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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)

**UNUSUAL PRICE AND VOLUME MOVEMENT
AND
RECENT DEVELOPMENTS IN AND CLOSING OF
THE STOCK PURCHASE AND JOINT VENTURE AGREEMENT**

The Board has noted the recent unusual price movement and trading volume of the shares of the Company and wishes to state that, save for the recent developments of the Transactions as detailed below, the Board is not aware of any reasons for such unusual movement.

The Directors wish to update the shareholders of the Company and the public investors about the recent developments relating to the Agreement entered into by and among Quorum, InterIsle, Applied Enterprises and Applied Toys on 11 August 2006 regarding the joint venture arrangement to develop the property in Beef Island, the British Virgin Islands. The Agreement was completed on 9 April 2007.

UNUSUAL MOVEMENT IN PRICE AND TRADING VOLUME

The Board has noted the recent unusual price movement and trading volume of the shares of the Company and wishes to state that, the Board is not aware of any reasons for such unusual movement.

RECENT DEVELOPMENTS ABOUT THE AGREEMENT

Reference is made to the circular issued by the Company dated 31 August 2006 (the “Circular”) about, amongst other things, the Agreement entered into by and among Quorum, InterIsle, Applied Enterprises and Applied Toys on 11 August 2006 in relation to the joint venture arrangement to develop the property in Beef Island, the British Virgin Islands (the “Agreement”) and the announcements dated 30 November 2006 regarding a delay in the Closing Date of the Agreement and dated 30 January 2007 regarding recent developments in relation to it (“Announcements”). Terms used herein have the meanings ascribed to them in the Circular and the Announcements unless the context otherwise requires.

The Agreement was completed on 9 April 2007 British Virgin Islands time. Prior to completion of it Quorum, InterIsle, Applied Enterprises and Applied Toys entered into a Second Memorandum of Amendments to the Agreement dated “as of” 31 March 2007 under which amongst other things:

QUORUM OBLIGATION

Quorum's obligation to pay US\$30 million (equivalent to approximately HK\$234,000,000) in cash to (a) repay all outstanding liabilities of Quorum as at the Closing Date including those owed to the Group and (b) redeem 50% of the equity interest held by Applied Enterprises and Applied Toys in Quorum was replaced by an obligation to pay US\$8 million in cash (equivalent to approximately HK\$62,400,000) and as to the balance by way of issue of a promissory note (the "Quorum Note") due (and paid) at closing of the Initial Loan (which occurred on 9 April 2007).

INTERISLE OBLIGATION

InterIsle subscribed a 50% equity interest in Quorum ("Purchased Shares") for a total consideration of US\$21 million (equivalent to approximately HK\$163,800,000) payable as follows:

- (a) US\$8 million (equivalent to approximately HK\$62,400,000) (the "Initial Cash Payment") instead of US\$10.5 million (equivalent to approximately HK\$81,900,000) was paid in cash on the Closing Date;
- (b) the balance (the "Deferred Purchase Price") is secured by a promissory note issued at Closing, payable in instalments as described below.

Quorum issued and delivered to an escrow agent, three sets of stock certificates with (A) the first representing 38% of the Purchased Shares, (B) the second (the "Second Certificate") representing 12% of the Purchased Shares, and (C) the third (the "Third Certificate") representing the remaining 50% of the Purchased Shares all in the name of InterIsle.

If InterIsle does not receive all requisite licenses and approvals to hold and vote the Purchased Shares or the initial directors to be nominated by InterIsle to the board of Quorum do not receive the requisite licence to act as directors of Quorum by 30 June 2007 (through no fault of InterIsle), the Initial Cash Payment must be reimbursed in full to InterIsle on or before 30 September 2007, the Agreement will terminate and the parties will have no further liabilities or obligations under it. If the Initial Cash Payment is not reimbursed in full to InterIsle by 30 September 2007, then (a) the Initial Cash Payment automatically and immediately shall constitute a secured debt of Quorum to InterIsle, (b) such debt automatically and immediately shall be secured by a first mortgage on the Real Property, with Quorum granting to InterIsle a first priority mortgage, security interest and fixed charge over the entirety of the Real Property (together with any fixtures and improvements thereon) for the benefit of InterIsle.

Failure of InterIsle to deliver the first instalment of the Deferred Purchase Price in the amount of US\$2.5 million (equivalent to approximately HK\$19,500,000) within 10 business days of the date it falls due (which is 9 April 2008) will result in the automatic forfeiture by InterIsle of the Second Certificate and the Third Certificate and the return of the Purchased Shares evidenced thereby to Quorum for cancellation and reissuance to Applied Enterprises, and (ii) the failure of the InterIsle to deliver a second instalment of the Deferred Purchase Price in the amount of US\$10.5 million (equivalent to approximately HK\$81,900,000) on the date it falls due (which is 15 December 2008 or (if earlier) the date of the first Development Loan unless InterIsle makes certain payments to Applied Enterprises result in the automatic forfeiture by InterIsle of the Third Certificate and the return of the Purchased Shares evidenced by the Third Certificate to Quorum for cancellation and reissuance to Applied Enterprises. Additionally, upon any failure of InterIsle to pay either of the two instalments of the Deferred Purchase Price within 10 business days of the date when due, the Development Management Agreement may be terminated by Applied Enterprises.

The Board confirms that, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of price-sensitive nature.

Made by the order of the Board, the directors of which 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, 10 April 2007

As at the date of this announcement, the Executive Directors of the Company 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 of the Company are Mr. Soo Hung Leung, Lincoln, Mr. Lo Yun Tai, Mr. Lun Tsan Kau and Mr. Lam Ka Wai, Graham.

** For identification only*

“Please also refer to the published version of this announcement in the South China Morning Post”