



APPLIED DEVELOPMENT HOLDINGS LTD.

實力建業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 519)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

The Board of Directors (the “Directors”) of Applied Development Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2008

		Six months ended 31 December	
		2008	2007
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
Continuing operations			
Turnover	2	2,633	3,926
(Decrease) increase in fair value of investment properties		(10,000)	25,000
Other operating (loss) income		(439)	1,793
Loss on disposal of investment properties		–	(374)
Administrative expenses		(12,419)	(14,479)
Interest income		32	68
Investment income		9	9
Finance costs		(779)	(2,811)
Share of results of a jointly controlled entity		124	–
(Loss) profit before taxation	3	(20,839)	13,132
Taxation	4	0	340
(Loss) profit for the period from continuing operations		(20,839)	13,472
Discontinued operations			
Loss for the period from discontinued operations		–	(81)
(Loss) profit for the period		(20,839)	13,391
Attributable to:			
Equity holders of the parent		(20,839)	13,391
Minority interests		–	–
		(20,839)	13,391
(Loss) earnings per share	5		
From continuing and discontinued operations:			
Basic and diluted		(2.48) HK cents	1.59 HK cents
From continuing operations:			
Basic and diluted		(2.48) HK cents	1.60 HK cents

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 December 2008

	Notes	31/12/2008 (Unaudited) HK\$'000	30/06/2008 (Audited) HK\$'000
Non-current Assets			
Investment properties	6	180,900	190,900
Property, plant and equipment		178,361	178,429
Prepaid lease payments – non-current portion		1,712	1,712
Other assets		1,846	1,846
Interest in a jointly controlled entity		27,017	27,017
Available-for-sale investments		239	921
		<u>390,075</u>	<u>400,825</u>
Current Assets			
Trade and other receivables	7	2,346	1,594
Promissory note receivable from a jointly controlled entity	8	171,600	171,600
Amount due from a jointly controlled entity	9	16,372	16,372
Prepaid lease payments – current portion		40	40
Bank balances and cash		5,716	1,766
		<u>196,074</u>	<u>191,372</u>
Current Liabilities			
Trade and other payables	10	2,458	2,116
Secured bank borrowings – due within one year		3,000	3,000
Obligations under finance leases – due within one year		328	572
		<u>5,786</u>	<u>5,688</u>
Net current assets		<u>190,288</u>	<u>185,684</u>
Total assets less current liabilities		<u>580,363</u>	<u>586,509</u>
Capital and reserves			
Share capital	11	8,732	8,734
Treasury shares		(8,911)	(8,911)
Share premium & reserves		526,394	547,416
Total equity		<u>526,215</u>	<u>547,239</u>
Non-current Liabilities			
Secured bank borrowings – due after one year		54,000	39,000
Obligations under finance leases – due after one year		148	270
		<u>54,148</u>	<u>39,270</u>
		<u>580,363</u>	<u>586,509</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2008

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Accounting Standard No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties which are measured at fair values.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 30 June 2008.

In the current interim period, the Group has applied, for the first time, certain new standards, amendments and interpretations (“new HKFRSs”) issued by HKICPA, which are effective for the Group’s financial year beginning 1 July 2008. The adoption of the new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Item ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 8	Operating Segments ²
HK(IFRIC) – INT 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – INT 16	Hedges of a Net Investment in a Foreign Operations ⁵
HK(IFRIC) – INT 17	Distributions of Non-cash Assets to Owners ³
HK(IFRIC) – INT 18	Transfer of Assets from Customers ⁵

¹ Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods beginning on or after 1 October 2008

⁵ Effective for transfers on or after 1 July 2009

2. SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold to outside customers and rental income from properties under operating leases during the period.

(a) **Business segments**

For management purposes, the Group's operations are organised into two operating divisions namely resort development and property investment (2007: three operating divisions namely resort development, property investment and manufacture and distribution of electronic products). The Group's resort development division includes multi-purpose resort communities as well as sales of condo hotels, residential units and club memberships. These divisions are the basis on which the Group reports its primary segment information.

Business segment information for the six months ended 31 December 2008:

	Continuing operations		
	Resort development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Turnover	<u>–</u>	<u>2,633</u>	<u>2,633</u>
Results			
Segment results	<u>124</u>	<u>(8,389)</u>	<u>(8,265)</u>
Unallocated corporate expenses			<u>(11,795)</u>
Loss from operations			<u>(20,060)</u>
Finance costs			<u>(779)</u>
Loss before taxation			<u>(20,839)</u>
Taxation			<u>–</u>
Loss for the period			<u>(20,839)</u>

Business segment information for the six months ended 31 December 2007:

	Continuing operations			Discontinued operations	Consolidated (Unaudited) HK\$'000
	Resort development (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	Manufacture and distribution of electronic products (Unaudited) HK\$'000	
Turnover	<u>515</u>	<u>3,411</u>	<u>3,926</u>	<u>56,988</u>	<u>60,914</u>
Results					
Segment results	<u>515</u>	<u>21,601</u>	22,116	1,040	23,156
Unallocated corporate expenses			<u>(6,173)</u>	<u>–</u>	<u>(6,173)</u>
Profit from operations			15,943	1,040	16,983
Finance costs			<u>(2,811)</u>	<u>(1,121)</u>	<u>(3,932)</u>
Profit (loss) before taxation			13,132	(81)	13,051
Taxation			<u>340</u>	<u>–</u>	<u>340</u>
Profit (loss) for the period			<u>13,472</u>	<u>(81)</u>	<u>13,391</u>

(b) Geographical segments

The Group's operations are principally located in Hong Kong, the People's Republic of China other than Hong Kong (the "PRC") and the British Virgin Islands (the "BVI").

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods:

	Six months ended 31 December			
	2008		2007	
	Turnover (Unaudited) HK\$'000	Contribution (Unaudited) HK\$'000	Turnover (Unaudited) HK\$'000	Contribution (Unaudited) HK\$'000
Geographical segments				
Continuing operations				
Hong Kong	–	–	974	(4,827)
The PRC	2,633	1,611	2,437	1,428
The BVI	–	124	515	515
	2,633	1,735	3,926	(2,884)
Discontinued operations				
Hong Kong	–	–	56,988	1,040

3. (LOSS) PROFIT BEFORE TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	Six months ended 31 December				2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000
	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000	2007 (Unaudited) HK\$'000		
Profit for the period has been arrived at after charging:						
Depreciation of property, plant and equipment and amortisation on:						
– Assets owned by the Group	1,708	1,155	–	1,426	1,708	2,581
– Assets held under finance leases	214	1,315	–	–	214	1,315
and after crediting:						
Dividend income from listed available-for-sale investments	9	9	–	–	9	9

4. TAXATION

Continuing operations	
Six months ended 31 December	
2008	2007
(Unaudited)	(Unaudited)
HK\$'000	HK\$'000

The (credit) charge comprises:

Hong Kong Profits Tax		
Current period provision	-	-
Overprovision in previous years	-	(340)
	-	(340)
Deferred tax	-	-
	-	(340)
	<u>-</u>	<u>(340)</u>

Hong Kong Profits Tax is calculated at the rate of 16.5% (2007: 17.5%) of the estimated assessable profits for the period. No provision for Hong Kong Profits Tax was made for the period ended 31 December 2008 (2007: Nil) as the Company and its subsidiaries had no assessable profit for that period. No provision for deferred tax has been made in the period.

5. (LOSS) EARNINGS PER SHARE

The calculation of the basic loss per share for the period is based on the loss attributable to equity holders of the parent for the period of HK\$20,839,000 (2007: profit of HK\$13,391,000) and on the weighted average of 838,918,826 (2007: 841,327,875) ordinary shares of the Company in issue during the period. The weighted average number of shares adopted in calculation of (loss) earnings per share has been arrived after eliminating the shares in the Company held by Applied Investment (Asia) Limited.

The calculation of diluted (loss) earnings per share has not considered the effect of share options because the exercise price of the share options granted is higher than the average market price of shares for both periods.

From continuing and discontinued operations

The calculation of the basic (loss) earnings per share attributable to the equity holders of the parent company is based on the filling data:

	Six months ended 31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss) earnings for the purpose of basic per share		
((loss) profit for the period attributable to the equity holders of the parent company)	<u>(20,839)</u>	<u>13,391</u>
	Number of shares	
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	<u>838,918,826</u>	<u>841,327,875</u>

From continuing operations

The calculation of the basic (loss) earnings per share from continuing operations attributable to the equity holders of the parent company is based on the following data:

	Six months ended 31 December	
	2008	2007
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss) earnings for the purpose of basic per share ((loss) profit for the period attributable to the equity holders of the parent company)	(20,839)	13,391
Add loss for the period from the discontinued operations	<u>—</u>	<u>81</u>
(Loss) earnings for the purpose of basic per share from continuing operations	<u>(20,839)</u>	<u>13,472</u>
	Number of shares	
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	<u>838,918,826</u>	<u>841,327,875</u>

6. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
VALUATION/FAIR VALUE	
At 1 July 2007	159,030
Increase in fair values	33,950
Additions of properties	29,325
Disposals of properties	(29,325)
Disposals of subsidiaries	<u>(2,080)</u>
At 30 June 2008 and 1 July 2008	190,900
Decrease in fair value	<u>(10,000)</u>
At 31 December 2008	<u>180,900</u>

The value of investment properties held by the Group at 30 June 2008 and 31 December 2008 comprises:

	31/12/2008	30/06/2008
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Held in Hong Kong:		
Long-term leases	143,500	153,500
Held outside Hong Kong:		
Medium-term leases	<u>37,400</u>	<u>37,400</u>
	<u>180,900</u>	<u>190,900</u>

7. TRADE AND OTHER RECEIVABLES

The Group allows credit period ranging from 30 to 90 days to its trade customers. Included in trade and other receivables of the Group are trade debtors of HK\$340,000 (30 June 2008: HK\$292,000) and their aging analysis is as follows:

	31/12/2008 (Unaudited) HK\$'000	30/06/2008 (Audited) HK\$'000
Within 90 days	<u><u>340</u></u>	<u><u>292</u></u>

8. PROMISSORY NOTE RECEIVABLE FROM A JOINTLY CONTROLLED ENTITY

The amount is unsecured, interest-free and repayable on or before 9 April 2009.

9. AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY

The amount is unsecured, interest-free and recoverable within one year.

10. TRADE AND OTHER PAYABLES

Included in trade and other payables of the Group are trade payables of HK\$Nil (30 June 2008: Nil).

11. SHARE CAPITAL

	Number of Ordinary shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
<i>Authorised:</i>		
At 30 June 2008 and 31 December 2008	<u><u>6,000,000,000</u></u>	<u><u>60,000</u></u>
<i>Issued and fully paid:</i>		
At 1 July 2007	880,442,826	8,804
Exercise shares options	600,000	6
Cancellation upon repurchase of own shares	<u>(7,605,000)</u>	<u>(76)</u>
At 30 June 2008 and 1 July 2008	873,437,826	8,734
Cancellation upon repurchases of own shares	<u>(190,000)</u>	<u>(2)</u>
At 31 December 2008	<u><u>873,247,826</u></u>	<u><u>8,732</u></u>

12. CONTINGENT LIABILITIES

As at 30 June 2008 and 31 December 2008, the Group had no significant contingent liabilities.

13. CAPITAL COMMITMENTS

	31/12/2008 (Unaudited) HK\$'000	30/06/2008 (Audited) HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements		
– the Group	19,236	19,312
– share of a jointly controlled entity	31,288	31,288

14. RELATED PARTY DISCLOSURES

(a) Transaction

At 31 December 2007, a minority shareholder of Wideland Electronics Limited (“Wideland”), which is a 51% owned subsidiary of the Company, had outstanding guarantee, issued in respect of lessors of the leased assets under finance leases arrangement of the Group with an aggregate amount of HK\$463,000.

At 31 December 2007, banking facilities granted to the Group of HK\$18,900,000 were also secured by personal guarantee from and properties owned by the minority shareholder of Wideland.

At 31 December 2007, Wideland had outstanding corporate guarantee issued in favour of a bank in respect of credit facilities granted by the bank to a related company amounting to HK\$1,500,000. The minority shareholder of Wideland was interested in this transaction as a sole proprietor of the related company.

During the period ended 31 December 2007, the Group paid rental expenses of approximately HK\$192,000 for premises owned by the minority shareholder of Wideland.

(b) Balances

Details of the Group’s outstanding balances with a related party are set out in the consolidated balance sheet and in notes 8 and 9.

(c) During the period ended 31 December 2008 and 2007, no transactions have been entered with the directors and other members of key management of the Company other than their emoluments paid to them.

INTERIM DIVIDEND

The Directors do not recommend an interim dividend for the period ended 31 December 2008 (2007: Nil).

REVIEW OF OPERATIONS

The Group’s turnover from continuing operations for six months ended 31 December 2008 was approximately HK\$2.6 million (2007: HK\$3.9 million). The Group recorded an unaudited net loss of approximately HK\$20.8 million (2007: net profit of HK\$13.4 million), which was primarily attributable to a decrease of HK\$10 million non-cash-outflow value in certain investment properties held by the Group, as compared to a significant increase of HK\$25 million non-cash-inflow value in those investment properties for the corresponding period ended 31 December 2007.

BUSINESS REVIEW

Since the completion in January 2008 of the disposal of 51% of the issued share capital of Wideland Electronics Limited, a company principally engaged in the manufacture and trading of electronic products, the principal business of the Group is in (i) resort and property development; and (ii) investment and property holding.

(i) Resort and Property Development

BVI Project

On 11 August 2006 and as subsequently announced on 15 August 2006, the Company entered into an agreement (the “JV Agreement”) for the formation of a joint venture with InterIsle Holdings Ltd (“InterIsle”) to develop a property located in Beef Island in the British Virgin Islands (“BVI”), sized approximately 660 acres (approximately 267 hectares or 28.75 million square feet) (the “BVI Project”). Upon completion of the transaction contemplated under the JV Agreement (as amended), the Group has received a total of US\$9.25 million (approximately HK\$72.15 million) in cash and the balance of US\$22 million is secured by a promissory note with the maturity date of 9 April 2009 issued by Quorum Island (BVI) Limited (“Quorum Island”), a jointly controlled entity of the Group and InterIsle, to the Group. Pursuant to the Third Memorandum of Amendments to the JV Agreement entered into by the Group on 16 April 2008, the latest date on which Quorum Island shall obtain the initial land and development loan, which is to be arranged by InterIsle, is 9 April 2009.

The BVI Project is envisioned to be master-planned resort community which will include: a five-star luxury resort hotel with approximately 200 hotel and condo-hotel units, destination spa, signature restaurant and conference rooms; a first-class marina with approximately 135 slips, including facilities for 15 mega-yachts over 80 feet; and 18-hole Jack Nicklaus Signature golf course and up to 600 high-end residential units including townhomes, beachfront residences, oceanview villas, and secluded mountain estate homes; as well a unique artisan and retail village at Trellis Bay.

As announced by the Company in its Annual Report of 2008, there was a change in the Prime Minister of the British Virgin Islands in late 2007 and the Virgin Islands Environmental Council (“VIEC”), a non-profit civil environmental organization, has been challenging several development projects in the BVI that were approved by the former BVI government, including the BVI Project. Since the VIEC filed a judicial challenge, several legal proceedings in respect of the challenges have been conducted. The management will update the shareholders of the Company upon receiving any material information in respect of the developments in the legal proceedings.

Panama Project

The Panama Project currently comprises two pieces of land: (i) a piece of land of approximately 494 hectares (approximately 1,223 acres or 53.27 million square feet) named Playa Grande in Boca Chica, District of San Lorenzo, Province of Chiriqui in Panama (the “Panama Land”); and (ii) a hot spring with a land size of approximately 9 hectares (approximately 22.3 acres or 0.97 million square feet) in Borough of San Felix, Province of Chiriqui, Panama (the “Hot Spring Property”). The Panama Project is wholly owned by the Group and was acquired by the Group at an aggregate cost of US\$20.25 million (approximately HK\$157.95 million). After the acquisition of the Panama Project, the Group has developed a master plan for the project, devised golf course routing plans, conducted market studies, environmental studies, IRR studies, and various other studies and tests on the project. As part of the development of the Panama Project, the Group has signed a golf course agreement with Jack Nicklaus in respect of the Panama Project.

The Panama Project is planned to feature a 5-star luxury hotel, a branded boutique hotel and a luxury condo hotel, a marina facility and a marina village, a 18-hole signature golf course, a branded fractional ownership club, branded ocean-view villas and branded residential lots. After completion of the Panama Project, 800-1,000 residential units in the various branded residential lots will be offered for sale.

As announced in the Company’s announcement dated 17 February 2009, the disposal of the entire issued share capital in Playa Grande Development Holdings Inc., and Playa Grande Hot Spring Development Holdings, Inc, (the “Playa Grande Companies”) for a total cash consideration of US\$39 million (approximately HK\$304,200,000), which constituted a very substantial disposal for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Disposal”) did not proceed when the Purchaser, J&J Land Acquisitions and Development LLC informed AppliedLand Limited, a wholly owned subsidiary of the Company, of its intention not to proceed with its acquisition. After the termination of the agreement for the Disposal, the Company remains the owner of 100% of the interests in the two Playa Grande Companies. As per the latest valuation report of 27 November 2008 produced by an independent valuer, A.I.R. Avaluos, S.A, the market values of the Panama Land and the Hot Spring Property amounted to US\$40 million (approximately HK\$312,000,000) and US\$1.68 million (approximately HK\$13,104,000) respectively, giving the Panama Project an aggregate value of US\$41.68 million (approximately HK\$325,104,000).

To replicate the business model of the BVI Project, the Group will partner with renowned experts in the resort development industry to study and design the Panama Project. The project team members will be similar to those of the BVI Project and the Panama Project will be funded by project finance. Alternatively, if a suitably attractive offer is made by potential buyers, the Board may consider the disposal of the Panama Land and/or the Hot Spring Property.

(ii) Investment and Property Holding

The Group’s investment properties, mainly in Hong Kong and the People’s Republic of China continued to generate a rental income of HK\$2.63 million for the Group for the six months ended 31 December 2008.

OUTLOOK

The outbreak of global financial tsunami has had an adverse impact on the economic growth in all world markets. It is expected that a series of proactive measures by various governments and relevant authorities, such as substantially lowering of interest rates and aiming to restore the confidence of the global credit, will stimulate the world economies. However, in the meantime, the Group's two developments in BVI and Panama and our properties held for investment are likely to be negatively affected by the global financial tsunami.

BVI Project

Although the challenge of the BVI Project raised by the VIEC delayed the BVI Project, the management believes that the development of the BVI Project will start upon the settlement of the challenge. The management will keep shareholders of the Company informed of any material changes on the progress of the challenges.

Panama Project

Panama continues to be a prime destination, with a comparatively lower living cost as compared with US and Europe. The Group plans to take advantage of the appreciation of the value of the real estate market in Panama, partly brought about by the commencement of the extension of the Panama Canal in 2007.

In view of the prospects of the resort and property sector and investment properties market, we will continue to be strategically allied with world-owned architects, designers, and resort developers to develop future resort projects for development or for sale and seek other appropriate property investment opportunities in the Asian region.

PLEDGE OF ASSETS

As at 31 December 2008, the Group pledged the investment properties totaling to HK\$143,500,000 (30 June 2008: HK\$153,500,000) to banks to secure general banking facilities granted to the Group.

As agreed with the bank, the pledge of the Group's properties held for sale will be released when the properties are sold.

LIQUIDITY AND FINANCIAL INFORMATION

As at 31 December 2008, the Group's total net asset value and borrowings amount to HK\$526.2 million and HK\$57.5 million respectively, representing a gearing ratio of 10.9%. As at 31 December 2008, the Group's current assets and current liabilities amount to HK\$196.1 million and HK\$5.8 million respectively, representing a current ratio of 33.8 times. In addition, the majority of the Group's assets were in Hong Kong, and hence US dollars and the exposure to foreign exchange were insignificant to the Group.

EMPLOYEE INFORMATION

As at 31 December 2008, the Group employed a total of 20 full-time employees.

The Group's emolument policies are formulated on the basis of performance of individual employees and are reviewed annually. The Group also provides medical insurance coverage and provident fund scheme (as the case may be) to its employees depending on the location of such employees.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, the Company repurchased 190,000 ordinary shares of the Company ("Shares") on the Stock Exchange at an aggregate consideration of HK\$62,000. All of the Shares were subsequently cancelled. The nominal value of the cancelled Shares being HK\$1,900 was credited to the capital redemption reserve and the relevant aggregate consideration of HK\$62,000 was paid out from the Company's retained profits. Details of the repurchases are as follows:

Month of the repurchases	Total number of the ordinary shares repurchased	Purchase price per share		Aggregate consideration HK\$
		Highest price paid per share HK\$	Lowest price paid per share HK\$	
July 2008	40,000	0.360	0.325	14,000
August 2008	<u>150,000</u>	0.325	0.295	<u>48,000</u>
	<u>190,000</u>			<u>62,000</u>

The repurchases were made for the benefit of the shareholders as a whole as they enhance the net asset value and/or earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the relevant period.

CORPORATE GOVERNANCE

The Company is committed to adopt best corporate governance practices and procedures of the Group. It strives to enhance transparency and independency of operation through the use of effective accountability system to enable a healthy and sustainable development of the Company. The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 31 December 2008.

In order to reinforce independence and accountability, the role of the Chairman is separated from that of the Group's Managing Director in which their respective responsibilities were endorsed by the Board in writing and more than one-third of the Board comprises of Independent Non-Executive Directors.

AUDIT COMMITTEE

The Audit Committee currently comprises of Independent Non-Executive Directors, namely, Mr. Lo Yun Tai (Chairman of the Audit Committee), Mr. Lun Tsan Kau and Mr. Lam Ka Wai, Graham. All of them have related professional qualifications, accounting or related financial management expertise. The Audit Committee has the responsibility to review with the senior management and the Company's external auditors the internal and external audit findings, the accounting principles and practices adopted by the Group pursuant to the Listing Rules, and to discuss with them issues relating to auditing, internal controls, risk management financial reporting matters (including the interim financial report for the six months ended 31 December 2008 before recommending it to the Board for approval) and statutory compliance. The Audit Committee is satisfied that the internal controls and accounting systems of the Group are adequate.

REMUNERATION COMMITTEE

The Remuneration Committee was formed by a majority of Independent Non-Executive Directors which comprises of one executive director, Mr. Hung Kin Sang, Raymond, and two Independent Non-Executive Directors, namely, Mr. Lo Yun Tai and Mr. Lam Ka Wai, Graham. The Remuneration Committee has the responsibility to make recommendations to the Board on the remuneration policy of the Company and its structure. It also reviews specific remuneration packages of all executive Directors and senior management in accordance with the corporate goals and objectives as resolved by the Board from time to time.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiries of all the Directors, all the Directors have confirmed that they had complied with the required standard set out in the Model Code during the accounting period covered by the interim report for the six months from 1 July 2008 to 31 December 2008.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Stock Exchange at <http://www.hkex.com.hk> and on the website of the Company at <http://www.applieddev.com>.

MEMBERS OF THE BOARD

At the date hereof, the members of the board are as follows:

Executive directors:

Hung Kin Sang, Raymond (*Managing Director*)
Hung Wong Kar Gee, Mimi (*Chairman*)
Hung Kai Mau, Marcus
Fang Chin Ping

Independent non-executive directors:

Lo Yun Tai
Lun Tsan Kau
Lam Ka Wai, Graham

By order of the Board
Applied Development Holdings Limited
Hung Kin Sang, Raymond
Managing Director

Hong Kong, 18 March 2009

* *For identification purpose only*