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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)

ANNOUNCEMENT

PROFIT WARNING

This announcement is made by Applied Development Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group, the Group expects to record a decline in profit before tax in a range from 25% to 31% for the year ended 30 June 2017 as compared with that for the year ended 30 June 2016. The decline in profit is primarily attributable to the fact that a non-recurring gain on disposal of subsidiaries amounting to approximately HK\$319 million was recognized in the year ended 30 June 2016, but no such non-recurring gain was recognized during the year ended 30 June 2017. The financial impact as a result of such fact is expected to be partially offset by (1) the gain on bargain purchase arising from the acquisition of a subsidiary amounting to approximately HK\$155 million and (2) the increase in fair value of investment properties amounting to approximately HK\$115 million for the year ended 30 June 2017.

The Company is still in the process of finalising the Group’s financial information for the financial year ended 30 June 2017. The information contained in this announcement is only a preliminary assessment made by the management of the Company with reference to the information currently available including the unaudited consolidated financial statements of the Group, and such information has not yet been confirmed or audited by the Company’s external auditors. The annual consolidated financial results of the Group for the financial year ended 30 June 2017 are expected to be announced in September 2017 and the related annual report will be published thereafter.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
Applied Development Holdings Limited
Wang Bo
Chairman and Non-executive Director

Hong Kong, 27 July 2017

As at the date of this announcement, the Non-executive Director is Mr. Wang Bo (Chairman); the Executive Directors are Mr. Yuen Chi Ping (Chief Executive Officer) and Ms. Ng Kit Ling; 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.