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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

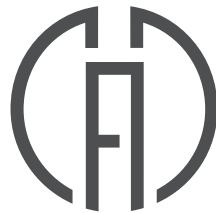
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Applied Development Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)**

**(1) MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF  
SHARES IN REDSUN PROPERTIES  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular.

A letter from the Board is set out from pages 4 to 11 of this circular.

A notice convening the EGM to be held at 3:00 p.m. on 2 October 2019 (Wednesday) at Suite 2418, 24/F., Jardine House, 1 Connaught Place, Central, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s principal place of business in Hong Kong at Suite 803, 8th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish.

9 September 2019

\* for identification purpose only

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## CONTENTS

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	<i>page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II – GENERAL INFORMATION</b> .....	II-1
<b>NOTICE OF EGM</b> .....	EGM-1

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:*

“Board”	the board of Directors;
“Business Day(s)”	any day on which licensed banks in Hong Kong are generally open for business (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 am and 5:00 pm);
“Company”	Applied Development Holdings Limited (實力建業集團有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 519);
“Completion”	completion of the Disposal of the Sale Shares pursuant to the Sales and Purchase Agreement;
“Completion Date”	the date of the Completion of the Disposal of the Sale Shares;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Disposal”	the proposed disposal of 37,000,000 Redsun Properties Shares by Dragon Bell;
“Dragon Bell”	Dragon Bell Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the Sales and Purchase Agreement and the transactions contemplated thereunder;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	a third party independent of the Company and its connected persons and are not connected persons of the Company;
“Latest Practicable Date”	6 September 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Prior Disposal”	the disposal of 18,500,000 of Redsun Properties Shares by Dragon Bell to the Purchaser on 26 July 2019;
“Purchaser”	Fortune Elite Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Parties”	the parties to the Sales and Purchase Agreement;
“Price Range”	not less than HK\$2.30 per Sale Share and not more than HK\$2.75 per Sale Share;
“Redsun Properties”	Redsun Properties Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1996);
“Redsun Properties Shares”	the shares in the share capital of Redsun Properties with a nominal value of HK\$0.01 each;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Sales and Purchase Agreement”	the sales and purchase agreement dated 15 August 2019 entered into between Dragon Bell and the Purchaser in relation to the Disposal;

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## DEFINITIONS

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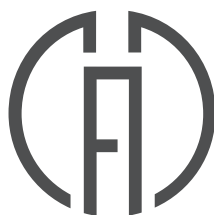
“Sale Shares”	37,000,000 of Redsun Properties Shares to be disposed by Dragon Bell pursuant to the Sales and Purchase Agreement;
“Shareholder”	The shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

\* *for identification purposes only.*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Wu Zhanming (*Chairman*)

Mr. Yuen Chi Ping (*Chief Executive Officer*)

*Non-executive Director:*

Mr. Wu Tao

Mr. Yao Wei Rong

*Independent Non-executive Directors:*

Mr. Lau Chi Keung

Mr. Yu Tat Chi, Michael

Mr. Chiu Kit Man, Calvin

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Principal place of*

*business in Hong Kong:*

Suite 803, 8th Floor

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

9 September 2019

*To the Shareholders*

Dear Sir/Madam,

**(1) MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF  
SHARES IN REDSUN PROPERTIES**

**AND**

**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 28 June 2018 in relation to subscription of the Redsun Properties Shares, the announcement of the Company dated 26 July 2019 in relation to the Prior Disposal and the announcement of the Company dated 15 August 2019 in relation to the Disposal.

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## LETTER FROM THE BOARD

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The Board is pleased to announce that on 15 August 2019 (after trading hours), Dragon Bell (a wholly-owned subsidiary of the Company) entered into the Sales and Purchase Agreement with the Purchaser in relation to the disposal of the Sale Shares.

The purpose of this circular is to provide you with (i) further details of the Disposal; and (ii) the notice of the EGM and forms of proxy.

### THE SALES AND PURCHASE AGREEMENT

The principal terms of the Sales and Purchase Agreement are as follows:

**Date:** 15 August 2019

**Parties:** (1) Dragon Bell (as vendor); and  
(2) the Purchaser (as purchaser)

### Assets to be disposed of

The Sale Shares, comprising 37,000,000 Redsun Properties Shares, represent approximately 1.11% of the total issued share capital of Redsun Properties (based on the total issued shares of 3,320,000,000 as at 31 August 2019 according to the monthly return of Redsun Properties dated 5 September 2019). Following the Disposal, the Group will hold 76,078,000 Redsun Properties Shares, representing approximately 2.29% of the total issued share capital of Redsun Properties. Dragon Bell originally subscribed for 131,578,000 Redsun Properties Shares at the total subscription price of HK\$299,997,840 or HK\$2.28 per Redsun Properties Share on 12 July 2018.

### Consideration

Pursuant to the Sales and Purchase Agreement, the selling price per Sale Share will be determined by the Parties on the Completion Date and shall be within the Price Range. The Price Range was arrived at after arm's length negotiations between Dragon Bell and the Purchaser taking into consideration of the recent trading prices of Redsun Properties Shares.

The maximum price of HK\$2.75 within the Price Range represents:

- (i) a premium of approximately 12.7% over the closing price of HK\$2.44 per Redsun Properties Shares on 14 August 2019, being the last trading day of the Redsun Properties Shares prior to the date of the Sales and Purchase Agreement;
- (ii) a premium of approximately 13.2% over the closing price of HK\$2.43 per Redsun Properties Share as at the Latest Practicable Date;

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## LETTER FROM THE BOARD

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- (iii) a premium of approximately 14.1% over the average closing price of approximately HK\$2.41 per Redsun Properties Shares for the five trading days immediately prior to the date of the Sales and Purchase Agreement; and
- (iv) a premium of approximately 8.5% over the average closing price of approximately HK\$2.535 per Redsun Properties Shares for the 30 trading days immediately prior to the date of the Sales and Purchase Agreement.

The minimum price of HK\$2.30 within the Price Range represents:

- (i) a discount of approximately 5.7% over the closing price of HK\$2.44 per Redsun Properties Shares on 14 August 2019, being the last trading day of the Redsun Properties Shares prior to the date of the Sales and Purchase Agreement;
- (ii) a discount of approximately 5.3% over the closing price of HK\$2.43 per Redsun Properties Share as at the Latest Practicable Date;
- (iii) a discount of approximately 4.6% over the average closing price of approximately HK\$2.41 per Redsun Properties Shares for the five trading days immediately prior to the date of the Sales and Purchase Agreement; and
- (iv) a discount of approximately 9.27% over the average closing price of approximately HK\$2.535 per Redsun Properties Shares for the 30 trading days immediately prior to the date of the Sales and Purchase Agreement.

For illustrative purpose, the maximum Consideration will be HK\$101,750,000 assuming the selling price per Sale Share is determined at the high end of the Price Range. The Consideration shall be paid by the Purchaser to Dragon Bell on the Completion Date.

The Parties will determined the selling price per Sale Share through arm's length negotiations with reference to the prevailing market price of the Sale Shares at the Completion Date within the Price Range. The Price Range provides flexibility for the Parties to accommodate change in market condition and ensure that the Company can dispose the Sale Shares at an acceptable price, which is higher than its subscription cost.

### **Conditions Precedent**

The obligations of the Purchaser to proceed to the Completion is conditional upon the fulfillment of the following conditions:

- (a) representations and warranties given by Dragon Bell under the Sales and Purchase Agreement being true, correct and not misleading when made and remaining true, correct and not misleading as at the Completion Date; and



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## LETTER FROM THE BOARD

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- (b) Dragon Bell having published the relevant announcement and/or circular (if necessary) and having obtained the approval (if necessary) in relation to the Sales and Purchase Agreement and the transactions contemplated therein from the Shareholders pursuant to the relevant requirements under the Listing Rules and the requirements of the Stock Exchange.

The Purchaser may waive the condition set forth in paragraph (a) above at anytime, by notice in writing to Dragon Bell or its solicitor.

The obligations of Dragon Bell to proceed to the Completion is conditional upon the fulfillment of the following condition:

- (a) representations and warranties given by the Purchaser under the Sales and Purchase Agreement being true, correct and not misleading when made and remaining true, correct and not misleading as at the Completion Date.

Dragon Bell may waive the condition set out above at anytime, by notice in writing to the Purchaser or its solicitor.

### **Completion**

Completion of the Sale and Purchase Agreement shall take place within fifteen Business Days following the satisfaction or waiver (if applicable) of the conditions precedent to the Sales and Purchase Agreement or such other date as mutually agreed by the Parties, but in any event the Completion shall take place no later than 31 October 2019.

### **Termination**

The Sales and Purchase Agreement shall be terminated:

- (a) if any business which shall be transacted by the parties on the Completion Date is not complied with, the Party which is not in default may terminate the Sales and Purchase Agreement in its absolute discretion and by notice in writing to the other Party; or
- (b) upon agreement by the Parties in writing that the Sales and Purchase Agreement shall be terminated.

### **INFORMATION OF REDSUN PROPERTIES**

Redsun Properties, together with its subsidiaries, are a property developer in Jiangsu Province, China, focusing on the development of residential properties and the development, operation and management of commercial and comprehensive properties.

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## LETTER FROM THE BOARD

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The following audited financial information is extracted from the 2018 annual report of Redsun Properties:

	For the year ended 31 December	
	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	6,139,672	9,238,741
Profit before tax	1,900,784	2,175,378
Profit for the year	<u>1,195,483</u>	<u>1,323,125</u>
	<b>As at 31</b>	<b>As at 31</b>
	<b>December 2017</b>	<b>December 2018</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	41,325,343	67,922,064
Net assets	8,456,866	13,849,745

### INFORMATION OF THE GROUP AND THE PARTIES

#### The Group

The Company is an investment holding company and the Group is principally engaged in resort and property development, property investment and investment holding.

#### Dragon Bell

Dragon Bell is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

#### The Purchaser

The Purchaser is an investment holding company incorporated in British Virgin Islands with limited liability. Mr. Huang Chih Chien is the ultimate beneficial owner of the Purchaser, holding 100% of its interest.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Purchaser and its ultimate beneficial owners are Independent Third Parties as at the Latest Practicable Date and; (ii) there is no business and/or shareholding relationship or otherwise between Mr. Huang Chih Chien and the Group.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF ENTERING INTO THE SALES AND PURCHASE AGREEMENT

The Group is principally engaged in resort and property development, property investment and investment holding. The purpose of the Disposal is to allow the Group to realize the investment in the Redsun Properties Shares and repay the margin loan in relation to subscription of the Redsun Properties Shares.

The Group had been entitled to approximately HK\$4.0 million dividend income from Redsun Properties with respect to the Sale Shares during the period from the date of subscription of the Sale Shares to the date of this circular. The Company recognised the Sale Shares as financial assets and carrying at its fair value. Based on the unaudited financial information of the Group for the six months ended 31 December 2018, the book value of each Sale Share was approximately HK\$2.88. Assuming the Sale Shares are disposed at the maximum price of HK\$2.75 per Sale Share, the deficit of the consideration under the book value of the Sale Shares is approximately HK\$4.81 million. It is estimated that the Group will record a gain on the Disposal of (i) approximately HK\$17.39 million if the Sale Shares are disposed at the maximum price of HK\$2.75 within the Price Range; and (ii) approximately HK\$740,000, if the Sale Shares are disposed at the minimum price of HK\$2.30 within the Price Range. Such gain on the Disposal, is calculated with reference to the gross proceeds of the Disposal less the subscription costs of the Sale Shares (without taking into account the accrued interest under the margin loan and the dividend income derived from the Sale Shares). The exact amount of the gain on the Disposal to be recorded in the consolidated financial statements of the Group for the year ending 30 June 2020 is subject to audit.

Assuming the selling price per Sale Share is determined at the high end of the Price Range, the aggregate gross sale proceeds of the Disposal will be HK\$101,750,000. The Group intends to use HK\$52 million to repay the margin loan in relation to the subscription of the Redsun Properties Shares in full and the remaining proceed will be used as general working capital of the Group (such as administrative, selling and financing expenses). There will not be any outstanding balance of the margin loan after such repayment.

In view of the aforesaid, the Directors are of the view that the terms of the Sales and Purchase Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

### IMPLICATIONS UNDER THE LISTING RULES

As the Prior Disposal and the Disposal are entered into with the same Purchaser and both involve the disposal of Redsun Properties Shares, which form a series of transactions conducted within a 12-month period, the Disposal is required to be aggregated with the Prior Disposal for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Assuming the Sale Shares are disposed at the maximum price within the Price Range, the highest applicable percentage ratio under the Listing Rules in respect of the Disposal (on its own and after aggregation with the Prior Disposal) is more than 25% but be less than 75%. Therefore, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting at the EGM in respect of the Sales and Purchase Agreement and the transactions contemplated thereunder.

### **EGM**

The EGM will be convened for the purposes of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the Sales and Purchase Agreement and the transactions contemplated thereunder. A notice convening the EGM to be held at 3:00 p.m. on 2 October 2019 (Wednesday) at Suite 2418, 24/F., Jardine House, 1 Connaught Place, Central, Hong Kong is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong at Suite 803, 8th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM will be by poll.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from 26 September 2019 (Thursday) to 2 October 2019 (Wednesday) (both days inclusive) for the purpose of determining the entitlement to attend and vote at the EGM, during which period no transfer of Share(s) will be registered. In order to be eligible to attend and vote at the EGM, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 25 September 2019 (Wednesday). Shareholders whose names appear on the register of members of the Company on 2 October 2019 (Wednesday) shall be entitled to attend and vote at the EGM.

### **RECOMMENDATION**

Based on the above, the Board considers that the Sales and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to approve the Sales and Purchase Agreement and the transactions contemplated thereunder at the EGM.

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## LETTER FROM THE BOARD

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### FURTHER INFORMATION

Your attention is also drawn to the information as set out in the appendices to this circular and the notice of the EGM as set out on pages EGM-1 to EGM-3, which form part of this circular.

Yours faithfully,

By order of the Board

**Applied Development Holdings Limited**

**Yuen Chi Ping**

*Executive Director & Chief Executive Officer*

## 1. CONSOLIDATED FINANCIAL STATEMENTS

Audited financial information of the Group for each of the years ended 30 June 2016, 30 June 2017 and 30 June 2018 are disclosed in the following annual reports of the Company published on 20 September 2016, 10 October 2017 and 16 October 2018 respectively, on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.applieddev.com](http://www.applieddev.com)):

- (i) annual report of the Company for the year ended 30 June 2016  
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0920/LTN20160920275.pdf>);
- (ii) annual report of the Company for the year ended 30 June 2017  
(<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/1010/LTN20171010321.pdf>);  
and
- (iii) annual report of the Company for the year ended 30 June 2018  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/1016/ltn20181016235.pdf>).

## 2. INDEBTEDNESS STATEMENT

### **Borrowings**

At the close of business on 31 July 2019, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had (i) secured interest-bearing bank borrowing of HK\$272,190,000; (ii) secured margin loan of HK\$39,712,000 from a security broker; and (iii) unsecured interest-bearing other borrowings of approximately RMB23,487,000 (equivalent to HK\$26,775,000).

### **Pledge of assets and other securities**

As at the close of business on 31 July 2019, being the latest practicable date for the purpose of preparing this indebtedness statement, the secured interest-bearing bank borrowing was secured by the assets of the Group as follows:

- (i) pledge of investment properties and the assets classified as held for sale of the Group with a carrying amount of HK\$489,732,000 at 31 July 2019;
- (ii) assignment agreements in respect of rental income of the Group's investment properties duly executed by the Group in favour of the bank;
- (iii) assignment agreements in respect of insurance of the Group's investment properties duly executed by the Group in favour of the bank; and
- (iv) corporate guarantee provided by the Company.

As at the close of business on 31 July 2019, being the latest practicable date for the purpose of preparing this indebtedness statement, the secured margin loan was secured by the Group's equity securities with the fair value of HK\$286,087,000 at 31 July 2019 and the corporate guarantee provided by the Company.

#### **Lease liabilities**

As at the close of business on 31 July 2019, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had lease liabilities of approximately HK\$998,000.

#### **Commitments**

As at the close of business on 31 July 2019, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had the following capital commitments for expenditure:

	<i>HK\$'000</i>
Expenditure in respect of the properties under development contracted but not provided for	<u><u>220,732</u></u>

#### **Disclaimers**

Save as aforesaid or otherwise mentioned herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities at the close of business on 31 July 2019, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular.

### **3. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, taking into account the internal resources and banking and other facilities available to the Group, the Group would have sufficient working capital for at least 12 months from the date of this circular.

#### 4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group will continue its principal business in property investment, resort and property development and investment holding, and will continue to look for the best opportunities or investments including but not limited to the investments in property investment, resort and property development and investment holding business.

The Group started the Sub-division at the Lippo Centre in October 2018 and completed such sub-division in February 2019. After Sub-division, the Board intends to lease and/or sell the Group's investment property at Lippo Centre in sub-divided units with their prevailing market prices. Reference is made to the announcement of the Company dated 4 March 2019 for the sales of certain sub-divided units at Lippo Centre by the Group for a consideration of HK\$108,300,000. The Group will continue its efforts to obtain satisfactory return from the sale and/or lease of the rest of the sub-divided units, taking into account the market conditions and the Group's business strategy.

After the acquisition of Wuxi Shengye Harbour Co. Ltd.\* (無錫盛業海港股份有限公司) at the end of June 2017, the pre-sale of the properties under development commenced in October 2017 and completion of the construction of the first and second phase of the residential portion are expected to take place in the third quarter of 2019 and second quarter of 2020 respectively, and the completion of the construction of the whole project is expected to take place in the fourth quarter of 2021. The completion of the construction for the whole project will be delayed to the fourth quarter of 2021 primarily due to delay in obtaining relevant PRC government approvals. Up to 31 December 2018, we record sales of approximately RMB287 million from the pre-sale of the properties. The first batch of the properties of approximately RMB226 million will be delivered by 30 September 2019 and the second batch of approximately RMB61 million will be delivered by 30 June 2020. The Board believes that the sales of the properties under development will contribute revenue to the Group. The Group will continue to look for the best opportunities or investments including but not limited to the investments in property investment, resort and property development and investment holding businesses.



## 1. RESPONSIBILITY STATEMENT

This circular, 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests in the securities of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

#### *Long positions in the shares of the Company*

Name	Capacity	Number of Shares interested	Percentage of issued share capital of the Company (%)
Wu Zhanming	Beneficial owner	279,935,000	11.17%

Save as disclosed above, as at the Latest Practicable Date, no other Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of the Listed Issuers and which were required to be entered into and kept under the register pursuant to Section 352 of the SFO.

**(b) Substantial Shareholders' interests**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, so far as is known to the Directors, the persons (other than a Director and chief executive of the Company) or entities who had or were deemed or taken to have an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital were as follows:

***Long position in Shares and underlying Shares***

Name	Capacity	Number of Shares interested	Percentage of issued share capital of the Company (%)
Li Fuyi	Beneficial owner	279,930,959	11.17%

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person had or was deemed or taken to have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or any options in respect of such share capital.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or his or her respective close associates had any interest in a business, which competes or is likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors or his or her close associates were appointed to represent the interests of the Company and/or the Group.

**4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP**

As at the Latest Practicable Date,

- (a) none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since the date of the latest published audited accounts of the Company.

**5. MATERIAL CONTRACTS**

The following are contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) entered into by the members of the Group within the two years immediately preceding the date of this circular and which is or may be material:

- (a) the Sales and Purchase Agreement;
- (b) a tenancy agreement dated 14 June 2019 entered into between Superform Investment Limited (an indirectly wholly-owned subsidiary of the Company, as the landlord) and Ruihua (International) Fund Limited as the tenant pursuant to which the landlord leased certain premises to the tenant at the monthly rent of HK\$98,368;
- (c) a provisional SP Agreement dated 4 March 2019 entered into between Superform Investment Limited (a wholly-owned subsidiary of the Company) as the vendor, an individual as the purchaser and Centaline Property Agency Limited as the agent, pursuant to which the vendor will sell certain properties to the purchaser at a consideration of HK\$108,300,000 in aggregate and a formal agreement dated 15 March 2019 entered between the vendor and the purchaser for the sale and purchase of such properties and the transaction has been completed on 14 May 2019;

- (d) a cornerstone investment agreement dated 28 June 2018 entered into among Redsun Properties, Dragon Bell, the Company, CCB International Capital Limited, Huatai Financial Holdings (Hong Kong) Limited and ABCI Capital Limited in relation to the subscription of Redsun Properties Shares for a consideration of HK\$300 million;
- (e) a capital injection agreement dated 15 June 2018 entered into amongst (i) 實力建業(南京)企業管理有限公司 (Applied Development (Nanjing) Corporate Management Co., Ltd.\*) (“**Applied Development Nanjing**”), (ii) Yincheng Real Estate Group Co., Ltd. (銀城地產集團股份有限公司), (iii) 江蘇新苑實業投資有限公司 (Jiangsu Xinyuan Industrial Investment Co., Ltd.\*) and (iv) 南京東方頤年養老服務有限公司(Nanjing Eastern Senior Living Service Co., Ltd.\*) (the “**Target Company**”) in relation to the injection of a sum of RMB110,000,000 by Applied Development Nanjing into the Target Company;
- (f) the subscription agreement dated 14 June 2018 entered into between Applied Investment (Asia) Limited (the “**Subscriber**”) and Ruihua International M&A Fund LP (the “**Fund**”), acting by Cayman Ruihua Investment Management Limited (the “**General Partner**”), pursuant to which the Subscriber has conditionally agreed to become a limited partner of the Fund and invest up to HK\$600,000,000 (with a minimum commitment of HK\$200,000,000) in the Fund;
- (g) the amended and restated exempted limited partnership agreement dated 14 June 2018 and entered into by, among others, the General Partner and the limited partner(s) of the Fund;
- (h) a lease agreement dated 12 December 2017 (as supplemented by a supplemental lease agreement dated 13 December 2017) entered into between 南京鍾山資產經營管理集團有限公司 (Nanjing Zhongshan Asset Management Group Limited\*) (as landlord) and 南京鍾山銀城養老產業發展有限公司 (Nanjing Zhongshan Yincheng Senior Product Development Company Limited\*), a direct subsidiary of the Target Company (as tenant) in relation to the rental of certain premises for use of provision of community services and relevant healthcare services, for rental amounts ranging from RMB1,348,507 to RMB2,126,508, for details of the rental amount for each of the 6 month during the term of the lease agreement, please refer to the subparagraph headed “Rent” under the paragraph headed “The Lease Agreement and the Supplemental Lease Agreement” in the announcement of the Company dated 15 June 2018;
- (i) a sale and purchase agreement dated 15 February 2018 entered into among (i) Applied Hong Kong Properties Ltd., a wholly-owned subsidiary of the Company (as vendor) and (ii) AHK International Ltd., in relation to the sale of a property held by Applied Hong Kong Properties Ltd. for a consideration of HK\$63,000,000;

- (j) a loan agreement dated 13 February 2018 entered into among (i) the Company and (ii) On Tai International Credit Limited ( 按泰國際信貸有限公司 ) in relation to the loan by the Company of an amount of HK\$40,000,000;
- (k) a sale and purchase agreement dated 29 November 2017 entered into among (i) Advantage Performance Limited, a wholly-owned subsidiary of the Company (as vendor) and (ii) Platinum Ocean Consultancy Limited in relation to the sale of the entire issued shares of and shareholder's loan granted to Genius Wise International Limited for an aggregate consideration of HK\$52,000,000 which was subsequently terminated by way of a termination agreement dated 15 February 2018; and
- (l) a placing agreement dated 6 September 2017 entered into among (i) the Company and (ii) Long Asia Securities Limited (the "**Placing Agent**"), pursuant to which the Placing Agent placed 417,515,000 Shares to no less than six placees, at HK\$0.4 per Share.

## 6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

## 8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the profit warning announcement of the Company dated 29 August 2019, the Directors were not aware of any material adverse change in the financial or trading position or outlook of the Group since 30 June 2018, being the date to which the latest published audited accounts of the Group were made up.

**9. GENERAL**

- (a) the registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda;
- (b) the branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, which situates at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
- (c) the company secretary of the Company is Ms. Luk Shan, the financial controller of the Company and she is a member of the Hong Kong Institute of Certified Public Accountants; and
- (d) This circular has been prepared in both English and Chinese. In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Suite 803, 8th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum of association and Bye-laws of the Company;
- (b) the material contracts referred to in the section headed "5. Material Contracts" as set out in this Appendix II;
- (c) the annual reports of the Company for the two financial years ended 30 June 2017 and 2018 respectively;
- (d) this circular;
- (e) the Sales and Purchase Agreement.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “**Meeting**”) of Applied Development Holdings Limited (the “**Company**”) will be held at 3:00 p.m. on 2 October 2019 (Wednesday) at Suite 2418, 24/F., Jardine House, 1 Connaught Place, Central, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as ordinary resolution of the Company:

#### **ORDINARY RESOLUTIONS**

1. “**THAT**

- (a) the sales and purchase agreement (the “**Sales and Purchase Agreement**”, a copy of which marked “A” has been tabled before the Meeting and initialed by the chairman of the Meeting for the purpose of identification) entered into between Dragon Bell Group Limited and Fortune Elite Holdings Limited in relation to the disposal of an aggregate of 37,000,000 shares of Redsun Properties Group Limited and all other transactions contemplated thereunder and in connection therewith and any other ancillary documents be and are hereby approved, confirmed and ratified;
- (b) any director of the Company be and is hereby authorised to do all acts, deeds and things and to sign and execute all documents as he may, at his absolute discretion, deem incidental to, ancillary to or in connection with the matters contemplated in and for completion of the Sales and Purchase Agreement.”

Yours faithfully,

By order of the Board

**Applied Development Holdings Limited**

**Yuen Chi Ping**

*Executive Director & Chief Executive Officer*

Hong Kong, 9 September 2019

\* *For identification purpose only*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Executive Directors:*

Mr. Wu Zhanming (*Chairman*)  
Mr. Yuen Chi Ping (*Chief Executive Officer*)

*Non-executive Director:*

Mr. Wu Tao  
Mr. Yao Wei Rong

*Independent Non-executive Directors:*

Mr. Lau Chi Keung  
Mr. Yu Tat Chi, Michael  
Mr. Chiu Kit Man, Calvin

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of  
business in Hong Kong:*

Suite 803, 8th Floor  
Harcourt House  
39 Gloucester Road  
Wanchai  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the Meeting.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her/its attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
3. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish. In such event, the instrument appointing such a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from 26 September 2019 (Thursday) to 2 October 2019 (Wednesday) (both days inclusive) for the purpose of determining the entitlement to attend and vote at the Meeting, during which period no transfer of Share(s) will be registered. In order to be eligible to attend and vote at the Meeting, all completed transfer documents accompanied by the relevant share certificate(s) must be lodged with Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 25 September 2019 (Wednesday). Shareholders whose names appear on the register of members of the Company on 2 October 2019 (Wednesday) shall be entitled to attend and vote at the Meeting.
5. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority shall be deposited at the principal place of business of the Company in Hong Kong at Suite 803, 8th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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6. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the Meeting in person or by proxy, the persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

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