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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)

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).

Based on the information currently available to the board of directors of the Company (the “**Board**”), the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group may record a loss of approximately HK\$160 million for the financial year ended 30 June 2022, as compared to the loss of approximately HK\$60 million for the financial year ended 30 June 2021.

The Board considered that the change was mainly attributable to, among others, the following factors:

- (i) an increase in fair value loss of financial assets at fair value through profit or loss from approximately HK\$43 million for the financial year ended 30 June 2021 to approximately HK\$128 million for the financial year ended 30 June 2022, mainly derived from the fair value loss from fund investments; and

* *For identification purposes only*

- (ii) a decrease in revenue and gross profit from the Group's resort and property development segment, which was because the properties were delivered to customers in bulk for the financial year ended 30 June 2021 but no bulk delivery was arranged for the financial year ended 30 June 2022. Thus the overall gross profit of the Group decreased from approximately HK\$22 million for the financial year ended 30 June 2021 to approximately HK\$7 million for the financial year ended 30 June 2022.

The Board wishes to emphasize that the above-mentioned factor (i) is non-cash in nature.

The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited management accounts of the Group for the financial year ended 30 June 2022 as well as operational data currently available to the Board which have not been reviewed and audited by the Company's auditor and therefore may subject to amendments and valuation adjustments. The final results of the Group for the financial year ended 30 June 2022 may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to refer to details in the announcement of the final results of the Group for the financial year ended 30 June 2022 which is expected to be released in late September 2022.

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

By Order of the Board

Applied Development Holdings Limited

Wu Zhanming

Chairman, Acting Chief Executive Officer and Executive Director

Hong Kong, 21 September 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.