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TECH PRO TECHNOLOGY DEVELOPMENT LIMITED

德普科技發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03823)

(1) QUARTERLY UPDATE ON SUSPENSION OF TRADING; AND (2) THE GUANGZHOU LITIGATIONS

This announcement is made by Tech Pro Technology Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements (the “**Announcements**”) of the Company dated 9 November 2017, 6 December 2017, 23 February 2018, 29 March 2018, 23 April 2018, 28 June 2018, 1 August 2018, 3 September 2018, 2 October 2018, 7 November 2018 and 17 December 2018 respectively in relation to, among other things, the suspension of trading in the shares (the “**Shares**”) of the Company under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong), the investigation by the special investigation committee (the “**Special Investigation Committee**”) of the Company on various matters and events leading to and/or otherwise relating to the Lawsuit, the delay in the publication of the annual results of the Group for the year ended 31 December 2017 (the “**2017 Annual Results**”) and the interim results of the Group for the six months ended 30 June 2018 (the “**2018 Interim Results**”), and the delay in the despatch of the annual report of the Group for the year ended 31 December 2017 (the “**2017 Annual Report**”) and the interim report of the Group for the six months ended 30 June 2018 (the “**2018 Interim Report**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

(1) QUARTERLY UPDATE ON SUSPENSION OF TRADING

As mentioned in the Announcements, the Independent Investigation Report has been issued by the Independent Investigator and the Special Investigation Committee, having considered the Independent Investigation Report and obtained advices from the PRC Legal Advisers, has reported its view and made recommendations to the Board and the Company. The Company has engaged Zhong Yin to act on behalf of Shanghai Laikin to take appropriate legal actions against the relevant parties.

The Board wishes to update the shareholders and potential investors of the Company that the Company is currently working closely with the Auditors to assist its audit procedures with a view to finalise and publish the 2017 Annual Results and despatch the 2017 Annual Report as soon as practicable. Meanwhile, the Company is preparing the 2018 Interim Results and the 2018 Interim Report and the same will be published and despatched as soon as practicable.

(2) THE GUANGZHOU LITIGATIONS

The Company announces that 廣州隸夫氏置業有限公司 (Guangzhou Nafushi Property Co. Ltd.#) (“**Guangzhou Nafushi**”), an indirect wholly-owned subsidiary of the Company, had been involved in two litigation proceedings in the PRC with a bank (the “**Bank**”) in relation to disputes regarding certain loan facilities (the “**Loans**”) where the Group’s properties situated at 天河區華廈路28號201、202、203、204、205、206、207、208、209、210、211、212、213、214、310 (Units 201、202、203、204、205、206、207、208、209、210、211、212、213、214 and 310, 28 Huaxia Road, Tianhe District#) (the “**Guangzhou Properties**”) were held as the collaterals for the Loans (the “**Guangzhou Litigations**”).

On 26 June 2018, the Guangzhou Intermediate People’s Court of Guangzhou Province (the “**Guangzhou Intermediate Court**”) issued judgements (the “**Judgment of the Guangzhou Intermediate Court**”) in relation to the Guangzhou Litigations that, among other things:–

- (i) Guangzhou Nafushi shall repay the outstanding amount under Loans together with interest and default interest accrued thereon to the Bank; and
- (ii) the Bank is entitled to sell the Guangzhou Properties by auction and apply the sale proceeds to repay the debts owed to the Bank under the Loans.

On 11 July 2018, the Bank submitted an appeal application to the Guangzhou Intermediate Court in relation to, among other things, the understatement of the quantum under Guangzhou Litigations in certain part of the Judgment of the Guangzhou Intermediate Court (the “**Bank’s Appeal**”).

On 17 July 2018, Guangzhou Nafushi submitted an appeal application to the Guangzhou High People’s Court of Guangdong Province (the “**Guangzhou High Court**”) in relation to, among other things, the overstatement of quantum under the Guangzhou Litigations in the Judgment of the Guangzhou Intermediate Court (the “**Guangzhou Nafushi’s Appeal**”, together with the Bank’s Appeal, the “**Appeals**”).

The Group had engaged a PRC legal adviser, namely 廣東法制盛邦律師事務所 (Guangdong Everwin Law Office) (the “**Guangdong Everwin**”) to advise on the Guangzhou Litigations. Guangdong Everwin is qualified as attorney in law under the laws of the PRC.

According to the preliminary opinion of Guangdong Everwin, as the requests for the Appeals had already been submitted, the Judgment of the Guangzhou Intermediate Court would not have legal effect at this stage and the Bank is not entitled to sell the Properties by auction at this stage. In the meantime, Guangzhou Nafushi is entitled to lease out the Properties in the ordinary and usual manner. As at the date of this announcement, the hearing for the Appeals (the “**Appeal Hearing**”) has not been scheduled.

As advised by Guangdong Everwin, Guangzhou Nafushi may, during course of the Appeal Hearing, try to reach a settlement with the Bank under terms favourable to and in the best interest of the Group.

The Group is currently in active negotiation with the Bank with a view to reach a favourable settlement agreement in relation to the Guangzhou Litigations as soon as possible.

Having considered, among other things, the advice of Guangdong Everwin that (i) the Judgment of the Guangzhou Intermediate Court would not have legal effect at this stage; (ii) the Bank is not entitled to sell the Properties by auction at this stage; and (iii) Guangzhou Nafushi is entitled to lease out the Properties in the ordinary and usual manner, the Board considers that the Guangzhou Litigations have no significant effects on the overall financial, business and/or operation conditions of the Group at this stage.

The Company will keep the shareholders of the Company and potential investors informed of any further material developments in connection with the Guangzhou Litigations by way of further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Save for the investment in the JV and the Guangzhou Litigations, the Group continues to conduct its businesses in the ordinary and usual course.

Further announcement(s) will be made by the Company to inform the shareholders and potential investors of the Company of any material development relating to the captioned matters.

CONTINUED SUSPENSION OF TRADING

Trading in Shares has been suspended since 9 November 2017 pending the fulfilment of the Resumption Conditions. The Board is working closely towards the resumption of trading in Shares as soon as possible.

By order of the Board
Tech Pro Technology Development Limited
Li Wing Sang
Chairman

Hong Kong, 14 February 2019

The English translation of the Chinese names in this announcement, where indicated, are included for information purpose only and should not be regarded as the official English names of such Chinese names.

As at the date of this announcement, the executive Directors are Mr. Li Wing Sang, Mr. Liu Xinsheng, Mr. Chiu Chi Hong, Mr. Lee Tsz Hang and Mr. Dong Bo Fredric; and the independent non-executive Directors are Mr. Ong King Keung, Ms. Wong Chi Yan, Mr. Wong Kui Shing, Danny, Dr. Wong Yun Kuen and Mr. Chan Wing Chung.