of the Offeror, the Company shall not issue any Shares, conduct any major acquisitions or disposals which may constitute a discloseable transaction under Chapter 14 of the Listing Rules or declare, make or pay any dividend or other distribution (whether in cash or in kind) to the Shareholders from the date of the Merger Agreement to the date of termination of the Merger Agreement or the Delisting Date (whichever is earlier).

As at the date of this joint announcement, the Company has no outstanding dividend that has been declared, made but not yet paid. In addition, the Company does not intend to declare, pay and/or make any dividend or other distribution between the date of this joint announcement up to the date on which all of the Conditions are satisfied or waived (as applicable), or the date on which the Merger is not approved or otherwise lapsed (as the case may be).

**Right of a Dissenting  
Shareholder**

According to the Articles, any Dissenting Shareholder may by written notice request the Company and/or other Consenting Shareholders to acquire its Shares at a "fair price".

If any Dissenting Shareholder exercises its right, the Offeror will, if so requested by the Company and/or the Consenting Shareholders, assume the obligation which the Company and/or the Consenting Shareholders may have towards such Dissenting Shareholder to acquire the Shares held by that Dissenting Shareholder at a "fair price".

The exercise of its right by a Dissenting Shareholder is subject to the following criteria:

- (1) such Dissenting Shareholder having validly voted against the resolutions in respect of the Merger at the EGM and (if applicable) the H Shareholders' Class Meeting;

- (2) such Dissenting Shareholder having been validly registered as a shareholder on the share register of the Company since the record date for the EGM and (if applicable) the H Shareholders' Class Meeting, and having held such Share(s) in respect of which it intends to exercise its right until the Exercise Date; and
- (3) such Dissenting Shareholder having exercised its right during the Declaration Period.

A Shareholder is not entitled to exercise its right in respect of such Share(s) held by it if:

- (1) such Shareholder has undertaken to the Company to waive its right;
- (2) such Shareholder is prohibited from exercising its right in accordance with applicable laws; and
- (3) any Share held by such Shareholder is subject to a pledge, other third-party rights or judicial moratorium, without having legally obtained written consent or approval from the relevant pledgee, third party or competent authority.

## **Termination**

The Merger Agreement may be terminated in any of the following circumstances:

- (1) by either the Offeror or the Company, if:
  - (a) any competent governmental authority issues any order, decree, ruling or take any other actions which permanently restricts, impedes or otherwise prohibits the Merger and which is final and not capable of being appealed (both the Offeror and the Company shall use reasonable endeavours to procure the withdrawal of such order, decree, ruling or action prior to exercising any right of termination); or
  - (b) the Conditions to Effectiveness not having been satisfied on or before the Long-stop Date;

- (2) by the Offeror, if the Company commits a material breach of the representations, warranties and undertakings under the Merger Agreement or any other agreement related to the Merger Agreement, which has a material adverse impact on the Merger and such breach is not remedied by the Company within 30 days following written notice from the Offeror to the Company; or
- (3) by the Company, if the Offeror commits a material breach of the representations, warranties and undertakings under the Merger Agreement or any other agreement related to the Merger Agreement, which has a material adverse impact on the Merger and such breach is not remedied by the Offeror within 30 days following written notice from the Company to the Offeror.

As at the date of this joint announcement, none of the Conditions has been fulfilled or waived.

Conditional upon the fulfilment (or waiver, as applicable) of the Conditions to Effectiveness and the Conditions to Implementation set out in the paragraphs headed “*Conditions to Effectiveness*” and “*Conditions to Implementation*” above, the Merger will be implemented. Upon completion of the Merger, the Offeror will assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of the Company and the Company will be eventually deregistered following completion of the applicable deregistration filing with SAIC.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror and the Company may only invoke any or all of the Conditions to Implementation (1) to (3) set out in the paragraph headed “*Conditions to Implementation*” in this section or terminate the Merger Agreement in accordance with the paragraph headed “*Termination*” in this section as a basis for not proceeding with the Merger only if the circumstances which give rise to the right to invoke any such condition or termination right are of material significance to the Offeror in the context of the Merger.

#### 4. CANCELLATION PRICE

##### Comparisons of value

The Cancellation Price of HK\$1.75 per H Share represents:

- (a) a premium of approximately 15.13% over the closing price per H Share of HK\$1.52 on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 42.28% over the average closing price of HK\$1.23 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Date;
- (c) a premium of approximately 44.63% over the average closing price of HK\$1.21 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Date;
- (d) a premium of approximately 44.63% over the average closing price of HK\$1.21 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the thirty consecutive trading days immediately prior to and including the Last Trading Date;
- (e) a premium of approximately 50.86% over the average closing price of HK\$1.16 per H Share based on the daily closing prices of H Shares as quoted on the Stock Exchange for the sixty consecutive trading days immediately prior to and including the Last Trading Date;
- (f) a premium of approximately 52.17% over the average closing price of HK\$1.15 per H Share based on the average closing price of H Shares on the Stock Exchange for the ninety consecutive trading days immediately prior to and including the Last Trading Date; and
- (g) a discount of approximately 40.88% to the Group's audited net asset value attributable to the Shareholders per Share of approximately HK\$2.96 as at 31 December 2021, based on the exchange rate of HK\$1: RMB0.81760, being the median exchange rate on 31 December 2021 as announced by the People's Bank of China.

**The Offeror will not increase the Cancellation Price as set out above, and the Offeror does not reserve the right to do so.**

### **Highest and lowest prices**

During the six-month period immediately up to and including the Last Trading Date, the highest closing price of the H Shares as quoted on the Stock Exchange was HK\$1.52 on 1 August 2022, and the lowest closing price of the H Shares as quoted on the Stock Exchange was HK\$0.99 on 15 March 2022.

### **Funding for the Merger**

On the basis of (i) the Cancellation Price of HK\$1.75 per H Share; (ii) 308,352,000 H Shares in issue as at the date of this joint announcement; and (iii) assuming there is no change in the number of H Shares in issue from the date of this joint announcement up to the satisfaction (or waiver, if applicable) of the Conditions, the amount of aggregate Cancellation Price required to be paid in cash by the Offeror to cancel the H Shares held by H Shareholders is HK\$539,616,000.00.

The payment of the total consideration for cancellation of the H Shares will be financed by internal resources of the Offeror and intra-group borrowings from EVOC Hi-Tech. EVOC Smart, a wholly-owned subsidiary of the Offeror, as the Offeror's payment agent, has undertaken to pay the total consideration for the cancellation of the H Shares for and on behalf of the Offeror.

The Offeror has appointed CICC as its financial adviser in connection with the Merger. CICC, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the satisfaction of the Offeror's obligations in respect of the full implementation of the Merger (excluding all the Cancellation Price payable to the Domestic Shareholders which is to be satisfied through the issuance of the registered capital of the Offeror to the Domestic Shareholders).

In consideration of the cancellation of 878,552,400 Domestic Shares held directly by EVOC Hi-Tech and 46,239,600 Domestic Shares held directly by Shenzhen Haoxuntong, registered capital of the Offeror will be issued to these Domestic Shareholders in the manner as described under the subsection "Payment of consideration" of the section headed "3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT*".

## 5. REASONS AND BENEFITS OF THE MERGER

The reasons and benefits of the Merger include:

**(1) For H Shareholders: an attractive opportunity to realise their investment in the Company at a compelling premium amidst a challenging environment**

*Excellent opportunity to realise investment at compelling premium in an illiquid market*

Transaction liquidity of the H Shares has been relatively low for an extended period of time. The average daily turnover of the H Shares for the following periods up to and including the Last Trading Date were as follows:

- (i) the period of three months up to and including the Last Trading Date, 380,258 shares, representing only approximately 0.12% of the total issued H Shares on the Last Trading Date;
- (ii) the period of twelve months up to and including the Last Trading Date, 333,228 shares, representing only approximately 0.11% of the total issued H Shares on the Last Trading Date; and
- (iii) the period of twenty-four months up to and including the Last Trading Date, 1,439,658 shares, representing only approximately 0.47% of the total issued H Shares on the Last Trading Date.

**(2) For the Company: The Company has lost the advantage of a listing platform**

*Limited equity fundraising options*

Since the listing of the H Shares on the Stock Exchange, the Company has not raised any funds through equity issuance as it has been subject to various restrictions in utilising its equity fundraising options. For instance, any issue of H Shares by the Company would require approval from the relevant authorities in the PRC. In addition, given that the Company is subject to the public float requirement under the Listing Rules, the Company is also restrained from enlarging its share capital through further issuance of the Domestic Shares. Furthermore, as the Company's H Shares have been trading at a relatively low-price range with sluggish trading volume for most of the time, its ability to raise funds from the equity market is significantly limited.

### ***Low cost-efficiency in maintaining the listing status of the Company***

The H Shares have been trading at a significant discount as compared to the Group's book value over the past one year, with price to book ratios ranging from 0.33 to 0.51 during that period. The relatively low trading price range as compared to the Group's book value and sluggish trading volumes abovementioned significantly limit the Company's ability to raise funds from the equity market. At the same time, the cost of maintaining the Company's listing status (including those associated with regulatory compliance, disclosure and publication of financial statements) had been on the rise, defeating the original purpose for listing. After the privatization, the H Shares will be delisted from the Stock Exchange, which may benefit the Company from savings in costs related to the compliance and maintenance of the listing status of the Company. The Company's management will also be able to reallocate resources originally applied towards the Company's administration, compliance and other matters relating to its listing status towards the Group's business operations.

### ***More flexibility to formulate long-term strategic directions after the delisting of the H Shares***

As a result of the ongoing COVID-19 pandemic and the tight supply in the raw material market, China and global economy have not yet returned to normal levels. Moreover, due to the shortage of semiconductor devices across the globe, the delivery of materials was delayed or even suspended and their supply prices increased significantly, thereby increasing the product costs. Furthermore, the trade and diplomatic conflicts between China and the U.S. in 2021 intensified the risks of the availability and the increase in price of imported raw materials for special computers.

Generally, the spread of pandemic and the weakened international trade increased uncertainties over the domestic and overseas sales of special computer products.

In view of the above, the Company is facing major challenges with greater uncertainties in future operations. In order to maintain core competitiveness, the Company needs to unify and sort out its strategy and business direction, exploring new development opportunities and long-term growth strategies, which may cause uncertainty in the Company's financial performance in the short term, thereby causing losses to H Shareholders. After the completion of the Merger, the Company can formulate long-term strategies with more flexibility and avoid the pressure from market expectations and stock price fluctuation risks as a listed company. It is expected that after the delisting of the H Shares and completion of deregistration of the Company, the Offeror does not intend to seek for listing of its shares or that of its subsidiaries on any other stock exchanges (including the stock exchanges in the PRC).

The Board (other than the members of the Independent Board Committee, whose views will be given after receiving the opinion of the Independent Financial Adviser) is of the view that the terms of the Merger are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## 6. INFORMATION ON THE OFFEROR AND THE COMPANY

### (a) Information on the Offeror

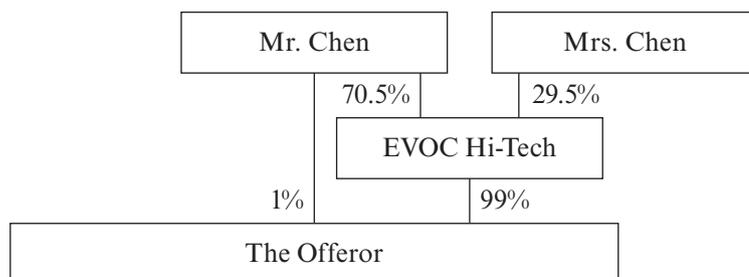
The Offeror is a company incorporated in the PRC with limited liability on 24 November 2021. The Offeror is owned as to 99% by EVOC Hi-Tech (equity interests of which are owned as to 70.5% by Mr. Chen and 29.5% by Mrs. Chen) and as to 1% by Mr. Chen.

The Offeror is incorporated in the PRC by EVOC Hi-Tech and Mr. Chan for the purpose of the Merger. The business scope of the Offeror as set out in the business registration certificate includes, *inter alia*, the sales of industrial control and computing system, software, computing accessories, provision of computing system service, sales of internet equipment and electronic equipment.

As at the date of this joint announcement, the shareholding in the Offeror are as follows:

Name of Shareholders	Subscribed Capital Contribution (RMB)	Approximate Percentage in total issued share capital
Mr. Chen	1,000,000	1%
EVOC Hi-Tech	99,000,000	99%

Set out below is the shareholding structure of the Offeror as at the date of this joint announcement:



**(b) Information on the Company**

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.

Set out below is the financial information of the Group as extracted from the audited annual report of the Company for the years ended 31 December 2019, 2020 and 2021 prepared in accordance with Hong Kong Financial Reporting Standards.

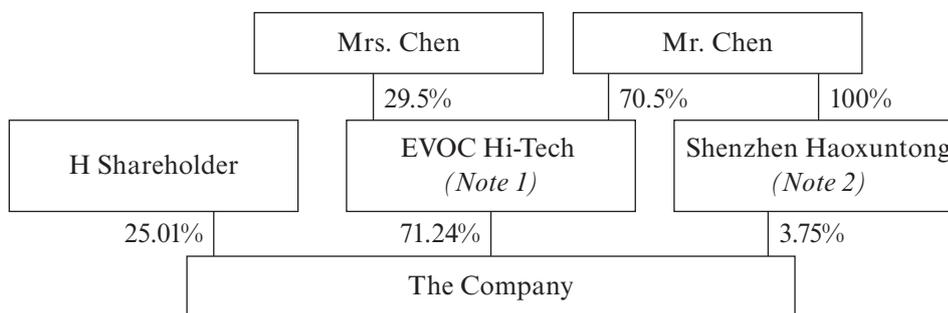
	<b>For the year ended 31 December 2021 (RMB' 000) (audited)</b>	<b>For the year ended 31 December 2020 (RMB' 000) (audited)</b>	<b>For the year ended 31 December 2019 (RMB' 000) (audited)</b>
Total assets	8,364,396	8,181,014	7,188,888
Revenue	1,296,192	1,544,536	1,688,153
Profit for the year	166,180	210,538	263,154

As at the date of this joint announcement, the relevant securities of the Company in issue are 1,233,144,000 Shares, which comprise 308,352,000 H Shares and 924,792,000 Domestic Shares.

As at the date of this joint announcement, the shareholding in the Company are as follows:

Name of Shareholders	Number of Shares held	Approximate Percentage in total issued share capital
<b>Domestic Shares</b>		
Offeror and parties acting in concert with it		
Offeror	—	—
EVOC Hi-Tech ( <i>Note 1</i> )	878,552,400	71.24%
Shenzhen Haoxuntong ( <i>Note 2</i> )	46,239,600	3.75%
<b>Sub-total:</b>	<b><u>924,792,000</u></b>	<b><u>74.99%</u></b>
<b>H Shares</b>		
Public Shareholders (i.e. Independent H Shareholders)	308,352,000	25.01%
<b>Total number of issued Shares</b>	<b><u>1,233,144,000</u></b>	<b><u>100.00%</u></b>

Set out below is the shareholding structure of the Company as at the date of this joint announcement:



*Notes:*

- Mr. Chen is the beneficial owner of 70.5% interests in EVOC Hi-Tech and is deemed to be interested in the Domestic Shares owned by EVOC Hi-Tech pursuant to Part XV of the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of EVOC Hi-Tech. Mrs. Chen is the beneficial owner of 29.5% interests in EVOC Hi-Tech. As Mrs. Chen is spouse of Mr. Chen, she is also deemed to be interested in the Domestic Shares owned by EVOC Hi-Tech pursuant to Part XV of the SFO.

2. Shenzhen Haoxuntong is wholly-owned by Mr. Chen, and by virtue of Mr. Chen being the sole shareholder of the entire equity interests in Shenzhen Haoxuntong, Mr. Chen is deemed to be interested in all the Domestic Shares held by Shenzhen Haoxuntong in the Company pursuant to Part XV of the SFO.
3. The Shares held by EVOC Hi-Tech and Shenzhen Haoxuntong are Domestic Shares.
4. The percentages in the diagram above are expressed as percentages of the total issued Shares of the Company.
5. CICC is the financial adviser to the Offeror in respect of the Merger. Accordingly, CICC and members of the CICC group are presumed to be acting in concert with the Offeror in respect of shareholdings of the CICC group in the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code and excluding the Shares held on behalf of non-discretionary investment clients). Exempt principal traders which are connected for the sole reason that they are under the same control as CICC are not presumed to be acting in concert with the Offeror. However:
  - (a) Shares held by members of the CICC group acting in the capacity of exempt principal traders will not be voted at the EGM or the H Shareholders’ Class Meeting (as applicable) unless the Executive allows such Shares to be so voted; and
  - (b) Shares held by members of the CICC group acting in the capacity of exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the EGM and/or the H Shareholders’ Class Meeting (as applicable) if: (i) such member of the CICC group holds the relevant Shares as a simple custodian for and on behalf of non-discretionary clients; (ii) there are contractual arrangements in place between such member of the CICC group and such non-discretionary client that strictly prohibit such member of the CICC group from exercising any voting discretion over such Shares; (iii) all voting instructions shall originate from such non-discretionary client only (if no instructions are given, then no votes shall be cast for such Shares held by such member of the CICC group); and (iv) such non-discretionary client is not a concert party of the Offeror.

Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by members of the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of other parts of the CICC group), if any, will be obtained as soon as possible after the date of this joint announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Offeror and the Company if the holdings of, borrowings, lendings, or dealings of the members of the CICC group are significant and in any event, such information will be disclosed in the Composite Document. The statements in this joint announcement as to the holdings, borrowings or lendings of, or dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by persons acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of members of the CICC group. Any dealings in the relevant securities of the Company by the CICC group (excluding dealings by the CICC group

members who are exempt principal traders or exempt fund managers or dealings by the CICC group members for the account of non-discretionary investment clients of the CICC group) from 8 February 2022 (being six months prior to the date of this joint announcement) to the latest practicable date prior to the despatch of the Composite Document will be disclosed in the Composite Document.

6. None of the Offeror, EVOC Hi-Tech, the subsidiaries of EVOC Hi-Tech, the directors of the Offeror, and the directors of EVOC Hi-Tech (each being a party acting in concert with the Offeror) had dealt for value in the Shares in the six months immediately preceding the date of this joint announcement.

As at the date of this joint announcement, the Offeror does not own any Share. Mr. Chen and Mrs. Chen, together with EVOC Hi-Tech and Shenzhen Haoxuntong all being parties acting in concert with the Offeror, are interested in 924,792,000 Domestic Shares, representing all of the Domestic Shares in issue and approximately 74.99% of the total issued Shares in the Company.

As at the date of this joint announcement, the Company does not have any outstanding options, warrants or convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

**(c) Rights and interests in the securities of the Offeror and Shares and respective derivatives**

As at the date of this joint announcement, after having made reasonable enquiries:

- (i) save as disclosed in paragraph headed “*Shareholding in the Company*” in this section above, none of the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, or any parties acting in concert with any of them owns or has control or direction over any Shares or voting rights of the Company;
- (ii) there is no holding of voting rights and rights over Shares in respect of which the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, or any parties acting in concert with any of them has received any irrevocable commitment in relation to the voting of the resolutions in respect of the Merger;
- (iii) there is no holding of voting rights and rights over Shares in respect of which the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, or any parties acting in concert with any of them holds convertible securities, warrants or options in respect of the Shares;
- (iv) none of the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, or any parties acting in concert with any of them has entered into any outstanding derivative in respect of the securities of the Company;

- (v) save for the Merger Agreement, the Capital Increase Agreement and the transactions contemplated thereunder, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the securities of the Offeror or the Shares and which might be material to the Merger;
- (vi) there is no agreement or arrangement (other than the Merger Agreement, the Capital Increase Agreement and the transactions contemplated thereunder) to which the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, or any parties acting in concert with any of them is a party which relates to the circumstances in which either of them may or may not invoke or seek to invoke a pre-condition or a condition of the Merger;
- (vii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, or any parties acting in concert with any of them have borrowed or lent;
- (viii) other than the Cancellation Price to be paid by the Offeror for every H Share under the Merger, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, or any parties acting in concert with any of them to the holders of H Share in connection with the cancellation of the H Shares under the Merger; and
- (ix) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech and Shenzhen Haoxuntong, and any parties acting in concert with any of them, or (ii)(b) the Company, its subsidiaries or associated companies.

## **7. BOARD APPROVAL, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Board has established the Independent Board Committee, consisting of all of the independent non-executive Directors, being Ms. Wu Yan Nan, Ms. Li Qian and Ms. Xu Hai Hong. The Independent Board Committee will advise the Independent H Shareholders as to: (a) whether the terms of the Merger are fair and reasonable for the purpose of the Takeovers Code; and (b) whether to vote in favour of the Merger at the EGM and the H Shareholders' Class Meeting.

The Independent Financial Adviser will be appointed by the Company upon the approval by the Independent Board Committee to provide advice to the Independent Board Committee in respect of the Merger. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser. The Independent Board Committee is evaluating the Merger and its views and recommendations will be set out in the Composite Document to be despatched to the H Shareholders.

## **8. PROPOSED WITHDRAWAL OF LISTING OF H SHARES**

Upon satisfaction of all the Conditions to Effectiveness, the Company will apply to the Stock Exchange for voluntary withdrawal of the listing of the H Shares from the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules.

The Company will issue separate announcement(s) notifying H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in H Shares on the Stock Exchange as well as when the formal delisting of the H Shares will become effective.

The listing of the H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason.

## **9. EGM AND H SHAREHOLDERS' CLASS MEETING AND THE COMPOSITE DOCUMENT**

The Company will convene the EGM and the H Shareholders' Class Meeting for the Shareholders and the H Shareholders respectively, to consider and, if thought fit, approve matters including the Merger.

The Composite Document containing, amongst others, (i) further details of the Merger and the Merger Agreement and other matters in relation to the Merger; (ii) a letter of advice to be issued by the Independent Financial Adviser to the Independent Board Committee; and (iii) recommendations and advice from the Independent Board Committee, together with a notice of the EGM, a notice of the H Shareholders' Class Meeting and proxy forms are expected to be despatched to H Shareholders within 21 days of the date of this joint announcement pursuant to Rule 8.2 of the Takeovers Code, which in this case would be on or before 29 August 2022, or such later date as the Executive may approve.

Further announcement(s) will be made in respect of the despatch of the Composite Document if and when appropriate in accordance with the Takeovers Code.

## **10. RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES**

In accordance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities of the Offeror and the Company) of the Offeror and the Company are hereby reminded to disclose their dealings in any shares in the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*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 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 Rules. 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 obligations 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.”*

## **11. NUMBER OF RELEVANT SECURITIES IN ISSUE**

As at the date of this joint announcement, the relevant securities of the Company in issue are 1,233,144,000 Shares, which comprise 308,352,000 H Shares and 924,792,000 Domestic Shares.

As at the date of this joint announcement, the Offeror is owned as to 99% by EVOC Hi-Tech and as to 1% by Mr. Chen.

## **12. RESUMPTION OF TRADING**

At the request of the Company, trading in the H Shares on the Stock Exchange was halted from 11:36 a.m. on 1 August 2022. An application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares from 9:00 a.m. on 9 August 2022.

### 13. WARNING

**The Conditions to Effectiveness must be satisfied before the Merger Agreement becoming effective. The Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to Implementation set out in this joint announcement being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

### 14. DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Articles”	the articles of association of the Company (including the rules of procedures for shareholders’ general meetings and the rules of procedures for board meetings)
“associate(s)”	has the meaning ascribed to it under the Listing Rules or the Takeovers Code (as the case may be)
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$1.75 per H Share payable in cash by the Offeror to the H Shareholders as described in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ” above
“Capital Increase Agreement”	the capital increase agreement entered into between the Offeror, EVOC Hi-Tech and Shenzhen Haoxuntong on 8 August 2022, pursuant to which the Offeror shall issue its registered capital to EVOC Hi-Tech and Shenzhen Haoxuntong in satisfaction of the consideration for the cancellation of the Domestic Shares held by EVOC Hi-Tech and Shenzhen Haoxuntong respectively

“CICC”	China International Capital Corporation Hong Kong Securities Limited, the financial adviser to the Offeror in respect of the Merger. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Company”	EVOC Intelligent Technology Company Limited* (研祥智能科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (Stock code: 2308)
“Composite Document”	the document to be jointly issued by or on behalf of the Offeror and the Company to all Shareholders in accordance with the Takeovers Code containing, among others, details of the Merger, as may be revised or supplemented as appropriate
“Conditions”	collectively, the Conditions to Effectiveness and the Conditions to Implementation
“Conditions to Effectiveness”	has the meaning given to it in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ”
“Conditions to Implementation”	has the meaning given to it in the section headed “3. <i>PRINCIPAL TERMS OF THE MERGER AGREEMENT</i> ”
“Consenting Shareholders”	the Shareholders who have approved the Merger
“Declaration Period”	a period commencing on the date on which the Merger is approved by the Shareholders and the H Shareholders at the EGM and the H Shareholders’ Class Meeting respectively and expiring on the fifth (5th) Business Day from (and including) the date on which the Merger is approved by the Shareholders and the H Shareholders at the EGM and the H Shareholders’ Class Meeting respectively, during which any Dissenting Shareholder may declare to exercise its right
“Delisting Date”	the date on which the listing of the Company on the Stock Exchange has been withdrawn

“Director(s)”	the director(s) of the Company from time to time and the term “Director” shall be construed accordingly
“Dissenting Shareholder”	a Shareholder who has validly voted against all the resolutions in respect of the Merger at the EGM and (if applicable) the H Shareholders’ Class Meeting and has requested the Company or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) to acquire its Shares at a “fair price”
“Domestic Share(s)”	the domestic shares of the Company, with a RMB denominated par value of RMB1.00 each, representing approximately 74.99% of the entire issued share capital of the Company as at the date of this joint announcement
“Domestic Shareholder(s)”	the holder(s) of Domestic Share
“EGM”	the extraordinary general meeting of the Company to be convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements
“EVOC Hi-Tech”	EVOC Hi-Tech. Holding Group Co., Ltd., one of the Domestic Shareholders, which directly and beneficially owns 95% of the Domestic Shares in issue and approximately 71.24% of the entire issued share capital of the Company as at the date of this joint announcement. Mr. Chen owns 70.5% of the equity interests in EVOC Hi-Tech and Mrs. Chen owns 29.5% of the equity interests in EVOC Hi-Tech
“EVOC Smart”	Hong Kong EVOC Smart Technology Company Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by the Offeror
“Exchange Rate”	the exchange rate of HK\$1: RMB0.86237, which is the central parity rate of Hong Kong Dollar to RMB as at the date of this joint announcement as announced by the People’s Bank of China
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Exercise Date”	the date on which the Company and/or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) pays cash consideration to Dissenting Shareholders who exercised their right to request the Company or the Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) to acquire the Shares held and effectively declared by them at “fair price”, which will be decided and announced by the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	the ordinary shares issued by the Company, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in Hong Kong dollars and are listed and traded on the main board of the Stock Exchange, representing approximately 25.01% of the entire issued share capital of the Company as at the date of this joint announcement
“H Shareholder(s)”	the holder(s) of H Shares
“H Shareholders’ Class Meeting”	the class meeting of the Company to be convened for H Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements
“HK\$” or “Hong Kong”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company established by the Company for the purposes of considering the Merger, which comprises all of the independent non-executive Directors, being Ms. Wu Yan Nan, Ms. Li Qian and Ms. Xu Hai Hong
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company upon the approval by the Independent Board Committee to advise the Independent Board Committee and the Independent H Shareholders in respect of, among other things, the Merger

“Independent H Shareholders”	the H Shareholders other than the Offeror, Mr. Chen, Mrs. Chen, EVOC Hi-Tech, Shenzhen Haoxuntong and any parties acting in concert with any of them
“Last Trading Date”	1 August 2022, being the last trading day for the Shares prior to the halt of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Long-stop Date”	31 March 2023, being the last date which the Conditions to Effectiveness and the Conditions to Implementation can be satisfied, unless the Offeror and the Company otherwise agree, subject to the consent of the SFC
“Merger”	the proposed merger by absorption of the Company by the Offeror in accordance with the PRC Company Law and other applicable PRC Laws as contemplated under the Merger Agreement
“Merger Agreement”	the merger agreement entered into between the Offeror and the Company on 8 August 2022 in relation to the Merger
“Mr. Chen”	Mr. Chen Zhi Lie, being (i) one of the executive Directors; (ii) owner of 70.5% of the entire equity interests in the EVOC Hi-Tech; (iii) owner of the entire equity interests in Shenzhen Haoxuntong; and (iv) owner of 1% of the entire equity interests in the Offeror
“Mrs. Chen”	Madam Wang Rong, the spouse of Ms. Chen and the owner of 29.5% of the entire equity interests in the EVOC Hi-Tech
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on 8 August 2022 (the date of this joint announcement) and ending on the Delisting Date, or the date on which the Merger is not approved or otherwise lapses, whichever is earlier
“Offeror”	Shenzhen EVOC Intelligence Technology Company Limited* (深圳市研祥智慧科技股份有限公司), a joint stock company incorporated in the PRC with limited liability which is owned as to 99% by EVOC Hi-Tech and as to 1% by Mr. Chen

“PRC”	the People’s Republic of China, which for the purposes of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Company Law”	the Company Law of the PRC, as amended, supplemented or otherwise modified from time to time
“PRC Laws”	any and all laws, regulations, statutes, rules, and other normative documents as may be currently in force in the PRC, including such amendments, supplements, interpretations or re-enactments from time to time
“RMB”	Renminbi, the lawful currency of the PRC
“SAIC”	the State Administration for Industry and Commerce of the PRC or its local authorities (as applicable)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	collectively, H Shares and Domestic Shares
“Shareholder(s)”	collectively, H Shareholders and Domestic Shareholder
“Shenzhen Haoxuntong”	Shenzhen Haoxuntong Industry Co., Ltd., one of the Domestic Shareholders, which directly and beneficially owns 5% of the Domestic Shares in issue and approximately 3.75% of the entire issued share capital of the Company as at the date of this joint announcement. Mr. Chen owns 100% of the equity interests in Shenzhen Haoxuntong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC as amended and supplemented from time to time
“trading day”	a day on which the Stock Exchange is open for dealing or trading in securities

“United States” or the United States of America, its territories and possessions,  
“U.S.” any State of the United States and the District of Columbia

“U.S. Exchange Act” the U.S. Securities Exchange Act of 1934, as amended

“%” per cent

By order of the sole director of  
**Shenzhen EVOC Intelligence Technology  
Company Limited\***  
**Chen Zhi Lie**  
*Sole Director*

By order of the Board  
**EVOC Intelligent Technology  
Company Limited\***  
**Chen Zhi Lie**  
*Chairman*

Shenzhen, PRC  
8 August 2022

*As at the date of this joint announcement, the sole director of Offeror is Mr. Chen Zhi Lie.*

*The sole director of Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) 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 board of directors of EVOC Hi-Tech comprises Mr. Chen Zhi Lie, Madam Wang Rong and Mr. Chen Xi. The directors of EVOC Hi-Tech jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Group) 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) 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 of the statements in this joint announcement misleading.*

*As at the date of this joint announcement, the Board comprises Mr. Chen Zhi Lie and Mr. Geng Wen Qiang as executive Directors; and Ms. Wu Yan Nan, Ms. Li Qian and Ms. Xu Hai Hong as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror, EVOC Hi-Tech and any parties acting in concert with any of them), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror and the directors of EVOC Hi-Tech) 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 statements in this joint announcement misleading.*

*\* For identification purposes only*