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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 LOAN**

The Board is pleased to announce that on 18 October 2016 (after trading hours), the Company entered into a Loan Agreement with the Borrower, pursuant to which the Company has agreed to provide the Loan of HK\$220,000,000 to the Borrower in accordance with the terms thereunder. The Company utilised certain idle funds for the provision of the Loan.

LISTING RULES IMPLICATIONS

Since the highest relevant applicable percentage ratio (as defined under the Listing Rules) in respect of the provision of the Loan under the Loan Agreement exceeds 5% but is less than 25%, the transaction contemplated under Loan Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under 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 is pleased to announce that on 18 October 2016 (after trading hours), the Company entered into a Loan Agreement with the Borrower, pursuant to which the Company has agreed to provide the Loan of HK\$220,000,000 to the Borrower in accordance with the terms thereunder. The Company utilised certain idle funds for the provision of the Loan.

* *For identification purpose only*

A summary of the major terms of the Loan Agreement is set out below:

- (1) Date: 18 October 2016
 - (2) Parties: (i) the Company as the lender; and
(ii) the Borrower as the borrower
- To the best knowledge, information and belief of the Directors, the Borrower and its ultimate beneficial owners are parties independent of the Company and its connected persons.
- (3) Principal amount: HK\$220,000,000
 - (4) 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 4.8% per annum. Interest shall be calculated on the basis of the actual number of days elapsed and a 365 day 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 in accordance with the relevant term(s) of the Loan Agreement.
 - (5) Drawdown Date: Not later than 7 days after the date of the Loan Agreement.
 - (6) Repayment: Subject to the provision of prepayment, the Loan and the interest accrued thereon shall be repaid in full in 45 days from the date of drawdown of the Loan.
 - (7) Prepayment: The Borrower may prepay all or part of the Loan, provided that the Borrower shall have given the Lender not less than 14 Business Days' prior written notice specifying the proposed amount and date of prepayment.

If the Lender has given the Borrower not less than 14 days' prior written notice requiring the Loan to be prepaid by the Borrower in its entirety, the Borrower shall prepay the Loan on the date of prepayment specified in such notice, being a date falling at least 14 days after the date of such notice.

- (8) Security: The Borrower's right, title, interest and benefit in and to the Assigned Indebtedness and all and any monies (including the proceeds of any set-off or counterclaim) or other property which it may receive on account of the Assigned Indebtedness.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

Without affecting the Company's operational liquidity and fund security, the Company utilized certain idle funds to provide the Loan to the Borrower to generate additional interest income to the Group. The provision of the Loan will not affect the need of working capital of the Company and is conducive to enhancing the utilization of capital and increasing income from idle funds.

As the provision of the Loan is expected to yield better returns to the Company when compared to the fixed-term deposit interest rates offered by commercial banks in the Hong Kong and 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 provision of the Loan is on normal commercial terms and is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Since the highest relevant applicable percentage ratio (as defined under the Listing Rules) in respect of the provision of the Loan under the Loan Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Loan Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under 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.

INFORMATION OF THE COMPANY AND THE BORROWER

The Company

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

The Borrower is a company incorporated in Hong Kong and a licensed money lender in Hong Kong under the Mondy Lenders Ordinance. It is principally engaged in the money lending business.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

“Assigned Indebtedness”	the loan(s) made available to the third party by the Borrower
“Board”	the board of Directors
“Borrower”	BP Finance (HK) Limited, 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 Loan Agreement
“Business Day(s)”	a day(s) on which banks are open for business in Hong Kong (excluding Saturday, Sundays and public holidays)
“Company”	Applied Development Holdings Limited (實力建業集團有限公司*), 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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“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

“Loan”	a loan in the principal amount of HK\$220,000,000 to be granted by the Company to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement entered into between the Company and the Borrower dated 18 October 2016 in relation to the provision 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)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Applied Development Holdings Limited
Wang Bo
Chairman and Non-executive Director

Hong Kong, 18 October 2016

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

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

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