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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
DISPOSALS OF SHARES IN REDSUN PROPERTIES**

DISPOSALS OF SHARES IN REDSUN PROPERTIES

The Board announces that during the period from 7 April 2022 to 17 May 2022, Dragon Bell conducted the Disposals through a series of on-market transactions to dispose an aggregate of 4,815,000 Redsun Properties Shares at the price ranging from HK\$2.60 to HK\$2.84 per Redsun Properties Share for an aggregate gross sale proceeds of approximately HK\$13,016,000 (exclusive of transaction costs).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals (either on a standalone basis or when aggregated with the Previous Disposals) exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement thereunder.

* For identification purposes only

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; (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; (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; (v) the announcement of the Company dated 8 January 2020 in relation to the disposal of 13,000,000 Redsun Properties Shares by Dragon Bell; (vi) the announcement of the Company dated 4 March 2020 in relation to the disposal of 30,000,000 Redsun Properties Shares by Dragon Bell; (vii) the announcement of the Company dated 11 March 2020 in relation to the disposal of 20,000,000 Redsun Properties Shares by Dragon Bell; and (viii) the announcement of the Company dated 6 April 2022 in relation to the disposal of 5,038,000 Redsun Properties Shares by Dragon Bell.

THE DISPOSALS

The Board announces that during the period from 7 April 2022 to 17 May 2022, Dragon Bell conducted the Disposals through a series of on-market transactions to dispose an aggregate of 4,815,000 Redsun Properties Shares at the price ranging from HK\$2.60 to HK\$2.84 per Redsun Properties Share for an aggregate gross sale proceeds of approximately HK\$13,016,000 (exclusive of transaction costs).

Assets to be disposed of:

The Sale Shares, comprising an aggregate of 4,815,000 Redsun Properties Shares, represent approximately 0.14% of the current total issued share capital of Redsun Properties (based on the total issued shares of 3,338,898,000 as at 30 April 2022 as disclosed in the monthly return of Redsun Properties dated 6 May 2022).

Immediately prior to the Disposals, the Group held 7,046,000 Redsun Properties Shares, representing approximately 0.21% of the then total issued share capital of Redsun Properties. Immediately following the Disposals, the Group holds 2,231,000 Redsun Properties Shares, representing approximately 0.07% of the current total issued share capital of Redsun Properties.

The aggregate gross sale proceeds of the Disposals are approximately HK\$13,016,000 (exclusive of transaction costs), which is receivable in cash on settlement and the sale prices were determined with reference to the prevailing market prices of Redsun Properties Shares.

INFORMATION OF REDSUN PROPERTIES

Redsun Properties, together with its subsidiaries, are principally engaged in property development, commercial property investment and operations and hotel operations.

The following financial information is extracted from the annual report of Redsun Properties for the year ended 31 December 2021:

	For the year ended	
	31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)
Revenue	26,666,979	20,158,701
Profit before tax	3,124,812	3,159,337
Profit for the year	1,865,651	1,854,940
	As at 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)
Total assets	132,748,834	119,045,170
Net assets	31,745,855	27,403,584

INFORMATION OF 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.

INFORMATION OF THE COUNTERPARTY

As the Disposals were conducted through the sales in the open market, the Company is not aware of the identities of the purchasers. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no connected person of the Company has acquired the Sale Shares.

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 realise the investment in the Redsun Properties Shares.

The proceeds of approximately HK\$13,016,000 from the Disposals will be used as the operating capital and applied for other investment opportunities of the Group.

The Group had been entitled to approximately HK\$1,810,000 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.

It is estimated that the Group will record a gain of approximately HK\$593,000 in relation to the Disposals, which is calculated with reference to the gross proceeds of the Disposals less the fair value of the relevant Sale Shares as at 30 June 2021. The exact amount of gain to be recorded in the consolidated financial statements of the Group for the year ending 30 June 2022 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 (as defined under the Listing Rules) in respect of the Disposals (either on a standalone basis or when aggregated with the Previous Disposals) exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement thereunder.

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 4,815,000 Redsun Properties Shares by Dragon Bell from 7 April 2022 to 17 May 2022;
“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;
“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;
“Previous Disposals”	the disposals of an aggregate of 5,038,000 Redsun Properties Shares by Dragon Bell from 9 August 2021 to 6 April 2022, announcement made on 6 April 2022;

“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 4,815,000 Redsun Properties Shares sold by Dragon Bell through open market pursuant to the Disposals;
“Shareholder”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	Per cent.

By Order of the Board
Applied Development Holdings Limited
Wu Zhanming
Chairman, Acting Chief Executive Officer and Executive Director

Hong Kong, 17 May 2022

As at the date of this announcement, the Executive Directors are Mr. Wu Zhanming (Chairman and Acting Chief Executive Officer) and Mr. Wu Tao; and the Independent Non-executive Directors are Mr. Yu Tat Chi, Michael, Mr. Chiu Kit Man, Calvin and Mr. Zhu Xinhui.

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