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APPLIED DEVELOPMENT HOLDINGS LTD.

實力建業集團有限公司 *

(incorporated in Bermuda with limited liability)

(Stock code: 519)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY**

On 7 June 2012, the Vendor, a wholly-owned subsidiary of the Company, entered into a binding Purchase and Sale Agreement with the Purchaser for the Disposal at a consideration of RMB16,527,108 (equivalent to approximately HK\$20,155,010). The Disposal is scheduled to be completed on or before 31 July 2012.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) for the Disposal exceed 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE PURCHASE AND SALE AGREEMENT

On 7 June 2012, the Vendor, a wholly-owned subsidiary of the Company, entered into a binding Purchase and Sale Agreement with the Purchaser for the Disposal at a consideration of RMB16,527,108 (equivalent to approximately HK\$20,155,010). The principal terms of the Purchase and Sale Agreement are summarised as follows:

Date: 7 June 2012

Parties:

Vendor: 盈聯多科技企業（深圳）有限公司, a wholly-owned subsidiary of the Company.

Purchaser: 廣州聯鴻實業投資有限公司, a property investment and holding company, which is, and its ultimate beneficial owners are, Independent Third Parties.

Property:

The Property is a commercial unit situated at Part of Level 1 & whole floor of Level 2, No. 42, Zhan Qian Road, Zi Pian B Qu, Guangdong Province, the PRC.

The Property will be delivered with vacant possession.

Consideration:

Pursuant to the terms of the Purchase and Sale Agreement, the total consideration for the Property is RMB16,527,108 (equivalent to approximately HK\$20,155,010) and was agreed after arm's length negotiations between the Vendor and Purchaser by reference to the market value of comparable properties in nearby locations in the PRC, based on information issued by property agents on similar properties in the same vicinity.

The consideration is receivable as follows:

- (i) an initial deposit of RMB1,600,000 (equivalent to approximately HK\$1,951,220) was paid to the Vendor upon signing the Purchase and Sale Agreement;
- (ii) within thirty working days (expected to be on or before 19 July 2012) of the signing of the Purchase and Sale Agreement, the Purchaser and Vendor shall attend the property administration department and submit the transfer documents, and upon obtaining a receipt from the Land Exchange Centre acknowledging the submission of the certificates, a further deposit of RMB6,663,554 (equivalent to approximately HK\$8,126,285) is to be paid to the Vendor; and
- (iii) the balance of the consideration, being RMB8,263,554 (equivalent to approximately HK\$10,077,505), is to be paid upon completion of the transfer of land use rights of the Property, which shall take place on or before 31 July 2012.

If the Vendor is unable to sell the Property to the Purchaser pursuant to the terms of the Purchase and Sale Agreement, it shall refund all payments made by the Purchaser and be liable to pay a penalty equivalent to 10% of the consideration to the Purchaser. If the Purchaser is unable to purchase the Property pursuant to the terms of the Purchase and Sale Agreement, it shall be liable to pay a penalty equivalent to 10% of the consideration to the Vendor. If the Vendor is unable to deliver the Property within the prescribed period, it shall be liable to pay a penalty equivalent to 0.05% of the consideration per day of default to the Purchaser. If the Purchaser is unable to make any payment in accordance with the terms of the Purchase and Sale Agreement, it shall be liable to pay a penalty equivalent to 0.05% of the unpaid consideration per each day of default to the Vendor.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property was acquired by Vendor at a total consideration of approximately RMB9,616,822 (equivalent to approximately HK\$8,742,565) (before payment of the land premium) in June 1994. The net book value of the Property as at 31 December 2011 was approximately HK\$8,400,000 (before payment of the land premium).

The management of the Company believes that the total consideration of RMB16,527,108 (equivalent to approximately HK\$20,155,010) for the Property (before the estimated land premium of RMB2,570,000 (equivalent to approximately HK\$3,134,146) for the Property, as estimated by the Guangzhou Municipal Land Resources and Housing Administrative Bureau will provide a satisfactory return to the Company, as compared to the net book value of the Property as at 31 December 2011.

The revenue and net profit before and after taxation generated by the Property for the years ended 30 June 2010 and 30 June 2011 were as follows:

| | for the financial year ended 30 June 2010 | for the financial year ended 30 June 2011 |
|--|--|--|
| Revenue | RMB336,000 (equivalent to approximately HK\$377,528) | RMB336,000 (equivalent to approximately HK\$377,528) |
| Net profit/(loss) before taxation <i>(derived by deducting expenses from revenue and then adding fair value appreciation)</i> | RMB321,157 (equivalent to approximately HK\$360,851) | RMB388,104 (equivalent to approximately HK\$436,072) |
| Net profit/(loss) after taxation <i>(derived by deducting expenses from revenue and then adding fair value appreciation)</i> | RMB321,157 (equivalent to approximately HK\$360,851) | RMB388,104 (equivalent to approximately HK\$436,072) |
| | as at 30 June 2010 | as at 30 June 2011 |
| Net Book Value <i>(before estimated land premium payable)</i> | HK\$7,900,000 ===== | HK\$8,400,000 ===== |

In light of the recent prices in the PRC's commercial property market, the Directors consider it is an appropriate time for the Group to realise this investment at a price which will provide the Group with a satisfactory return.

The Directors are of the view that the terms of the Disposal including the consideration are fair and reasonable and on normal commercial terms, and the Disposal is in the best interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE AGREEMENTS

The Company

The Group is principally engaged in resort and property development, property and investment holding.

The Purchaser

廣州聯鴻實業投資有限公司, a property investment and holding company, which is, and its ultimate beneficial owners are, Independent Third Parties.

FINANCIAL IMPACT OF THE DISPOSAL

As a result of the Disposal, the Company is expected to record an estimated gain on disposal of approximately HK\$6,230,000, which represents the total consideration of RMB16,527,108 (equivalent to approximately HK\$20,155,010), less (i) the estimate land premium payable (subject to final confirmation by the relevant PRC authority) of approximately RMB2,570,000 (equivalent to approximately HK\$3,134,146); (ii) the approximately relevant tax (subject to confirmation by the PRC tax authority) of RMB1,790,000 (equivalent to approximately HK\$2,182,927); (iii) the transaction costs, including the commission to sales agent of approximately RMB165,272 (equivalent to approximately HK\$201,551); and (iv) the net book value of HK\$8,400,000 as at 31 December 2011.

The net book value of the Property as at 31 December 2011 was HK\$8,400,000 (before payment of the land premium) (30 June 2009: HK\$7,500,000; 30 June 2010: HK\$7,900,000 and 30 June 2011: HK\$8,400,000).

USE OF PROCEEDS FROM THE DISPOSAL

The Directors currently intend to use the proceeds from the Disposal as general working capital of the Group.

GENERAL

As one or more of the applicable percentage ratios for the Disposal exceeds 5% but are all less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set out below:

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| “Board” | the board of Directors; |
| “Company” | Applied Development Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange; |
| “Directors” | the directors of the Company; |
| “Disposal” | the disposal of the Property by the Vendor pursuant to the terms of the Purchase and Sale Agreement; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Independent Third Party(ies)” | party(ies) who, to the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, are third parties who |

| | |
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| | are independent of the Company and connected persons (as defined in the Listing Rules) of the Company; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “PRC” | People’s Republic of China; |
| “Property” | Part of Level 1 & whole floor of Level 2, No. 42, Zhan Qian Road, Zi Pian B Qu, Guangdong Province, the PRC; |
| “Purchase and Sale Agreement” | the agreement for sale and purchase entered into on 7 June 2012 between the Vendor and Purchaser in respect of the Disposal; |
| “Purchaser” | 廣州聯鴻實業投資有限公司; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Shareholders” | the holders of the Shares of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “Vendor” | 盈聯多科技企業（深圳）有限公司, a wholly-owned subsidiary of the Company. |

Unless otherwise specified, amounts in this announcement denominated in RMB have been translated for the purpose of illustration only into Hong Kong dollars at the rate of RMB0.82:HK\$1.00. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

By order of the Board
Applied Development Holdings Limited
Hung Kai Mau, Marcus
Chairman

Hong Kong, 7 June 2012

As at the date hereof, Mr. Hung Kai Mau, Marcus is an executive Director of the Company; Mr. Lun Tsan Kau, Mr. Su Ru Jia, Mr. Lo Yun Tai and Mr. Chan Ming Fai, Terence are independent non-executive Directors of the Company.

**For identification purposes only*