

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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) RESUMPTION CONDITIONS;
(2) UPDATE ON SUSPENSION OF TRADING AND
FULFILMENT OF THE RESUMPTION CONDITIONS;
AND
(3) UPDATE ON DELISTING FRAMEWORK
UNDER THE LISTING RULES**

This announcement is made by Tech Pro Technology Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A 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).

BACKGROUND

Reference is made to (i) the announcement of the Company dated 9 November 2017 in relation to, among other things, the suspension of trading in 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); (ii) the announcement of the Company dated 6 December 2017 in relation to the formation of a special investigation committee (the “**Special Investigation Committee**”) for the purposes of, among other things, investigating and reporting on various matters and events leading to and/or otherwise relating to the Lawsuit; (iii) the announcement of the Company dated 29 March 2018 whereby the Company announced that there would be a delay in the publication of the annual results announcement of the Group for the year ended 31 December 2017 (the “**2017 Annual Results**”) and a possible delay in the despatch of the annual report for the year ended 31 December 2017 (the “**2017 Annual Report**”); and (iv) the update announcements of the Company dated 23 February 2018, 23 April 2018 and 28 June 2018 (collectively, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

As mentioned in the announcement of the Company dated 9 November 2017, the SFC has on 9 November 2017 issued a direction (the “**Rule 8(1) Direction**”) under Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) to suspend trading in the shares of the Company with effect from 9:00 a.m. on 9 November 2017 as it appears to the SFC that:

- (1) the Company’s interim results (the “**2017 Interim Results Announcement**”) for the six months ended 30 June 2017 published on 25 August 2017 and the 2017 interim report (the “**2017 Interim Report**”) of the Company published on 20 September 2017 contained materially false, incomplete or misleading information;
- (2) it is necessary or expedient to do so in the interest of maintaining an orderly and fair market in the shares of the Company; and
- (3) it is in the interest of the investing public or in the public interest, or it is appropriate for the protection of investors generally or for the protection of investors in the shares of the Company to do so.

It appears to the SFC that prior to the publication of the 2017 Interim Results Announcement and the 2017 Interim Report, the JV Company, namely Shanghai Fuchao Property Management Company Limited# (上海富朝物業管理有限公司), a company incorporated in the PRC and 50% of the equity interest of which is owned by an indirect wholly-owned subsidiary of the Company, had lost its sub-leasing right of a block commercial/office building (the “**Property**”) located in Jing’an District of Shanghai, PRC, as a result of a lawsuit (the “**Lawsuit**”) instigated against the JV Company by the Logistics Department of the People’s Chinese Armed Police Force, Corps of Shanghai# (中國人民武裝警察部隊上海市總隊後勤部) (“**CAPF Shanghai Logistics Department**”) as the owner of the Property. It was alleged by CAPF Shanghai Logistics Department that the JV Company defaulted in paying rents since March 2016 in accordance with the leasing agreement dated 10 May 2007 entered into between the JV Company (as lessee) and the Lease Office of the Barracks Division of the CAPF Shanghai Logistics Department# (中國人民武裝警察部隊上海市總隊後勤營房處租賃辦公室) (the “**Lease Office**”) (as lessor) (which was subsequently supplemented by two supplemental agreements dated 10 May 2007 and 22 January 2013 respectively) (collectively, the “**Leasing Agreements**”). As a result of the Lawsuit, it appears that the JV Company has lost its sub-leasing right of the Property on 18 July 2017. The Lawsuit was not disclosed in the 2017 Interim Results Announcement or the 2017 Interim Report.

The Company wishes to stress that the Company and the Directors did not have knowledge about the Lawsuit prior to receiving the letter from the SFC on 7 November 2017. The Company has entrusted the JV Partner who is interested in another 50% of the equity interests in the JV Company, with the daily operations of the JV Company. Indeed, the Directors truly believe that the JV Partner had already paid the rent in respect of the Property for the period from January 2016 to December 2024 in the aggregate amount of RMB108 million on behalf the JV Company, and the Lease Office, being the lessor and the contracting party of the Leasing Agreements, had issued a certificate on 4 January 2017, certifying the receipt of the aforementioned rent. There is no reasonable ground for the Directors to suspect that the Leasing Agreements have been terminated or the sub-leasing right of the Property has been lost. The JV Partner and the JV Company did not disclose any information about the Lawsuit to the Company.

Furthermore, as mentioned in the announcements of the Company dated 29 March 2018 and 28 June 2018, the Company announced that there would be a delay in the publication of the 2017 Annual Results and the despatch of the 2017 Annual Report as more time is required for the auditors of the Company to perform and complete their audit procedures in respect of the Annual Results (including but not limited to the review of the results of the investigation by the Special Investigation Committee which is ongoing).

RESUMPTION CONDITIONS

On 25 July 2018, the Company has been notified by the Stock Exchange of the following conditions (the “**Resumption Conditions**”) for the resumption of trading in the shares of the Company:

- (a) publish all outstanding financial results in accordance with the Listing Rules and address any audit modifications; and
- (b) announce all material information for the Company’s shareholders and other investors to appraise the Company’s position.

The Stock Exchange has further indicated that it might modify the above conditions and/or impose further conditions as the Company’s circumstances change.

UPDATE ON SUSPENSION OF TRADING AND FULFILMENT OF THE RESUMPTION CONDITIONS

Since the suspension of the trading in the shares of the Company on 9 November 2017, the Company has been working closely with various professional parties and has taken the following steps with a view to resume trading of the shares of the Company:

- (1) The Company has, on 6 December 2017, established the Special Investigation Committee comprising Mr. Chiu Chi Hong, an executive Director, and Mr. Ong King Keung, Ms. Wong Chi Yan, Mr. Wong Kui Shing, Danny and Dr. Wong Yun Kuen, being all the independent non-executive Directors, for the purposes of, among other things, investigating and reporting on various matters and events leading to and/or otherwise relating to the Lawsuit, and recommending actions to be taken by the Group to address the concerns of the SFC as stated in the Rule 8(1) Direction. Dr. Wong Yun Kuen, an independent non-executive Director, has been appointed as the chairman of the Special Investigation Committee. The Special Investigation Committee may also appoint other professional advisers to assist in its investigation.

Members of the Special Investigation Committee have been working actively on the matter and a total of 8 meetings had been held since the establishment of the Special Investigation Committee, to discuss and approve, among other things, the appointment of various professional advisers and to discuss the report, opinion and/or proposal by the professional advisers. The Special Investigation Committee will continue to take steps as may be necessary for the investigation and will report to the Board for any updates on the development and results of its investigation.

- (2) The Company has appointed Grant Thornton Advisory Services Limited (the “**Independent Investigator**”) as the independent investigator to the Special Investigation Committee to assist in the investigation.

The Special Investigation Committee has been working closely with the Independent Investigator since its engagement. The Independent Investigator has commenced its review in December 2017, and as at the date of this announcement, fieldwork regarding the investigation has already been completed and the Special Investigation Committee has received the first draft of the Independent Investigation Report. The Special Investigation Committee is in the course of reviewing and finalising the Independent Investigation Report with the Independent Investigator and it is currently expected that the formal Independent Investigation Report will be issued by 31 August 2018.

- (3) The Company has appointed two PRC legal advisers, namely Beijing Yingke Law Firm (北京盈科(上海)律師事務所) and Zhong Yin Law Firm (中銀律師事務所) (collectively, the “**PRC Legal Advisers**”) as the PRC legal advisers to the Special Investigation Committee to assist in the investigation relating to the Lawsuit.

The Special Investigation Committee has been working with the PRC Legal Advisers to determine, among other things, (i) the implication of the Lawsuit on the Group; (ii) the means to obtain the documents relating to the Lawsuit to facilitate the investigation; and (iii) the possibility of initiating any civil claim(s) and/or criminal proceeding(s) against the JV Company and/or the JV Partner to protect the Company and its shareholders’ interests as a result of the Lawsuit.

Beijing Yingke Law Firm has issued an advanced draft opinion on the matter, and Zhong Yin Law Firm has proposed certain actions against the JV Company and/or the JV Partner for the Company’s consideration. After studying the proposal prepared by Zhong Yin Law Firm, the Special Investigation Committee has recommended to the Board, and the Board has adopted the proposal suggested by Zhong Yin Law Firm, and the Company is finalising the engagement of Zhong Yin Law Firm regarding the said actions.

- (4) Regarding the 2017 Annual Results and the 2017 Annual Report, the Company had started its audit planning with the Company’s auditors (the “**Auditors**”) in mid-December 2017, and the Auditors had commenced their audit works (including physical stock-taking and audit field works at the Group’s office) since late December 2017. The Company has been co-operating with the Auditors all the way through and had used its best endeavours to provide the documents and information as requested by the Auditors for completing their audit procedures. However, in mid-March 2018, the Company had been advised by the Auditors that they might need additional time for performing and completing their audit procedures in respect of the 2017 Annual Results, including but not limited to the review of the results of the investigation by the Special Investigation Committee. As at the date of this announcement, the investigation by the Special Investigation Committee is still ongoing. The Company will continue to discuss with various professional parties, including but not limited to the Auditors, the Independent Investigator and the PRC Legal Advisers from time to time to finalise the investigation

and to carry out any further actions as may be appropriate for the Auditors to complete their audit procedures and to facilitate the publication of the 2017 Annual Results as soon as practicable. It is expected the Independent Investigation Report will be issued by 31 August 2018 and the 2017 Annual Results will be published on or before 31 December 2018.

- (5) The Company has been providing periodic update on the development of the investigation by the Special Investigation Committee to shareholders and investors by way of announcement and will continue to inform shareholders and investors of all material information to appraise the Company's position.

The Company will also take other appropriate steps to fulfill the Resumption Conditions and will keep the shareholders and potential investors informed of the progress as and when appropriate.

LATEST UPDATE ON THE DELISTING FRAMEWORK UNDER THE LISTING RULES

Reference is made to the latest amendments to the delisting framework under the Listing Rules, which will come into effect on 1 August 2018 (the "**Effective Date**"). Set out below are the key implications of such amendments on the Company.

The Company's shares have been suspended from trading since 9 November 2017 and the Stock Exchange issued the Resumption Conditions to the Company on 25 July 2018. As the Company's shares will have been suspended from trading for less than 12 months as at the Effective Date, the Stock Exchange may cancel the Company's listing if trading in the Company's shares has remained suspended for 18 continuous months from the Effective Date.

The 18-month period expires on 31 January 2020. Therefore if the Company fails to fulfill all the Resumption Conditions to the Stock Exchange's satisfaction and resume trading in its shares by 31 January 2020, the Listing Department will recommend the Listing Committee to proceed with the cancellation of the Company's listing. This is subject to the Stock Exchange's right to impose a shorter specific remedial period under the Listing Rules where appropriate.

As mentioned above, the Company has been and will continue to working closely with all relevant parties towards the resumption of trading in the shares of the Company as soon as possible and will keep the shareholders and potential investors informed of the progress on the fulfilment of the Resumption Conditions as and when appropriate and in any event, at least every three months from the date of this announcement onwards until the resumption of trading in the shares of the Company.

CONTINUED SUSPENSION OF TRADING

Trading in shares of the Company has been suspended since 9 November 2017 pending the fulfilment of the Resumption Conditions. The day-to-day operations of the Group (other than its investments in the JV Company) have not been affected by the Lawsuit or the suspension of trading, and the Group continues to conduct its businesses in the ordinary and usual course. The Board is working closely towards the resumption of trading in the shares of the Company as soon as possible.

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

Hong Kong, 1 August 2018

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

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