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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 (the “**Board**”) of directors (the “**Directors**”) of the Company, 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\$55,670,000 for the financial year ended 30 June 2024, representing an increase in loss as compared to the loss of approximately HK\$43,666,000 for the financial year ended 30 June 2023.

The Board considers that the increase in loss was mainly attributable to, among others, net impact of the following factors:

- (i) a provision of litigation of approximately HK\$43,000,000 made for the financial year ended 30 June 2024;
- (ii) a reversal of impairment loss on loans and interest receivables of approximately HK\$8,450,000 was recorded for the financial year ended 30 June 2023, and no such item was recorded for the financial year ended 30 June 2024;

- (iii) an increase in deferred tax expense from approximately HK\$4,898,000 deferred tax credit for the financial year ended 30 June 2023 to approximately HK\$6,001,000 deferred tax expense for the financial year ended 30 June 2024;
- (iv) an increase in the fair value of the Group's investment properties from fair value loss approximately HK\$14,200,000 for the financial year ended 30 June 2023 to fair value gain approximately HK\$26,243,000 for the financial year ended 30 June 2024; and
- (v) a decrease in fair value loss of financial assets at fair value through profit or loss from approximately HK\$29,123,000 for the financial year ended 30 June 2023 to approximately HK\$13,640,000 for the financial year ended 30 June 2024.

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 2024 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 annual results of the Group for the financial year ended 30 June 2024 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 annual results of the Group for the financial year ended 30 June 2024 which is expected to be released in late September 2024.

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, 12 September 2024

As at the date of this announcement, the executive Directors are Mr. Wu Zhanming (Chairman and Acting Chief Executive Officer) and Mr. Wu Tao; the non-executive Director Dr. Chan Kin Keung Eugene SBS, BBS, JP; and the independent non-executive Directors are Mr. Yu Tat Chi, Michael and Mr. Zhu Xinhui.

** For identification purposes only*

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