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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)**

## **PROFIT WARNING**

This announcement is made by Applied Development Holdings Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09 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 (Cap. 571, Laws of Hong Kong) (“the SFO”).

The Board wishes to inform shareholders of the Company and potential investors that the loss for the year ended 30 June 2014 is expected to increase significantly as compared to a loss of approximately HK\$2.3 million for the year ended 30 June 2013. The increase in loss was mainly due to (i) net estimated imputed interest expense (impairment loss) on promissory note receivable from a jointly controlled entity [non-cash item] of approximately HK\$22.8 million and (ii) estimated decrease in fair value of investment properties [non-cash item] of approximately HK\$30.0 million for the year ended 30 June 2014 as compared to (i) interest income on promissory note receivable from a jointly controlled entity [non-cash item] of approximately HK\$11.9 million and (ii) increase in their corresponding fair values of investment properties [non-cash item] of approximately HK\$18.1 million for the year ended 30 June 2013.

The information contained in this announcement is only a preliminary assessment by the management of the Company which is based on the management accounts as well as operational data available to the management which has not been audited or reviewed by the Company’s auditor. Shareholders and potential investors are advised to refer to details

in the annual results announcement of the Company for the year ended 30 June 2014 which is expected to be released by the end of September 2014.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

Made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 14 July 2014

As at the date of this announcement, Mr. Hung Kin Sang, Raymond, Mr. Hung Kai Mau, Marcus and Ms. Ng Kit Ling are executive directors 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 purpose only*