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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)**

## CLARIFICATION OF NEWSPAPER ARTICLE

This announcement clarifies in relation to the newspaper articles published in today's Sing Pao and Tai Kung Pao that write the Board has considered the possibility of the Company declaring special dividends to the Shareholders, no decision has been made by the Board and there is no assurance that a special dividend will be declared at any time or at all. Investors should exercise cautions when dealing in the Shares of the Company.

Unless otherwise stated, terms used in this announcement have the same meaning as those defined in the Circular of the Company dated 31 August 2006 ("Circular").

Reference is made to the newspaper articles which appear in today's Sing Pao and Tai Kung Pao ("Articles") relating to the possibility of the Company declaring special dividends to the shareholders of the Company ("Shareholders"). The Board confirms it has considered the possibility of the Company declaring special dividends to its Shareholders after Completion of the Transactions. However, no decision has been made by the Board on this. Any decision will depend on, amongst other things, the availability of distributable reserves, the working capital and other funding requirements of the Group. Accordingly, there is no assurance that a special dividend will be declared at any time or at all.

This announcement is made by the order of the Board, the Directors individually and jointly accept responsibility for the accuracy of this announcement.

By order of the board  
**Applied Development Holdings Limited**  
**Hung Kin Sang, Raymond**  
*Executive Director*

Hong Kong, 7 November 2006

*As at the date of this announcement, the executive Directors are Mr. Hung Kin Sang, Raymond, Ms. Hung Wong Kar Gee, Mimi, Mr. Fang Chin Ping and Mr. Hung Kai Mau, Marcus and the independent non-executive Directors are Mr. Soo Hung Leung, Lincoln, Mr. Lo Yun Tai, Mr. Lun Tsan Kau and Mr. Lam Ka Wai, Graham.*

*\* For identification purpose only*

"Please also refer to the published version of this announcement in China Daily"