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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)

ANNOUNCEMENT
UPDATE ON THE PROPOSED TRANSACTION PURSUANT TO
INSIDE INFORMATION PROVISIONS
AND
RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made by Applied Development Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the disclosure obligations under Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the Company’s announcements dated 5 March and 4 April 2014 (the “**Announcements**”) in relation to Mr. Hung having been approached by independent third parties for the possible sale of the shares owned by Mr. Hung to independent third parties. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

The Company wishes to update its shareholders that as at the date of this announcement, Mr. Hung is still in negotiations with Potential Purchasers, but that no formal or legally binding agreement has been entered into for sale of all or part of the Shares owned by Mr. Hung.

The Company will keep the market informed in compliance with the Listing Rules and the Takeovers Code and in particular by way of announcement on a monthly basis until an announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a

decision not to proceed with the Possible Offer in compliance with the Takeovers Code. Securities holders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

There is no assurance that the discussions will result in any agreement between Mr. Hung and any Potential Purchaser. However, if and when an agreement is reached, the Potential Purchaser may be required to make a mandatory offer for all issued Shares (other than those already owned or agreed to be acquired by the relevant Potential Purchaser and parties acting in concert with it) in accordance with Rule 26.1 of the Takeovers Code.

By Order of the Board
Applied Development Holdings Limited
Hung Kai Mau, Marcus
Chairman

Hong Kong, 2 May 2014

**for identification only*

As at the date of this announcement, the Board comprises Mr. Hung Kin Sang, Raymond, Mr. Hung Kai Mau, Marcus and Ms. Ng Kit Ling as executive Directors; Mr. Lun Tsan Kau, Mr. Su Ru Jia, Mr. Lo Yun Tai and Mr. Chan Ming Fai, Terence as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.