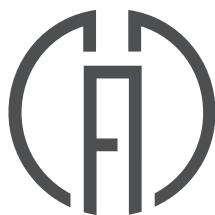


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APPLIED DEVELOPMENT HOLDINGS LIMITED

實力建業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 519)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INTEREST IN A FUND

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that, on 14 July 2017, the Subscriber, being a wholly-owned subsidiary of Company, entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for the Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund, at a total subscription amount of HK\$150 million.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the First Subscription are less than 5%, the First Subscription does not constitute a discloseable transaction under Chapter 14 of the Listing Rules at the time of entering into the subscription agreement. As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription under the Subscription Agreement, on a stand-alone basis or after aggregation with the First Subscription, exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Ji is directly and indirectly through its wholly-owned subsidiary interested in 10,131,770,454 shares of Fullshare, representing approximately 51.35% of the total issued share capital of Fullshare, which in turn holds 559,865,959 shares of the Company, representing approximately 26.82% of the total issued share capital of the Company. The provision of Guarantee by Mr. Ji is on normal commercial terms, and no security over the assets of the Group is or will be granted in respect of such Guarantee.

INTRODUCTION

The Board is pleased to announce that, on 14 July 2017, the Subscriber, being a wholly-owned subsidiary of Company, entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for the Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund, at a total subscription amount of HK\$150 million.

On 26 April 2017, the Subscriber has entered into a subscription agreement, pursuant to which the Subscriber has subscribed for class A shares attributable to Green Asia Restructure SP, a segregated portfolio of the Fund at a total subscription amount of HK\$50 million (the “**First Subscription**”).

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarised as follows:

Date:

14 July 2017 (after trading hours)

Parties:

- (i) Applied Investment (Asia) Limited, a wholly-owned subsidiary of the Company, as the Subscriber; and
- (ii) the Fund

Assets to be acquired and subscription amount:

Pursuant to the Subscription Agreement, the Subscriber agreed to subscribe for the Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund, at a total subscription amount of HK\$150 million, which is payable by the Company by cash from its internal resources. The subscription amount of HK\$150 million is determined based on the terms of the PPM and the condition of the Company’s idle cash.

Terms of the Segregated Portfolio

Name of the Segregated Portfolio: GREEN ASIA RESTRUCTURE SP II

Participating Shares: The directors of the Fund have initially created and designated one class in respect of the Segregated Portfolio, being Class A Shares, which are being offered under the terms of the PPM. At any time the directors of the Fund may create and designate additional classes in respect of the Segregated Portfolio without notice to, or the consent of, the holders of Participating Shares. The directors of the Fund may differentiate between classes on various bases, including as to the dealing currency, the fees payable, the level of information provided and redemption rights.

Investment objective and strategies:	The investment objective of the Segregated Portfolio is capital appreciation.
	The Investment Manager will seek to achieve the investment objective by engaging in the business of originating, underwriting, acquiring and trading, debt securities and loans in listed and unlisted corporate, which may be publicly traded or privately placed. Such securities may include bonds, debentures, notes, mortgage or other asset-backed instruments, equipment lease and trust certificates and commercial paper. The Fund may also acquire positions in equity and equity-related securities, including preferred stock, convertible preferred stock, common stock and warrants. The Fund may also purchase bank debt and trade claims or be invested in non-liquid securities or assets of distressed companies, which can frequently be purchased at a substantial discount to fundamental value.
Distribution policy:	It is not envisaged that any income or gains derived from investments will be distributed by way of dividend. However, this does not preclude the directors of the Fund from declaring a dividend at any time in the future if they consider it appropriate to do so. If a dividend is declared, the directors of the Fund will distribute it in compliance with applicable law.
Management:	The directors of the Fund have overall responsibility for the management and administration of the Fund. However, in respect of the Segregated Portfolio, the directors of the Fund have delegated responsibility for day-to-day administrative functions to the Investment Advisor and responsibility for making day-to-day investment decisions to the Manager.
Redemption:	Participating Shares may be redeemed at the option of the holders thereof by giving 30 days notice before the redemption date.
Management fee:	The Fund will pay the Manager a management fee, out of the assets of the Segregated Portfolio, of one-quarter (1/4) of 1 per cent per quarter of the net asset value of the Fund (before deduction of that quarter's management fee) as at the last valuation day in each calendar quarter, adjusted for any subscriptions and redemptions during the quarter.

PROVISION OF GUARANTEE

Mr. Ji has provided personal guarantee in favour of the Subscriber to guarantee the settlement of all liabilities and obligations of the Fund due and payable to the Subscriber under the Subscription Agreement (the “**Guarantee**”).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The principal purpose of the Company of the Subscription is to diversify the investment portfolio of the Company with an aim to enhancing its profitability. The Subscription provides an opportunity to the Company to enhance return by utilising the idle cash of the Company. The redemption mechanism for the Class A Shares also provides flexibility to the Company to recover its funds if there are any future investment opportunities that are appropriate to the Group. In addition, the provision of the Guarantee by Mr. Ji secures the safety of the funds of the Company.

In light of the above, the Directors are of the view that the terms of the Subscription Agreement and transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP AND THE SUBSCRIBER

The Company is an investment holding company and the Group is principally engaged in resort and property development, property investment and investment holding.

The Subscriber is an investment holding company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of the Company.

INFORMATION OF THE FUND

The Fund is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability. The investment objective of the Fund is capital appreciation by engaging in the business of originating, underwriting, acquiring and trading, debt securities and loans in listed and unlisted corporate, which may be publicly traded or privately placed. The Fund does not have historical financial results.

INFORMATION OF THE MANAGER AND THE INVESTMENT ADVISOR

The Manager is Long Asia Asset Management Limited, a company incorporated in the Cayman Islands with limited liability and is principally engaged in asset management.

The Investment Advisor is Long Asia Asset Management (HK) Limited, a company incorporated with limited liability in Hong Kong, and is licensed for type 4 (Advising on Securities) and type 9 (Asset Management) regulated activities by the Securities and Futures Commission of Hong Kong. The Investment Advisor is principally engaged in investment consultancy, asset and asset management.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Fund, the Manager and the Investment Advisor and their respective ultimate beneficial owner(s) are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the First Subscription are less than 5%, the First Subscription does not constitute a discloseable transaction under Chapter 14 of the Listing Rules at the time of entering into the subscription agreement. As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription under the Subscription Agreement, on a stand-alone basis or after aggregation with the First Subscription, exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Ji is directly and indirectly through its wholly-owned subsidiary interested in 10,131,770,454 shares of Fullshare, representing approximately 51.35% of the total issued share capital of Fullshare, which in turn holds 559,865,959 shares of the Company, representing approximately 26.82% of the total issued share capital of the Company. The provision of Guarantee by Mr. Ji is on normal commercial terms, and no security over the assets of the Group is or will be granted in respect of such Guarantee.

DEFINITIONS

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

“Board”	the board of Directors
“Class A Share”	a Participating Share designated as Class A Share
“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);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Fullshare”	Fullshare Holdings Limited 豐盛控股有限公司, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 607)
“Fund”	GREEN ASIA RESTRUCTURE FUND SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company in the Cayman Islands
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party independent of and not connected with the Company and its connected persons
“Investment Advisor”	Long Asia Asset Management (HK) Limited, a company incorporated with limited liability in Hong Kong, licensed for type 4 (Advising on Securities) and type 9 (Asset Management) regulated activities by the Securities and Futures Commission of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Long Asia Asset Management Limited, a company incorporated in the Cayman Islands with limited liability
“Mr. Ji”	Mr. Ji Changqun (季昌群), the ultimate controlling shareholder, chairman of the board of directors and an executive director of Fullshare
“Participating Share”	a participating, redeemable, non-voting share of par value US\$0.01 in the capital of the Fund attributable to the Segregated Portfolio
“PPM”	the private placement memorandum issued in July 2017 by the Fund setting out, among others, the terms of the Segregated Portfolio and the offer for subscription of Class A Shares in the capital of the Fund attributable to the Segregated Portfolio
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Segregated Portfolio”	GREEN ASIA RESTRUCTURE SP II, a segregated portfolio of the Fund
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Applied Investment (Asia) Limited, a company incorporated under the laws of Hong Kong with limited liability, and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Class A Shares attributable to the Segregated Portfolio at a total subscription amount of HK\$150 million pursuant to the Subscription Agreement

“Subscription Agreement” the subscription agreement dated 14 July 2017 entered into between by the Subscriber and the Fund in relation to the Subscription

“subsidiary” has the meaning ascribed to it under the Listing Rules

“%” percentage

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

Hong Kong, 14 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.