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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)

**SUPPLEMENTAL ANNOUNCEMENT,
SUSPENSION OF DIRECTOR AND CEO'S DUTIES,
REDESIGNATION OF ACTING CEO
AND
CHANGE OF AUTHORISED REPRESENTATIVE**

Reference is made to the announcement dated 3 June 2020 of Applied Development Holdings Limited (the “**Company**”, together with its subsidiary, the “**Group**”) in relation to the investigation (the “**Investigation**”) by the Independent Commission Against Corruption of Hong Kong (the “**ICAC**”) against a director of the Company (the “**Director**”). The board (the “**Board**”) of Directors hereby issues this announcement to update the shareholders of the Company (the “**Shareholders**”) and potential investors of the following matter.

THE INVESTIGATION

The Board is informed that Mr. Yuen Chi Ping (“**Mr. Yuen**”), an executive Director and the chief executive officer of the Company (the “**CEO**”) is currently assisting in the Investigation. To the best knowledge and belief of the Board, the Investigation is relating to Mr. Yuen’s alleged offence or offences under, inter alia, the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong).

Mr. Yuen has confirmed that as at the date of this announcement, he has not been charged by the ICAC for any offences. Considering (i) no charges have been laid by the ICAC against the Company, or any of Directors and employees of the Group as at the date of this announcement; (ii) there has been no disruption to the operations of the Group since the commencement of the Investigation; and (iii) the business and operations of the Group remain normal, the Board is of the view that the Investigation has no material adverse impact to the Group as at the date of this announcement.

The Board has authorized the Company to set up an independent board committee (the “**IBC**”) comprising three independent non-executive Directors to handle all matters relating to the Investigation, with the scope of works including but not limited to (i) to follow up the Investigation and advise the Company to take appropriate actions as the Investigation progresses; (ii) to take all necessary actions to fulfil the Company’s continuous disclosure obligations under Chapter 13 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance; and (iii) to carry out investigation on the Group’s certain transactions which were supervised or managed by Mr. Yuen after considering advices from professional parties.

SUSPENSION OF DIRECTOR AND CEO’S DUTIES

Although the outcome of the Investigation is unknown for the moment, in order to alleviate the concerns of the Shareholders and the public as regards the discharge of duties by Mr. Yuen under Rules 3.08 and 3.09 of the Listing Rules, the Board has resolved to suspend all administrative and executive duties of Mr. Yuen as an executive Director and the CEO with effect from 10 June 2020 until further notice.

REDESIGNATION OF ACTING CEO

The Board further announces that Mr. Wu Zhanming (“**Mr. Wu**”), the chairman of the Board and an executive Director, has been redesignated as the Acting CEO of the Company (the “**Acting CEO**”) with effect from 10 June 2020. Mr. Wu is acting as Acting CEO to fill the vacancy arising from the suspension of duties of Mr. Yuen. The Board is now taking steps to identify suitable candidates to act as the executive Director and the CEO.

The biographical details of Mr. Wu are as follows:

Mr. Wu, aged 56, was appointed as the chairman of the Board and an executive Director on 21 August 2019. He currently serves as the chairman of the board of directors of Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司) and Hong Kong Green Dynasty International Co Limited (香港大朝國際有限公司). Mr. Wu Zhanming is the founder of multiple companies, including Jiangsu Investment Network Development Co., Ltd.* (江蘇投資網發展有限公司), Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司) and Hong Kong Green Dynasty International Co Limited (香港大朝國際有限公司). Mr. Wu has extensive experience in investment and he has participated in multiple investment projects involving a diverse set of industries, such as innovative technologies, health care, real estate and consumer services.

As at the date of this announcement, Mr. Wu holds 279,935,000 shares in the Company, representing approximately 11.17% of the total issued share capital of the Company and is a substantial Shareholder of the Company. Save as disclosed in this announcement, Mr. Wu (i) does not have any relationship with the other Directors, senior management, substantial Shareholder or controlling Shareholder of the Company; (ii) does not hold any other position with any members of the Group; and (iii) does not hold any directorship in any public listed companies in Hong Kong or overseas in the last three years.

Save as disclosed, there is no other information in relation to Mr. Wu which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in relation to such redesignation.

CHANGE OF AUTHORISED REPRESENTATIVE

The Board further announces that Mr. Yuen ceased to be the authorised representative of the Company for the purpose of Rule 3.05 of the Listing Rules with effect from 10 June 2020, and Mr. Wu, being the chairman of the Board, an executive Director and the Acting CEO, has been appointed as an authorised representative of the Company under Rule 3.05 of the Listing Rules to fill the vacancy arising from the cessation of Mr. Yuen with effect from 10 June 2020.

Since the ICAC investigation is still ongoing, the Company will make further announcement(s) as and when appropriate pursuant to the requirements under the Listing Rules. Shareholders and public investors are advised to exercise caution when dealing in shares of the Company.

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

Hong Kong, 10 June 2020

As at the date of this announcement, the Executive Directors are Mr. Wu Zhanming (Chairman and Acting CEO) and Mr. Yuen Chi Ping (suspension of duties); the Non-executive Directors are Mr. Wu Tao and Mr. Yao Wei Rong and the Independent Non-executive Directors are Mr. Lau Chi Keung, Mr. Yu Tat Chi, Michael and Mr. Chiu Kit Man, Calvin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

** For identification purposes only*

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