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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 PROVISION OF THE FURTHER LOAN

The Board announces that on 13 February 2018, the Company entered into the Loan Agreement with the Borrower, pursuant to which the Company agreed to grant to the Borrower the Further Loan in accordance with the terms thereunder.

As more than one of the applicable percentage ratios as defined under the Listing Rules in respect of the granting of the Loan exceed 5% but lower than 25%, the granting of the Loan constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Loan exceeds 8%, the Loan Agreement is also subject to the general disclosure obligations under Rule 13.13 and Rule 13.15 of the Listing Rules.

INTRODUCTION

The Board announces that on 13 February 2018 (after trading hours), the Company entered into the Loan Agreement with the Borrower, pursuant to which the Company agreed to grant to the Borrower a further loan in the principal amount of HK\$40,000,000, bearing interest at a rate of 4% per annum for two months from 14 February 2018.

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are summarized as follows:

Date: 13 February 2018

Lender: The Company

Borrower: The Borrower, who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party.

Principal amount: HK\$40,000,000

Term: Two months from 14 February 2018

Interest: The Borrower shall pay interest on the outstanding balance of the Loan for the period from and including the date of drawdown up to and including the date of repayment at the rate of 4% per annum. Interest shall be calculated on the basis of the actual number of days elapsed and a 365 day per year, shall accrue from day to day and shall be paid in arrear on the maturity date or the date of prepayment of the Loan.

Repayment: The Borrower shall repay the Loan in full together with accrued interest and all other amounts then outstanding in connection with the Loan by a single payment on the date falling two months after the date of the drawdown of the Loan.

Conditions: In consideration of the Company agreeing to make the Loan available to the Borrower, the Borrower as beneficial owner assigns to the Company its right, title, interest and benefit in and to the loan facility of up to HK\$40,000,000 made available to the third party by the Borrower and all and any monies or other property which the Borrower may receive on account of such loan facility or any part thereof as a continuing security for the due and punctual payment of the Loan.

Governing Law: Laws of Hong Kong

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The terms of the Loan Agreement were arrived at after arm's length negotiations between the Company and the Borrower.

The Directors consider that the transactions contemplated under the Loan Agreement is on normal commercial terms and the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole having considered the level of the Group's surplus cash and the expected revenue to be generated to the Group from the interest received.

FUNDING OF THE LOAN

The Loan will be funded by internal resources of the Group and will be recorded as loan receivable of the Group.

INFORMATION ON THE GROUP AND THE BORROWER

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

The Borrower, a limited liability company incorporated in Hong Kong and a licensed money lender in Hong Kong under the Money Lenders Ordinance. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is an independent third party not connected with the Company and its connected person.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan exceeds 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Loan exceeds 8%, the Facility Letter is also subject to the general disclosure obligations under Rule 13.13 and Rule 13.15 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	On Tai International Credit Limited (按泰國際信貸有限公司), a limited liability company incorporated in Hong Kong and a licensed money lender in Hong Kong under the Money Lenders Ordinance, being the borrower under the Agreement
“Business Day”	a day (other than a Saturday) on which banks are open for business in Hong Kong
“Company”	Applied Development Holdings Limited, 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)
“Director(s)”	director(s) of the Company
“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
“Independent Third Party”	a third party independent of the Company and the connected persons (has the meaning ascribed to it under the Listing Rules) of the Company
“Lender”	the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the principal amount of HK\$40,000,000 to be granted by the Company to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	a loan dated 13 February 2018 entered into between the Company and the Borrower in relation to the granting of the Loan

“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

By Order of the Board
Applied Development Holdings Limited
Yao Wei Rong
Chairman & Executive Director

Hong Kong, 13 February 2018

As at the date of this announcement, the Executive Directors are Mr. Yao Wei Rong (Chairman), Mr. Yuen Chi Ping (Chief Executive Officer) and Ms. Ng Kit Ling; the Non-executive Director is Mr. Guo Shun Gen and the Independent Non-executive Directors are Mr. Lau Chi Keung, Mr. Yu Tat Chi, Michael and Mr. Chiu Kit Man, Calvin.

* *For identification purpose only*

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