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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)**

**PROFIT WARNING**

This announcement is made by Applied Development Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 (Chapter 571 of the Laws of Hong Kong).

Based on the information currently available to the directors of the Company (the “**Directors**”), the Board of Directors (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group may record a loss of approximately HK\$40 million for the six months ended 31 December 2021, as compared to the loss of approximately HK\$23 million for the six months ended 31 December 2020.

The Board considered that the change was mainly attributable to, among others, the following factors:

- (i) a change in fair value of financial assets at fair value through profit or loss from a net fair value gain of approximately HK\$6 million for the six months ended 31 December 2020 to a net fair value loss of approximately HK\$13 million for the six months ended 31 December 2021;
- (ii) a decrease in reversal of impairment loss on loans receivables from approximately HK\$10 million for the six months ended 31 December 2020 to approximately HK\$1 million for the six months ended 31 December 2021; and

(iii) a decrease in the fair value loss of the Group's investment properties from approximately HK\$35 million for the six months ended 31 December 2020 to approximately HK\$16 million for the six months ended 31 December 2021.

The Board wishes to emphasize that the above-mentioned factors items (i) and (iii) are non-cash in nature.

The information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited management accounts of the Group for the six months ended 31 December 2021 as well as operational data currently available to the Board and therefore may subject to amendments and valuation adjustments. The interim results of the Group for the six months ended 31 December 2021 may be different from the information disclosed in this announcement. Shareholders and potential investors are advised to refer to details in the announcement of the interim results of the Group for the six months ended 31 December 2021 which is expected to be released in late February 2022.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board

**Applied Development Holdings Limited**

**Wu Zhanming**

*Chairman, Acting Chief Executive Officer and Executive Director*

Hong Kong, 10 February 2022

*As at the date of this announcement, the Executive Director is Mr. Wu Zhanming (Chairman and Acting Chief Executive Officer); the Non-executive Directors are Mr. Wu Tao and Mr. Yao Wei Rong and the Independent Non-executive Directors are Mr. Yu Tat Chi, Michael and Mr. Chiu Kit Man, Calvin.*

\* *For identification purposes only*