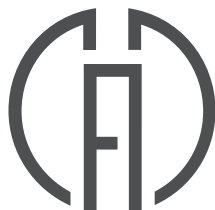


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## **APPLIED DEVELOPMENT HOLDINGS LIMITED**

**實力建業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 519)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF OFFICE UNITS**

On 4 March 2019, the Vendor (a wholly-owned subsidiary of the Company), the Purchaser and the Agent entered into the Provisional SP Agreement, pursuant to which the Vendor will sell the Units to the Purchaser at a consideration of HK\$108,300,000 in aggregate.

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but are all less than 25%, the transaction contemplated under the Provisional SP Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

#### **THE PROVISIONAL SP AGREEMENT**

The principal terms of the Provisional SP Agreement are as follows:

- Date: 4 March 2019
- Parties:
- (1) Superform Investment Limited (a wholly-owned subsidiary of the Company) as Vendor;
  - (2) an individual as the Purchaser; and
  - (3) Centaline Property Agency Limited as the Agent.

The Agent is a property agency company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser, the Agent and the controlling shareholders of the Agent are third parties independent of the Company and its connected persons.

Subject Matter: Units 2410A, 2410B, 2411A and 2411B on 24th Floor, Lippo Centre, Tower 1, 89 Queensway, Admiralty, Hong Kong.

Consideration: HK\$108,300,000, which is to be paid by the Purchaser to the Vendor in the following manner:

- (i) HK\$5,415,000, being the initial deposit, has been paid by the Purchaser to the Vendor's solicitor as stakeholder upon signing of the Provisional SP Agreement, which is to be released after completion of construction relating to the sub-division and partition of the Property and the balance of the Consideration is sufficient to discharge/release the mortgage in relation to the Property;
- (ii) HK\$5,415,000, being further deposit, will be paid by the Purchaser to the Vendor's solicitor as stakeholder on or before 15 March 2019, which is to be released after completion of construction relating to the sub-division and partition of the Property and the balance of the Consideration is sufficient to discharge/release the mortgage in relation to the Property; and
- (iii) the balance of HK\$97,470,000 will be paid upon completion of the Disposal.

The Consideration was determined in arm's length negotiation between the Vendor and the Purchaser with reference to the prevailing market value of comparable office units in Lippo Centre and nearby location.

Formal SPA: Pursuant to the Provisional SP Agreement, the Vendor and the Purchaser will enter into a formal agreement for the sale and purchase of the Units on or before 15 March 2019.

Completion: Completion of the Disposal will take place within 60 days of the signing of the formal agreement in relation to the Disposal.

### **INFORMATION ON THE UNITS**

The Units comprises office units at Units 2410A, 2410B, 2411A and 2411B on 24th Floor, Lippo Centre, Tower 1, 89 Queensway, Admiralty, Hong Kong (the "Property"), which are for commercial uses. The Units represent approximately 18% of the total floor area of the Property.

As disclosed in the Company's interim result announcement on 27 February 2019, the Company commenced the sub-division of the Property into office units. The sub-division of the Property into 22 units was completed in February 2019. The Property was leased to an independent third party tenant until August 2017, and has since been vacant up to the date of this announcement. The carrying value of the Property as at 31 December 2018 was HK\$530 million.

### **FINANCIAL EFFECT OF, AND REASONS FOR THE DISPOSAL**

The Group is principally engaged in resort and property development, property investment and investment holding.

It is estimated that a gain of approximately HK\$9 million will be recorded by the Group, representing the difference between the Consideration and the carrying book value of the Units less the related transaction costs. The business of the Group will remain the same after completion of the Disposal, and the Directors do not anticipate that the completion of the Disposal will have a significant effect on the business and performance of the Group. The Group will continue its efforts to obtain satisfactory return from the sale and/or lease of the rest of the Property, taking into account the market conditions and the Group's business strategy.

The Group intends to use the proceeds to partly repay the mortgage loan in respect of the Property and for general working capital of the Group.

The Group acquired the Property in May 2016 for approximately HK\$375 million. Taking into account the recent market conditions and prevailing property market price for commercial properties in Hong Kong, and the expected gain on Disposal, the Board is of the opinion that the Disposal provides a good opportunity for the Group to partly realise the investment in the Property to redeploy its resources and enhance the financial position of the Group.

In view of the above, the Directors consider that the terms of the Provisional SP Agreement and the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but are all less than 25%, the transaction contemplated under the Provisional SP Agreement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meaning:

“Agent”	Centaine Property Agency Limited
“Board”	the board of Directors
“Company”	Applied Development Holdings Limited (實力建業集團有限公司*), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 519)
“Consideration”	HK\$108,300,000, the consideration for the Units under the Provisional SP Agreement
“connected person”	the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property pursuant to the Provisional SP Agreement

“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	24th Floor, Lippo Centre, Tower 1, 89 Queensway, Admiralty, Hong Kong
“Provisional SP Agreement”	the provisional SP Agreement dated 4 March 2019 entered into between the Vendor, the Purchaser and the Agent in relation to the Disposal
“Purchaser”	the purchaser of the Property under the Provisional SP Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Units”	Units 2410A, 2410B, 2411A and 2411B of the Property
“Vendor”	Superform Investment Limited, a wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board of  
**Applied Development Holdings Limited**  
**Yao Wei Rong**  
*Chairman & Executive Director*

Hong Kong, 4 March 2019

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

\* *For identification purpose only*

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