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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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**結好證券有限公司**  
**GET NICE SECURITIES LIMITED**

### **Placing a maximum of 347,930,000 new Shares under General Mandate**

On 15 December 2015 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 347,930,000 Placing Shares at a price of HK\$0.32 per Placing Share to not less than six Placées who and whose ultimate beneficial owners will be independent third parties not connected with the Company and its connected persons.

A maximum of 347,930,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued share capital of the Company of 1,739,660,739 Shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company of 2,087,590,739 Shares as enlarged by the full allotment and issue of the Placing Shares, assuming no further change in the share capital structure of the Company prior to the Completion.

The Placing Price of HK\$0.32 represents (i) a discount of approximately 17.95% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the date of this announcement, being the date of the Placing Agreement; and (ii) a discount of approximately 19.19% to the average closing price of HK\$0.396 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

\* For identification purpose only

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be HK\$111,337,600. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$108,300,000 which will be used as general working capital of the Group and/or for attractive investment opportunities which may arise in future.

**Completion of the Placing is subject to the satisfaction of the conditions of the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

The Board is pleased to announce that on 15 December 2015 (after trading hours), the Placing Agreement was entered into between the Company and the Placing Agent. Summarised below are the principal terms of the Placing Agreement.

## **THE PLACING AGREEMENT**

### **Date**

15 December 2015 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

The Placing Agent has conditionally agreed to place a maximum of 347,930,000 Placing Shares on a best effort basis and will receive a placing commission of 2.5% on the gross proceeds of the number of Placing Shares successfully placed by the Placing Agent. The Directors are of the view that the placing commission of 2.5% accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons.

## **Placees**

The Placing Agent will place the Placing Shares, on a best effort basis, at the price of HK\$0.32 per Placing Share to not less than six Placees, being professional, institutional or other investors, who and whose ultimate beneficial owners are third parties independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

## **Number of Placing Shares**

A maximum of 347,930,000 Placing Shares under the Placing represent (i) approximately 20.00% of the existing issued share capital of the Company of 1,739,660,739 Shares as at the date of this announcement and (ii) approximately 16.67% of the issued share capital of the Company of 2,087,590,739 Shares as enlarged by the full allotment and issue of the Placing Shares, assuming no further change in the share capital structure of the Company prior to the Completion.

## **Placing Price**

The Placing Price of HK\$0.32 per Placing Share represents (i) a discount of approximately 17.95% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on the date of this announcement, being the date of the Placing Agreement; and (ii) a discount of approximately 19.19% to the average closing price of HK\$0.396 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of this announcement.

The net placing price under the Placing is approximately HK\$0.31 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM to allot, issue and deal with new Shares subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 347,932,147 new Shares. As at the date of this announcement,

no new Shares have been issued under the General Mandate. The maximum number of 347,930,000 Placing Shares to be allotted and issued will utilise approximately 99.99% of the General Mandate.

### **Conditions of the Placing**

Completion of the Placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Placing Shares and such listing and permission not having been subsequently revoked; and
- (ii) the transactions contemplated by the Placing Agreement not being prohibited by any law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority) in Hong Kong or other jurisdiction which is applicable to the Company or the Placing Agent.

If the foregoing conditions are not fulfilled on or before 5:00 p.m. on 29 December 2015 (or such later date as may be agreed by the Company and the Placing Agent), the Placing Agreement shall terminate and the Placing will not proceed and all obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breaches.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and the permission to deal in, the Placing Shares.

### **Termination and force majeure events**

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 9:00 a.m. on the date of Completion, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by the following force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the Placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the date of Completion,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) the trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days save for the purposes of clearing of the announcement relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing;

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of above-mentioned notice by the Placing Agent to the Company, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breaches.

### **Completion of the Placing**

Completion of the Placing shall take place not later than the second Business Day after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

**Completion of the Placing is subject to the satisfaction of the conditions of the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **REASONS OF THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the business of resort and property development, property investment and investment holding. On 9 November 2015, the Company entered into a disposal agreement to dispose of its resort and property development projects situated in the British Virgin Islands and the Republic of Panama. A special general meeting will be held by the Company on 21 December 2015 for Shareholders to consider the above-mentioned disposal agreement and further details of the proposed transactions are contained in the Company's circular dated 4 December 2015.

The maximum gross proceeds from the Placing will be HK\$111,337,600. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fee and other related costs and expenses incurred in the Placing) will be approximately HK\$108,300,000 which will be used as general working capital of the Group and/or for attractive investment opportunities which may arise in future.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the financial position of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

### **FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS**

The Company did not conduct any fund raising exercises in the past twelve months immediately before the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon completion of the Placing are set out below for illustration purposes:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholder</b>				
Millennium Capital Asia Limited ( <i>Note</i> )	465,725,959	26.771	465,725,959	22.309
<b>Director:</b>				
Ng Kit Ling	15,000	0.001	15,000	0.001
<b>Public Shareholders:</b>				
Placees	–	–	347,930,000	16.667
Others	1,273,919,780	73.228	1,273,919,780	61.023
<b>Total</b>	<b><u>1,739,660,739</u></b>	<b><u>100.000</u></b>	<b><u>2,087,590,739</u></b>	<b><u>100.000</u></b>

*Note:*

Millennium Capital Asia Limited is a limited liability company wholly owned by Peak Access International Limited, a limited liability company which in turn is beneficially owned by Ms. Wang Jingyu, the Chairlady, Managing Director and Executive Director of the Company.

## GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

**Pursuant to the termination provisions in the Placing Agreement, the Placing Agent has the right in certain circumstances, at the discretion of the Placing Agent, to terminate the Placing Agreement prior to the conditions of the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**



## DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 4 November 2014 at which (among others) a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the Board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	Applied Development Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement



“Placing”	placing of a maximum of 347,930,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Get Nice Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance) and type 9 regulated activity (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 15 December 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.32 per Placing Share
“Placing Shares”	a maximum of 347,930,000 new Shares to be placed under the Placing
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**Applied Development Holdings Limited**  
**Wang Jingyu**  
*Chairlady and Managing Director*

Hong Kong, 15 December 2015

*As at the date of this announcement, the Executive Directors are Ms. Wang Jingyu, Ms. Ng Kit Ling, Mr. Tsao Hoi Ho and Mr. Meng Song; the Independent Non-executive Directors are Mr. Su Ru Jia, Mr. Lo Yun Tai and Mr. Chan Ming Fai, Terence.*

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