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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)

**VOLUNTARY ANNOUNCEMENT
UPDATE ON LITIGATION WITH
MS WONG KAR GEE MIMI (“MS WONG”)
(HCMP243 and 522/2011)**

The Directors wish to update the shareholders of the Company and the public on the status of HCMP 243 and 522 of 2011 (the “Court Actions”), the reference of which has been made in the Annual Report 2011 issued to all shareholders on 26 September 2011. The trial of the Court Actions (the “Trial”) was originally scheduled to commence on 6 October 2011 but it was subsequently rescheduled to 17 October 2011. Various interlocutory applications were filed shortly before the Trial and they had to be dealt with by the Judge during the week of 17 October 2011 and also on 24 and 25 October 2011. Due to the number of days taken up by the parties and the Court to deal with the interlocutory applications and given the imminent retirement of the Judge in January 2012, the Judge had to adjourn the Trial as the Judge was of the view that there is likely to be insufficient time to complete the hearing of the Trial (and also the other cases before the Judge) prior to the Judge’s retirement in January 2012. The Trial is now expected to take place between May – July 2012. The Directors will update the shareholders of the Company upon receiving any material information concerning the Court Actions.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Applied Development Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) on a voluntary basis, under the general obligations imposed on the Company by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

A. The interlocutory applications

The Trial was originally scheduled to commence on 6 October 2011 but it was subsequently rescheduled to 17 October 2011. Various interlocutory applications were filed shortly before the Trial and they had to be dealt with by the Judge during the week of 17 October 2011 and also on 24 and 25 October 2011. These interlocutory applications included:

- (1) an application by Ms. Wong to rule inadmissible certain affidavit evidence filed on behalf of the Company and Severn Villa Limited (collectively the “Defendants”), and alternatively for an order to allow Ms. Wong to call her own expert evidence. This application was dismissed by the Judge and Ms. Wong was ordered to pay the Defendants their legal costs in relation to this application.
- (2) an application by Ms. Wong for further disclosure of documents by the Defendants. This application was also dismissed by the Judge and Ms. Wong was ordered to pay the Defendants their legal costs in relation to this application.
- (3) applications for leave to appeal against (i) a previous order dated 30 September 2011 of the Judge dismissing Ms. Wong’s prior application for disclosure by the Defendants of certain documents, and (ii) the orders of the Judge dismissing Ms. Wong’s application set out in items (1) and (2) above. These applications were dismissed by the Judge and Ms. Wong was ordered to pay the Defendants their legal costs in relation to these applications.
- (4) an application by Defendants to add Applied Properties Limited as a party to the Court Actions and to amend their Defence and Counterclaim. The Judge granted the application but ordered the Defendants to bear the relevant legal costs in relation to this application.

B. The Trial

In addition to the substantial time spent in dealing with the interlocutory applications which took up a number of days originally reserved for the Trial, the Judge was of the view that there was insufficient available days prior to the Judge’s imminent retirement in January 2012 to complete the hearing of the trial, in particular when it has become apparent that the original estimate for the length of the trial is insufficient. As such, the Judge held that the Trial has to be adjourned and to be fixed to be heard by a new trial judge. Based on the present indication from the Court and subject to the availability of a new trial judge, it is expected that the Trial will take place between May to July 2012.

For more details of the above judgment, please refer to the website:

http://legalref.judiciary.gov.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=78807&QS=%2B&TP=JU and

http://legalref.judiciary.gov.hk/lrs/common/search/search_result_detail_frame.jsp?DIS=78849&QS=%2B&TP=JU

The Directors will update the shareholders of the Company upon receiving any material information of the Proceedings.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 3 November 2011

As at the date hereof, Mr. Hung Kai Mau, Marcus is an executive Director of the Company; Mr. Lun Tsan Kau, Mr. Lam Ka Wai, Graham and Mr. Su Ru Jia are independent non-executive Directors of the Company.

** for identification purpose only*