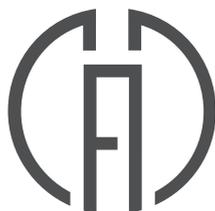


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**APPLIED DEVELOPMENT HOLDINGS LIMITED**

**實力建業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 519)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF SHARES IN REDSUN PROPERTIES**

**DISPOSAL OF SHARES IN REDSUN PROPERTIES**

Reference is made to (i) the announcement of the Company dated 28 June 2018 in relation to the subscription of the Redsun Properties Shares by Dragon Bell, a wholly-owned subsidiary of the Company; (ii) the announcement of the Company dated 26 July 2019 in relation to the disposal of 18,500,000 Redsun Properties Shares by Dragon Bell; (iii) the announcement and the circular of the Company dated 15 August 2019 and 9 September 2019, respectively, in relation to the disposal of 37,000,000 Redsun Properties Shares by Dragon Bell; and (iv) the announcement of the Company dated 10 October 2019 in relation to the completion of the disposal of 37,000,000 Redsun Properties Shares by Dragon Bell.

The Board announces that on 8 January 2020, Dragon Bell (a wholly-owned subsidiary of the Company) sold 3,900,000 and 9,100,000 Sale Shares to the Fortune Elite and Success Holdings, respectively at the price of HK\$2.30 per Sale Share for an aggregate gross sale proceeds of HK\$29,900,000 (exclusive of transaction costs).

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Disposals exceeds 5% but is less than 25%, the Disposals, in aggregate, constitute a discloseable transaction of the Company under the Listing Rules and will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Disposals, when aggregated with the Prior Disposals pursuant to Rule 14.22 of the Listing Rules, would be a major transaction of the Company under the Listing Rules. As the Company has complied with the major transaction requirements in respect of the Prior Disposals, the Company is not required to reclassify the Disposals by aggregating them with the Prior Disposals.

Reference is made to (i) the announcement of the Company dated 28 June 2018 in relation to the subscription of the Redsun Properties Shares by Dragon Bell, a wholly-owned subsidiary of the Company; (ii) the announcement of the Company dated 26 July 2019 in relation to the disposal of 18,500,000 Redsun Properties Shares by Dragon Bell; (iii) the announcement and the circular of the Company dated 15 August 2019 and 9 September 2019, respectively, in relation to the disposal of 37,000,000 Redsun Properties Shares by Dragon Bell; and (iv) the announcement of the Company dated 10 October 2019 in relation to the completion of the disposal of 37,000,000 Redsun Properties Shares by Dragon Bell.

## **THE DISPOSALS**

The Board announces that on 8 January 2020, Dragon Bell (a wholly-owned subsidiary of the Company) sold the 3,900,000 and 9,100,000 Sale Shares to Fortune Elite and Success Holdings, respectively at the price of HK\$2.30 per Sale Share for an aggregate gross sale proceeds of HK\$29,900,000 (exclusive of transaction costs).

### **Assets to be disposed of:**

The Sale Shares, comprising an aggregate of 13,000,000 Redsun Properties Shares, represent approximately 0.39% of the total issued share capital of Redsun Properties (based on the total issued shares of 3,320,000,000 as at 31 December 2019 as disclosed in the monthly return of Redsun Properties dated 6 January 2020).

Dragon Bell subscribed for 131,578,000 Redsun Properties Shares at the total subscription price of HK\$299,997,840 or HK\$2.28 per Redsun Properties Share on 12 July 2018. Dragon Bell subsequently disposed of 18,500,000 and 37,000,000 Redsun Properties Shares on 26 July 2019 and 10 October 2019, respectively.

Immediately prior to the Disposals, the Group held 76,078,000 Redsun Properties Shares, representing approximately 2.29% of the total issued share capital of Redsun Properties. Following the Disposal, the Group holds 63,078,000 Redsun Properties Shares, representing approximately 1.90% of the total issued share capital of Redsun Properties.

**Consideration:**

The aggregate gross sale proceeds of the Disposals is HK\$29,900,000 (exclusive of transaction costs), which is receivable in cash on settlement. The consideration was determined after arm’s length negotiations between the Company and Fortune Elite and Success Holdings, respectively with reference to the prevailing market price of the Sale Shares and the recent market condition.

**INFORMATION OF REDSUN PROPERTIES**

Redsun Properties, together with its subsidiaries, are a property developer in Jiangsu Province, China, focusing on the development of residential properties and the development, operation and management of commercial and comprehensive properties.

The following financial information is extracted from the 2019 interim report of Redsun Properties:

	<b>For the six months ended 30 June</b>	
	<b>2018</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	3,863,754	3,907,501
Profit before tax	1,020,686	1,043,203
Profit for the period	628,690	724,533

	<b>As at 30 June</b>	
	<b>2018</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Total assets	67,922,064	86,461,344
Net assets	13,849,745	15,055,076

## **INFORMATION ON PARTIES**

### **Dragon Bell**

Dragon Bell is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

### **Fortune Elite**

The Purchaser is an investment holding company incorporated in British Virgin Islands with limited liability. Mr. Huang Chih Chien is the ultimate beneficial owner of Fortune Elite.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Fortune Elite and its ultimate beneficial owner are Independent Third Parties as at the date of this announcement.

### **Success Holdings**

Success Holdings is a private company incorporated in British Virgin Islands with limited liability. It is principally engaged in investment holding. Mr. Huang Chih Shen is the ultimate beneficial owner of Success Holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Success Holdings and its ultimate beneficial owner are Independent Third Parties as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Group is principally engaged in resort and property development, property investment and investment holding. The purpose of the Disposals is to allow the Group to partially realize the investment in the Redsun Properties Shares.

It is intended that the proceeds of HK\$29.9 million from the Disposals will be used as the operating capital and/or applied for other future investment opportunities of the Group.

The Group had been entitled to approximately HK\$1.39 million dividend income from Redsun Properties with respect to the Sale Shares during the period from the date of subscription of the Sale Shares to the date of this announcement. The Company recognised the Sale Shares as financial assets and carrying at its fair value. Based on the financial information of the Group, the fair value of each Sale Share as at 30 June 2019 is HK\$2.67. It is estimated that the Group will record a loss on the Disposals of approximately HK\$4.81 million, which is calculated with reference to the gross proceeds of the Disposals less the fair value of the Sale Shares as at 30 June 2019. The exact amount of the loss on the Disposals to be recorded in the consolidated financial statements of the Group for the year ending 30 June 2020 is subject to audit. The historical subscription cost of each Sale Share is HK\$2.28.

Considering the historical subscription costs of the Sale Shares and the recent market conditions, the Directors are of the view that the Disposals were on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio in respect of the Disposals exceeds 5% but is less than 25%, the Disposals, in aggregate, will constitute a discloseable transaction of the Company under the Listing Rules and will be subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Disposals, when aggregated with the Prior Disposals pursuant to Rule 14.22 of the Listing Rules, would be a major transaction of the Company under the Listing Rules. As the Company has complied with the major transaction requirements in respect of the Prior Disposals, the Company is not required to reclassify the Disposals by aggregating them with the Prior Disposals.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Applied Development Holdings Limited 實力建業集團有限公司*, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 519);
“Director(s)”	the director(s) of the Company;
“Disposals”	the disposals of an aggregate of 13,000,000 Redsun Properties Shares by the Company;
“Dragon Bell”	Dragon Bell Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Fortune Elite”	Fortune Elite Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and one of the purchasers of the Sale Shares;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	a third party independent of the Company and its connected persons and are not connected persons of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Prior Disposals”	the disposals of 18,500,000 and 37,000,000 Redsun Properties Shares by Dragon Bell on 26 July 2019 and 10 October 2019, respectively;
“Redsun Properties”	Redsun Properties Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1996);
“Redsun Properties Share(s)”	the shares in the share capital of Redsun Properties with a nominal value of HK\$0.01 each;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Sale Shares”	an aggregate of 13,000,000 of Redsun Properties Shares sold by Dragon Bell to Fortune Elite and Success Holdings;
“Shareholder”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Success Holdings”	Success Up Holdings Limited, a company incorporated in British Virgin Islands with limited liability and one of the purchasers of the Sale Shares;
“%”	Per cent.

By Order of the Board  
**Applied Development Holdings Limited**  
**Wu Zhanming**  
*Chairman and Executive Director*

Hong Kong, 8 January 2020

*As at the date of this announcement, the Executive Directors are Mr. Wu Zhanming (Chairman) and Mr. Yuen Chi Ping (Chief Executive Officer); the Non-executive Directors are Mr. Wu Tao and Mr. Yao Wei Rong and the Independent Non-executive Directors are Mr. Lau Chi Keung, Mr. Yu Tat Chi, Michael and Mr. Chiu Kit Man, Calvin.*

\* *For identification purposes only*

*In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text thereof.*