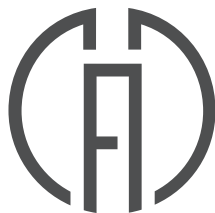


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APPLIED DEVELOPMENT HOLDINGS LIMITED

實力建業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 519)

TERMINATION OF MAJOR TRANSACTION IN RELATION TO CAPITAL INJECTION INTO YANCHENG HERONG PROPERTY DEVELOPMENT COMPANY LIMITED*

Reference is made to (i) the circular of Applied Development Holdings Limited (the “**Company**”) dated 28 March 2017 (the “**Circular**”) in relation to the Capital Injection Agreement entered into amongst the Company, the Original Shareholders and Yancheng Herong Property Development Limited* (鹽城和融房地產開發有限公司) (“**Yancheng Herong**”), pursuant to which the Company (or indirectly through its wholly-owned subsidiary) has agreed to inject capital of RMB150,000,000 into Yancheng Herong by way of cash contribution; and (ii) the announcements of the Company dated 10 January 2017, 23 January 2017 and 25 April 2017 respectively. Unless the context otherwise requires, capitalised terms used herein shall have the same meaning as those defined in the Circular.

TERMINATION AGREEMENT

On 21 July 2017, the Company, the Original Shareholders and Yancheng Herong entered into a termination agreement (the “**Termination Agreement**”) pursuant to which the parties thereto agreed to terminate the Capital Injection Agreement and the transactions contemplated thereunder. Yancheng Herong has already refunded in full the Earnest Money of RMB15,000,000, together with the interest accrued thereon, to the Company.

REASONS FOR THE TERMINATION

According to the Capital Injection Agreement, the Original Shareholders shall use their best endeavors to procure the fulfillment of all Capital Injection Conditions on or before 30 April 2017, and if the Capital Injection Conditions have not been fulfilled or waived (as the case may be) for whatever reason on or before 31 January 2018, the Company shall have the right to terminate the Capital Injection Agreement by written notice. As it is expected that the Original Shareholders and Yancheng Herong are and will not be capable of obtaining certain necessary government approvals required under the relevant laws and regulations in a short period of time, the parties mutually agreed to terminate the Capital Injection Agreement and the transaction contemplated thereunder.

Upon such termination, no parties shall have further rights or obligations towards the others (save as those already incurred and any antecedent breaches).

The Board considers that the entering into of the Termination Agreement is in the interest of the Company and its Shareholders as a whole and the termination of the Capital Injection Agreement would not have any material adverse impact on the financial position and existing business operations of the Group.

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

Hong Kong, 21 July 2017

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.

** for identification purposes only*

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