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ePRO
EPRO LIMITED
易寶有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8086)

DISCLOSEABLE TRANSACTION: ACQUISITION OF E-PERFECT

DISCLOSEABLE TRANSACTION – ACQUISITION OF E-PERFECT

On 29 June 2012, Epro Systems, an indirect wholly-owned subsidiary of the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and Epro Systems agreed to purchase, the Sale Shares for a total consideration of HK\$45 million. The principal activities of e-Perfect Group are the provision of information and technology consultation services, provision of corporate information solution architecture, design and maintenance services and trading of computer equipment and accessories.

As the relevant percentage ratios of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

DISCLOSEABLE TRANSACTION – ACQUISITION OF E-PERFECT

Sale and Purchase Agreement

On 29 June 2012, Epro Systems, an indirect wholly-owned subsidiary of the Company and the Vendor entered into the Sale and Purchase Agreement. Major terms of the Sale and Purchase Agreement are set out below.

Date of the Sale and Purchase Agreement:

29 June 2012

Parties:

Purchaser: Epro Systems, an indirect wholly-owned subsidiary of the Company. The principal business activities of EPRO Systems are investment holding and provision of management services.

Vendor: Mr. Ho Shiu Kei, James

* For identification purposes only

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is a third party independent of the Company and its connected persons.

Assets to be acquired:

The Vendor agreed to sell, and Epro Systems agreed to purchase, the Sale Shares for a total consideration of HK\$45 million.

The Sale Shares represent the entire issued share capital of e-Perfect and effectively 100% interest in the registered capital of the PRC Subsidiary which is wholly-owned by e-Perfect.

Consideration:

The aggregate Consideration for the Sale Shares is HK\$45 million.

The Consideration was agreed upon after arm's length negotiations between the Vendor and the Group on normal commercial terms and with reference the business valuation of e-Perfect conducted by an independent valuer as at 19 June 2012 and the business prospect of e-Perfect Group. The Consideration represents a discount to the fair value of e-Perfect Group as determined by the independent valuer based on a market-based approach, such fair value being HK\$50,500,000.

The Consideration will be payable by Epro Systems in the following manner:

The Consideration in aggregate payable by Epro Systems to the Vendor for the Sale Shares shall be HK\$45 million, but shall be subject to the adjustment mechanism as stated below, and shall be paid by Epro Systems in the following manner:

- (a) an amount of HK\$9 million, being 20% of the maximum amount of the Consideration, shall be paid to the Vendor on or before 31 July 2012; and
- (b) an amount of HK\$36 million, being the remaining balance of the maximum amount of the Consideration, shall be paid to the Vendor on or before 28 February 2013.

In the event that the audited consolidated net profit after tax of e-Perfect Group for the year ending 31 December 2012 (“**2012 NP**”) as shown in the audited consolidated financial statements of e-Perfect Group for the year ending 31 December 2012 (“**2012 Accounts**”) shall be less than HK\$7 million, the Consideration shall be adjusted downwards and the Vendor shall pay to the Group an amount (“**Adjusted Amount**”) computed in accordance with the following formula within 7 days after Epro Systems has notified the Vendor of the 2012 NP.

$$\text{Adjusted Amount} = (\text{HK\$7 million} - 2012 \text{ NP}) \times 6.4$$

Where 2012 NP is a negative figure, for the purpose of calculating the Adjusted Amount, 2012 NP shall be deemed to be zero (0). Under no circumstances will the Consideration be adjusted upwards.

It is expected that the Group will fund the Consideration by its internal resources.

Completion:

Subject to fulfilment or waiver, as the case may be, of the conditions precedent stated below, Completion will take place on 3 July 2012 (or such other date as the parties may agree).

After the Completion, e-Perfect and the PRC Subsidiary will become indirect wholly-owned subsidiaries of the Company.

Conditions Precedent:

Completion is conditional upon the following conditions precedent being fulfilled (or waived):

- (a) all necessary consents and approvals required to be obtained on the part of Epro Systems and the Company in relation to the Acquisition having been obtained and such consents and approvals should be valid up to the date of Completion;
- (b) all Vendor’s warranties provided in the Sale and Purchase Agreement in respect of e-Perfect Group remaining true and accurate in all respects and not misleading; and
- (c) there being no breach of the terms and conditions of the Sale and Purchase Agreement by the Vendor.

The condition set out in (a) above is not capable of being waived by the parties. The conditions set out in (b) and (c) above may be waived by Epro Systems.

Other principal terms and conditions:

On Completion, the Vendor, being the sole director of e-Perfect, will enter into an employment contract with e-Perfect and remain as a director of e-Perfect to assist in the management and development of the business of e-Perfect Group.

Information on e-Perfect Group

e-Perfect is a company incorporated in Hong Kong with limited liability on 18 September 2009. The principal activities of e-Perfect are the provision of information and technology consultation services, provision of corporate information solution architecture, design and maintenance services and trading of computer equipment and accessories.

e-Perfect is the holding company of the PRC Subsidiary, a wholly foreign-owned enterprise established in the PRC on 3 February 2012 with a registered capital of RMB500,000 which has been fully paid-up. The business scope of the PRC Subsidiary are the development of systems software goods, transfer of self-developed technological achievements, provision of related technological information consultation; wholesale, import and export of computer hardware and software and ancillary services (not involving state-operated trade management goods, for other goods which involve quota, permit management and other special regulations, shall go through the formalities of application in accordance with state regulations), (except for projects which require approval before registration pursuant to the law, administrative regulations or State Council's decisions, projects which are restricted by law or administrative regulations may only be operated after approval is obtained).

Set out below is a summary of certain audited consolidated financial information of e-Perfect Group for the period from 18 September 2009 (date of incorporation of e-Perfect) to 31 December 2011:

	For the period from 1 January 2011 to 31 December 2011	For the period from 18 September 2009 to 31 December 2010
Net profit (before taxation and extraordinary items)	HK\$6,966,595	HK\$11,754,599
Net profit (after taxation and extraordinary items)	HK\$5,839,471	HK\$9,846,375

The audited consolidated total asset value and net asset value of e-Perfect Group as at 31 December 2011 are approximately HK\$7,196,080 and HK\$4,195,846 respectively.

Reasons for and benefits of the Acquisition

The Group is principally engaged in the provision of professional information technology contract services and maintenance services, resale of hardware and software, E-commerce business and investment holding.

e-Perfect Group is principally engaged in the provision of information and technology consultation services, provision of corporate information solution architecture, design and maintenance services and trading of computer equipment and accessories.

Following Completion, e-Perfect and the PRC Subsidiary will become members of the Group. With the financial resources and existing distribution networks and channels of the Group, e-Perfect Group will be able to further develop its current business and the Group will also be to provide the services and sell the products of e-Perfect Group to its existing customers, thus diversifying its services and products portfolio. Therefore, the Directors consider that the Acquisition will create a synergy effect and benefit both the business of e-Perfect Group and the business of the Group, and is in the interests of the Company. In addition, the Directors are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

Implications under the GEM Listing Rules

As the relevant percentage ratios of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares
“Board”	the board of Directors
“e-Perfect”	e-Perfect IT Limited, a company incorporated in Hong Kong with limited liability
“e-Perfect Group”	e-Perfect and the PRC Subsidiary
“Epro Systems”	EPRO SYSTEMS LIMITED, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Company”	EPRO Limited, a company incorporated in the Cayman Island with limited liability and the issued shares of which are listed on GEM
“Completion”	the completion of the Acquisition pursuant to the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the Peoples’ Republic of China
“PRC Subsidiary”	普暉信息科技(深圳)有限公司, a wholly foreign-owned enterprise established in the PRC, being a wholly-owned subsidiary of e-Perfect
“Sale and Purchase Agreement”	the agreement dated 29 June 2011 entered into between Epro Systems and the Vendor in relation to the Acquisition
“Sale Shares”	the 10,000 shares of HK\$1.00 each in the issued share capital of e-Perfect, representing 100% of the issued share capital of e-Perfect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Vendor”

Mr. Ho Shiu Kei, James

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
EPRO Limited
Huang Shaokang
Chairman

Hong Kong, 29 June 2012

As at the date of this announcement, the executive Directors are Mr. Huang Shaokang, Mr. Chow Siu Kwong and Mr. Meng Hu; the non-executive Directors are Mr. Zhang Zhen and Mr. Gao Xiang; and the independent non-executive directors are Mr. Lu Wei, Mr. Fong Fuk Wai, Mr. Li Guanbao and Mr. Mak Yat Tang, Anthony.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website <http://www.hkgem.com> for at least 7 days from the date of its publication and on the website of the Company at <http://www.ebro.com.hk>.