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研祥智能科技股份有限公司

EVOG Intelligent Technology Company Limited*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2308)

**MAJOR AND CONNECTED TRANSACTION:
ACQUISITION OF 49% OF SHAREHOLDING INTEREST IN
WUXI SHIOC INTERNATIONAL OUTSOURCING INDUSTRY
DEVELOPMENT COMPANY LIMITED**

SUMMARY

(1) THE ACQUISITION

The Board is pleased to announce that on 12 November 2012, the Company entered into the Agreement with Feng Shui Long, a company owned as to 100% by Ms. Wang, spouse of Mr. Chen, pursuant to which the Company conditionally agreed to acquire and Feng Shui Long conditionally agreed to sell 49% of the equity interest in Wuxi Company, at the Consideration of RMB319,000,000. Wuxi Company will become a wholly owned subsidiary of the Company immediately after obtaining 股權變更登記證 (certificate of change in equity) from the Industry and Commerce Bureau regarding the Acquisition. The details on the manner of settlement of the Consideration are set out in the sub-paragraph headed "Consideration" under the paragraph headed "Agreement" below. The principal asset of Wuxi Company is a piece of land in Wuxi with a total area of 215,221.1 square meters for property development and sales.

(2) IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined in the Listing Rules exceed 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Moreover, Feng Shui Long is owned as to 100% by Ms. Wang, the spouse of Mr. Chen, a Director, therefore Feng Shui Long is a Connected Person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction under the Listing Rules. The Agreement is subject to reporting and announcement requirements and Independent Shareholders' approval requirements at the EGM by way of poll under Chapter 14 and Chapter 14A of the Listing Rules. Save as Ms. Wang and her Associates, no other Shareholder who has a material interest in the Agreement is required to abstain from voting on the resolutions approving the Agreement at the EGM.

(3) INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Agreement and the transactions contemplated thereunder. Celestial Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Agreement and the transactions contemplated thereunder.

(4) DESPATCH OF CIRCULAR

The EGM will be convened for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder. It is expected that a circular together with notice of EGM will be despatched to the Shareholders on or before 17 December 2012. As the auditors of the Company requires more time to complete its audit work on Wuxi Company, the circular may be despatched to the Shareholders more than 15 business days after publication of this announcement.

As completion of the Acquisition is subject to the fulfilment of certain conditions precedent, the issue of this announcement should not be regarded in any way as implying that the Acquisition will be completed. Therefore, the Shareholders and investors in general should exercise caution when dealing in the Shares.

THE AGREEMENT

The principal terms of the Agreement are as follows:

Date

12 November 2012

Parties

- (a) Vendor: Feng Shui Long. To the best knowledge of the Company, Feng Shui Long is owned as to 100% by Ms. Wang. Ms. Wang is the spouse of Mr. Chen, a Director. Feng Shui Long, being owned as to 100% by Ms. Wang, is a Connected Person of the Company under Chapter 14A of the Listing Rules. Save for investment in Wuxi Company, Feng Shui Long does not conduct any other business; and
- (b) Purchaser: The Company

Subject matter of the Agreement

Pursuant to the Agreement, the Company conditionally agreed to acquire and Feng Shui Long conditionally agreed to sell the Sale Shares, being 49% of the equity interest in Wuxi Company.

Consideration

The Consideration in respect of the Acquisition shall be RMB319,000,000, payable in cash in the following manner:

- (i) 30% of the Consideration shall be paid within 30 days from the Completion Date;
- (ii) 30% of the Consideration shall be paid within 90 days from the Completion Date;
- (iii) 40% of the Consideration shall be paid within 180 days from the Completion Date.

The Company shall use its internal resources to finance the Acquisition. The Consideration was determined after arm's length negotiations between the parties of the Agreement and with reference to (i) the unaudited net asset value of Wuxi Company which is approximately RMB483,293,000 as of 30 September 2012, and (ii) the preliminary valuation of the Property as valued by American Appraisal China Limited, an independent valuer, in the amount of RMB880,000,000 as of 30 September 2012.

Conditions Precedent

The Agreement is conditional upon, among other things, the following conditions precedent being satisfied:

- (a) approval from the Independent Shareholders in respect of the Agreement and the transactions contemplated therein having been obtained in accordance with the provisions of the Listing Rules; and
- (b) all consents and all other necessary approvals in respect of the Agreement having been obtained.

Change of Ownership of the Sale Shares

Immediately after obtaining 股權變更登記證 (certificate of change in equity) from the Industry and Commerce Bureau regarding the Acquisition, Wuxi Company will become wholly owned subsidiary of the Company.

Completion

If the Acquisition is not completed before 31 March 2013 or any other date agreed between the Company and Feng Shui Long, the Agreement shall terminate. Neither the Company nor Feng Shui Long shall have any rights or obligations towards each other under the Agreement, and neither the Company nor Feng Shui Long shall be liable for any damage to the other party.

INFORMATION OF WUXI COMPANY

Name:	無錫深港國際服務外包產業發展有限公司 (Wuxi SHIOC International Outsourcing Industry Development Company Limited*) (formerly known as 無錫市江南大世界投資發展有限公司 (Wuxi Jiang Nan Da Shi Jie Investment Development Company Limited*))
Date of incorporation:	7 June 2004
Place of incorporation:	Fangqian Town, Wuxi New Area, Jiangsu Province, PRC
Duration of operation:	From 7 June 2004 to 6 June 2024
Scope of business:	Property development and sales
Registered capital:	RMB306,122,400
Ownership:	51% by the Company and 49% by Feng Shui Long.
Board composition:	Mr. Chen, Ms. Wang Rong and Zhu Jun (朱軍)

Wuxi Company recorded a profit before tax and extraordinary item and after tax and extraordinary item of RMB20,856,000 for the year ended 31 December 2010, and a loss before tax and extraordinary item and after tax and extraordinary item of RMB10,493,000 for the year ended 31 December 2011.

The unaudited net asset value of Wuxi Company as of 30 September 2012 is RMB483,293,000. The preliminary valuation of the Property as valued by American Appraisal China Limited, an independent valuer, is in the amount of RMB880,000,000, and the cost of the Land is approximately RMB161,539,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group had expressed its intention to expand its business to the high technology research and development, manufacturing and software outsourcing areas. Wuxi Company has completed some property development of the Land and had begun to pre-sell those properties. The sale proceeds will be booked as revenue of Wuxi Company after obtaining the relevant title document from the relevant government bureau. As the Land is beginning to generate revenue for Wuxi Company, the Acquisition will stabilize and increase the future revenue of the Group.

The Directors consider that the terms of the Agreement are fair and reasonable and that the Agreement is in the interests of the Shareholders and the Company as a whole.

GENERAL INFORMATION

The Company is principally engaged in the research, development, manufacture and distribution of APA products in the PRC. APA is a computer system built to allow users to adopt hardware and software applications to perform a dedicated function or a range of dedicated functions such as data processing, generating, interpreting and executing control signals, etc. and is embedded into a product, device or a larger system. APA products manufactured and distributed by the Company are widely applied in areas of telecommunication, industrial, military, electricity generation, video frequency control, transportation, Internet, commerce and finance, etc..

The principal activities of Wuxi Company are property development and sales. The service sub-contracting project of Wuxi Company has achieved smooth progress, and the Prime New Plaza has now been completed with pre-sales commenced, bringing a steady cashflow to the Wuxi Company. The service sub-contracting project of Wuxi Company is the expansion and extension of the Company's existing business, which will take an active role in fostering the development of the existing business and adding a new profit growth point.

IMPLICATION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as defined in the Listing Rules exceed 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Moreover, Feng Shui Long is owned as to 100% by Ms. Wang, the spouse of Mr. Chen, a Director, therefore Feng Shui Long is a Connected Person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction under the Listing Rules. The Agreement is subject to reporting and announcement requirements and Independent Shareholders' approval requirements at the EGM by way of poll under Chapter 14 and Chapter 14A of the Listing Rules. Save as Ms. Wang and her Associates, no other Shareholder who has a material interest in the Agreement is required to abstain from voting on the resolutions approving the Agreement at the EGM.

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As completion of the Acquisition is subject to the fulfilment of certain conditions precedent, the issue of this announcement should not be regarded in any way as implying that the Acquisition will be completed. Therefore, the Shareholders and investors in general should exercise caution when dealing in the Shares of the Company.

DEFINITIONS

Unless otherwise defined, the following expressions have the following meanings in this announcement:

“Acquisition”	the acquisition of 49% equity interest in Wuxi Company;
“Agreement”	the agreement dated 12 November 2012 between the Company and Feng Shui Long;
“APA”	Advanced Process Automation;
“Associate”	has the meaning as defined in the Listing Rules;
“Company”	EVOC Intelligent Technology Company Limited, a joint stock limited company incorporated in the PRC with limited liability and the H shares of which are listed on the Stock Exchange;
“Completion Date”	the date when all the conditions precedent are fulfilled;
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Consideration”	the consideration of RMB319,000,000 payable by the Company for the Sale Shares under the Agreement;
“Director(s)”	director(s) of the Company;
“EGM”	the extraordinary general meeting of the Shareholders to be convened and held for the purpose of approving, among other things, the Agreement;
“Feng Shui Long”	拉薩市風水隆投資發展有限公司 (Lhasa Feng Shui Long Investment Development Company Limited*), which is a company incorporated in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“Independent Board Committee”	the independent board committee of the Company formed by all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Agreement and the transactions contemplated thereby;
“Independent Financial Adviser”	Celestial Capital Limited, the independent financial adviser to the Independent Board Committee in relation to the terms of the Agreement and the transactions contemplated thereby;
“Independent Shareholders”	Shareholders other than Ms. Wang and her Associate(s);

“Land”	a parcel of land with area of approximately 215,221.1 square meters, located at South of Xihu Road, West of Fangtong Road, Wuxi City, Jiangsu Province, owned by Wuxi Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Chen”	陳志列 (Mr. Chen Zhi Lie), a Director;
“Ms. Wang”	王蓉 (Ms. Wang Rong), the spouse of Mr. Chen;
“PRC”	the People’s Republic of China, and for the purpose of this announcement exclude Macau, Hong Kong and Taiwan;
“Prime New Plaza”	創新廣場 (Prime New Plaza*);
“Property”	Construction-in-Progress Works erected on land parcels (Lot Nos.: 6-007-009-001 and 6-007-009-002) located at southern side of Xihu Road, northern side of Xinfang Road, Wuxi Xin District, Wuxi City, Jiangsu Province, The PRC;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	the 49% equity interest of Wuxi Company;
“Shares”	the shares of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Wuxi Company”	無錫深港國際服務外包產業發展有限公司 (Wuxi SHIOC International Outsourcing Industry Development Company Limited*) (formerly known as 無錫市江南大世界投資發展有限公司 (Wuxi Jiang Nan Da Shi Jie Investment Development Company Limited*)), a company incorporated in the PRC, and a subsidiary owned as to 51% by the Company; and
“%”	percent.

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

Shenzhen, the PRC, 12 November 2012

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Chen Zhi Lie, Mr. Tso Cheng Shun and Mr. Zhu Jun as executive directors; Mr. Ling Chun Kwok, Ms. Dai Lin Ying, Mr. Wang Zhao Hui and Mr. An Jian as independent non-executive directors.

In this announcement, the English names of the PRC entities are translation of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

** For identification purpose only*