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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)

DISCLOSEABLE TRANSACTION – PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO ENTITY

Declaration of Interim Dividend by the JV Company

The Board would like to announce that on 29 July 2016 and 31 July 2016 respectively, the board of directors and the shareholders of the JV Company (namely 上海富朝物業管理有限公司 (Shanghai Fuchao Property Management Company Limited[#]), a joint venture of the Company which is owned as to 50% by Shanghai Laiken (an indirect wholly-owned subsidiary of the Company) and 50% by Mr. Fan, resolved to declare the Interim Dividend in the amount of RMB222,000,000 (equivalent to HK\$248,640,000) for the six months ended 30 June 2016, of which RMB111,000,000 (equivalent to HK\$124,320,000) and RMB111,000,000 (equivalent to HK\$124,320,000) were payable to Shanghai Laiken and Mr. Fan, respectively.

Subsequently, on 31 July 2016, the board of directors and the shareholders of the JV Company resolved to apply the Interim Dividend payable to Mr. Fan to set off part of the Relevant Amount (on a dollar-for-dollar basis) due to the JV Company from Mr. Fan and/or his associates, whereas the payment of the Interim Dividend to Shanghai Laiken shall be withheld until 2018 in order to facilitate the preliminary plan of the JV Company in upgrading and improving the facilities at the Property.

Declaration of Final Dividend by the JV Company

In addition, on 7 February 2017, the board of directors and the shareholders of the JV Company further resolved to declare the Final Dividend in the amount of RMB15,600,000 (equivalent to HK\$17,472,000) for the year ended 31 December 2016, of which RMB7,800,000 (equivalent to HK\$8,736,000) and RMB7,800,000 (equivalent to HK\$8,736,000) were payable to Shanghai Laiken and Mr. Fan, respectively. Similarly, on 7 February 2017, the board of directors and the shareholders of the JV Company resolved to apply the Final Dividend payable to Mr. Fan to set off part of the Relevant Amount (on a dollar-for-dollar basis) due to the JV Company from Mr. Fan and/or his associates, whereas the payment of the Final Dividend to Shanghai Laiken shall be withheld until 2018 in order to facilitate the preliminary plan of the JV Company in upgrading and improving the facilities at the Property.

The withholding of the payment of the Dividends payable to Shanghai Laiken constituted provision of financial assistance by the Company to the JV Company under Rule 14.04(1) (e) of the Listing Rules, as well as an advance to the JV Company under Rule 13.13 of the Listing Rules.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the withholding of the payment of the Interim Dividend payable to Shanghai Laiken by the JV Company exceed 5% but are less than 25%, the withholding of the payment of the Interim Dividend by the JV Company constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules. Furthermore, as the Interim Dividend payable to Shanghai Laiken exceeds 8% under the assets ratio as defined in under Rule 14.07(1) of the Listing Rules, the withholding of the payment of the Interim Dividend payable to Shanghai Laiken by the JV Company is also subject to the general disclosure obligations under Rule 13.13 of the Listing Rules.

In addition, as the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the withholding of the payment of the Final Dividend payable to Shanghai Laiken by the JV Company (when aggregated with the Interim Dividend) exceed 5% but are less than 25%, the withholding of the payment of the Final Dividend by the JV Company also constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules. However, as the relevant advance to the JV Company as a result of the withholding of the Final Dividend did not increase the total advance to the JV Company from the Interim Dividend by more than 3% in terms of the assets ratio as defined in under Rule 14.07(1) of the Listing Rules, the withholding of the payment of the Final Dividend payable to Shanghai Laiken by the JV Company would not be required to be disclosed separately under Rule 13.14 of the Listing Rules.

While reviewing and finalising the Company's annual report for the year ended 31 December 2016, the Directors note that the withholding of the Dividends payable to Shanghai Laiken by the JV Company might be subject to the disclosure requirements under the Listing Rules.

Immediately after becoming aware of the incident, the Board made enquiries with the legal adviser of the Company as to the requirements under the Listing Rules in this regard, and were advised that the withholding of the Dividends payable by the JV Company to Shanghai Laiken constituted provision of financial assistance by the Company to the JV Company under Rule 14.04(1)(e) of the Listing Rules, as well as advance to the JV Company under Rule 13.13 of the Listing Rules, and that the Company had not complied with the applicable Listing Rules requirements at the relevant times. In the circumstances, the Company has immediately requested its legal advisers to brief and explain the relevant requirements under the Listing Rules and has taken all initiatives to re-comply with the relevant Listing Rules, including but not limited to publishing this announcement to inform the Shareholders and potential investors about the incident.

REMEDIAL ACTIONS

In order to prevent the occurrence of similar inadvertent deviation from the Listing Rules in future, the Company will provide a detailed guideline relating to notifiable and connected transactions under the Listing Rules for all the Directors as well as its management team in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at early stage. The Company will also circulate a reporting guideline such that each member of the Group shall report those transactions which may constitute potential notifiable or connected transactions to the head office in Hong Kong for approval prior to the entering into of those transactions. The Company will also provide relevant training to the Directors and its management team to reinforce their understanding of and importance of compliance with the Listing Rules.

The Directors consider that the non-compliance incident is an isolated event and undertake to avoid the re-occurrence of similar incidents in future.

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

Declaration of Interim Dividend by the JV Company

The Board would like to announce that on 29 July 2016 and 31 July 2016 respectively, the board of directors and the shareholders of the JV Company (namely 上海富朝物業管理有限公司 (Shanghai Fuchao Property Management Company Limited[#]), a joint venture of the Company which is owned as to 50% by Shanghai Laiken (an indirect wholly-owned subsidiary of the Company) and 50% by Mr. Fan, resolved to declare the Interim Dividend in the amount of RMB222,000,000 (equivalent to HK\$248,640,000) for the six months ended 30 June 2016, of which RMB111,000,000 (equivalent to HK\$124,320,000) and RMB111,000,000 (equivalent to HK\$124,320,000) were payable to Shanghai Laiken and Mr. Fan, respectively.

Subsequently, on 31 July 2016, the board of directors and the shareholders of the JV Company resolved to apply the Interim Dividend payable to Mr. Fan to set off part of the Relevant Amount (on a dollar-for-dollar basis) due to the JV Company from Mr. Fan and/or his associates, whereas the payment of the Interim Dividend to Shanghai Laiken shall be withheld until 2018 in order to facilitate the preliminary plan of the JV Company in upgrading and improving the facilities at the Property.

Declaration of Final Dividend by the JV Company

In addition, on 7 February 2017, the board of directors and the shareholders of the JV Company further resolved to declare the Final Dividend in the amount of RMB15,600,000 (equivalent to HK\$17,472,000) for the year ended 31 December 2016, of which RMB7,800,000 (equivalent to HK\$8,736,000) and RMB7,800,000 (equivalent to HK\$8,736,000) were payable to Shanghai Laiken and Mr. Fan, respectively. Similarly, on 7 February 2017, the board of directors and the shareholders of the JV Company resolved to apply the Final Dividend payable to Mr. Fan to set off part of the Relevant Amount (on a dollar-for-dollar basis) due to the JV Company from Mr. Fan and/or his associates, whereas the payment of the Final Dividend to Shanghai Laiken shall be withheld until 2018 in order to facilitate the preliminary plan of the JV Company in upgrading and improving the facilities at the Property.

The withholding of the payment of the Dividends payable to Shanghai Laiken constituted provision of financial assistance by the Company to the JV Company under Rule 14.04(1)(e) of the Listing Rules, as well as an advance to the JV Company under Rule 13.13 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO THE JV COMPANY

The Group is principally engaged in the manufacturing and sale of LED lighting products and accessories, provision of energy efficiency services, development and promotion of a professional football club and provision of property leasing and sub-leasing and management services.

The JV Company, a joint venture of the Company which is owned as to 50% by Shanghai Laiken (an indirect wholly-owned subsidiary of the Company) and 50% by Mr. Fan, is a property investment company established in the PRC with limited liability whose principal business is the sub-leasing of the Property to tenants and provision of property management services for the Property.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, and as confirmed by Mr. Fan, save and except that Mr. Fan is a director and the legal representative of the JV Company, as well as the legal and beneficial owner of 50% of the equity interest in the JV Company, each of Mr. Fan and his associates is not a connected person of the Company and is an Independent Third Party.

The Group acquired 50% of the equity interests in the JV Company in 2014 and has become an equity owner of the JV Company since then. Throughout the years, the JV Company has accumulated sufficient distributable reserves, and the Company, as well as Mr. Fan, wish to realise their investments in the JV Company. Accordingly, the shareholders of the JV Company resolved to declare the Interim Dividend and the Final Dividend on 31 July 2016 and 7 February 2017, respectively.

The board of directors of the JV Company initiated discussion with Shanghai Laiken regarding the timing of the payment of the Interim Dividend in late July 2016 and has requested to postpone payment of the Interim Dividend to Shanghai Laiken until 2018 so as to facilitate the preliminary plan of the JV Company in upgrading and improving the facilities at the Property, aiming to achieve better rental returns for the JV Company. Furthermore, with the aim of improving the working capital of the JV Company, Shanghai Laiken also requested the JV Company not to pay the Interim Dividend to Mr. Fan and instead, the Interim Dividend payable to Mr. Fan was applied to set off an equivalent amount in the Relevant Amount due to the JV Company from Mr. Fan and/or his associates. The decision to withhold the Interim Dividend payable to Shanghai Laiken until 2018 and to apply the Interim Dividend payable to Mr. Fan to set off an equivalent amount in the Relevant Amount was made by the board of directors and the shareholders of the JV Company on 31 July 2016.

On 7 February 2017, the board of directors of the JV Company, after declaring the Final Dividend, communicated with Shanghai Laiken regarding the timing of the payment of the Final Dividend, and for the same reasons as mentioned above, the board of directors and the shareholders of the JV Company decided on 7 February 2017 that the Final Dividend payable to Shanghai Laiken was to be paid to Shanghai Laiken at a later stage, i.e. until 2018, while the Final Dividend payable to Mr. Fan was to be applied to set off an equivalent amount in the Relevant Amount.

As advised by the JV Company, the plan for upgrading and improving the facilities at the Property is on-going and additional time is required for finalising the scale of the work and to request quotations from various suppliers and service providers. Such plan is scheduled to be finalised by December 2017, and it is currently expected that the Dividends would be paid to Shanghai Laiken in the second half of 2018.

Reference is also made to the announcement of the Company dated 26 October 2016, whereby it was disclosed that Mr. Fan has agreed and undertaken to settle the Relevant Amount in accordance with the manner as disclosed in the aforementioned announcement. The Company wishes to inform the Shareholders that the Relevant Amount due to the JV Company from Mr. Fan and/or his associates has been repaid in accordance with the repayment schedule as disclosed in the announcement of the Company dated 26 October 2016, and the Relevant Amount due to the JV Company from Mr. Fan and/or his associates amounted to approximately RMB99.2 million as at 30 April 2017.

The Group considered that the withholding of the payment of the Dividends are in the interest of the Company and the Shareholders a whole. By declaring the Dividends, the Group has established a right to receive payment from the JV Company and will be entitled to the Dividends notwithstanding the fact that the Dividends shall only be paid at a later stage, i.e. until 2018. Moreover, with the expected increase in rental returns through upgrading the facilities at the Property, it is also expected that the Group shall be entitled to a higher profitability through sharing the profitability of the JV Company. As advised by the PRC legal adviser of the Company, it is a general practice for shareholders of PRC companies to first declare dividends in PRC companies notwithstanding the fact that the dividends would only be paid at a later stage, such that the shareholders would be able to establish their entitlement to dividends payable and would not be affected by any subsequent transfer of equity interests in the PRC companies.

Based on the above, the Directors consider that the withholding of the payment of the Dividends are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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The Directors consider that the non-compliance incident is an isolated event and undertake to avoid the re-occurrence of similar incidents in future.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“associates(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Tech Pro Technology Development Limited (德普科技發展有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Dividends”	collectively, the Interim Dividend and the Final Dividend
“Final Dividend”	the final dividend in the amount of RMB15,600,000 (equivalent to HK\$17,472,000) for the year ended 31 December 2016 declared by the board of directors and the shareholders of the JV Company on 7 February 2017
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons

“Interim Dividend”	the interim dividend in the amount of RMB222,000,000 (equivalent to HK\$248,640,000) for the six months ended 30 June 2016 declared by the board of directors and the shareholders of the JV Company on 29 July 2016 and 31 July 2016, respectively
“JV Company”	上海富朝物業管理有限公司 (Shanghai Fuchao Property Management Company Limited [#]) (formerly known as 上海富朝投資有限公司 (Shanghai Fuchao Investment Company Limited [#])), a company established in the PRC with limited liability which, as at the date of this announcement, is owned as to 50% by Mr. Fan and as to 50% by Shanghai Laiken, an indirect wholly-owned subsidiary of the Company, and is currently a joint venture of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fan”	Mr. Fan Lin (范林), a PRC individual and an equity owner of the JV Company holding 50% of its entire registered and paid-up capital as at the date of this announcement and a director and the legal representative of the JV Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	a property located at 中國上海市靜安區萬航渡路 3, 7, 9 及 11 號環球世界大廈 B 座 1-10 樓 (1/F to 10/F, Block B, Universal Mansion, No. 3, 7, 9 and 11 Wanhuan Du Lu, Jing’an, Shanghai, the PRC [#]), together with carparking spaces in the basement and LED signage on exterior wall
“Relevant Amount”	the amount due to the JV Company from Mr. Fan and/or his associates, which, as at 30 April 2017, amounted to approximately RMB99.2 million
“Shanghai Laiken”	上海萊懇實業有限公司 (Shanghai Laiken Industrial Company Limited [#]), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

“HK\$” Hong Kong dollars

“RMB” Renminbi, the lawful currency of the PRC

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

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.12. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

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

Hong Kong, 9 June 2017

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, Mr. Zhou Jing and Ms. Wong Chi Yan.