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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 (HCMP1602/2010)

The Directors wish to update the shareholders of the Company and the public on recent results of HCMP 1602/2010. This was an application by Ms. Wong for production of certain records of the Company based on specified allegations raised by Ms. Wong against the Company in HCMP 1602/2010 (the “Allegations”). The Court has permitted Ms. Wong to obtain copies of some of the records of the Company which Ms. Wong requested so that she can look into the Allegations. The Allegations are not new and some of them had previously been raised with the HKEX and the other regulators/authorities since June 2010 after Ms. Wong’s re-designation as a non-executive director of the Company. Prior to the court hearing, and in order not to incur further resources and costs unnecessarily, the Company offered to Ms. Wong that she be provided with copies of the relevant documents in respect of the Allegations. The offer was made by the Company as the Board believes that the Allegations were baseless and permitting Ms. Wong’s access to the relevant documents is in the best interests of the Company and its Shareholders. Nonetheless, Ms. Wong proceeded with the application for further documents which in the Company’s view are not directly relevant to the Allegations or had already been provided to Ms. Wong when she was a director.

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”).

The Directors wish to update the shareholders of the Company and the public on recent results of HCMP 1602/2010. This was an application by Ms. Wong Kar Gee, Mimi (“Ms. Wong”) for production of certain records of the Company based on specified allegations raised by Ms. Wong against the Company in HCMP 1602/2010 (the “Allegations”). The Court has permitted Ms. Wong to obtain copies of some of the records of the Company which Ms. Wong requested so that she can look into the Allegations. The Allegations are not new and some of them had previously been raised with the HKEX and the other regulators/authorities since June 2010 after Ms. Wong’s re-designation as a non-executive director of the Company. Prior to the court hearing, and in order

not to incur further resources and costs unnecessarily, the Company offered to Ms. Wong that she be provided with copies of the relevant documents in respect of the Allegations. The offer was made by the Company as the Board believes that the Allegations were baseless and permitting Ms. Wong's access to the relevant documents is in the best interests of the Company and its Shareholders. Nonetheless, Ms. Wong proceeded with the application for further documents which in the Company's view are not directly relevant to the Allegations or had already been provided to Ms. Wong when she was a director.

In any event, the Company confirms that:

- (i) all the audited financial statements have been audited by an independent external auditors, confirmed and approved by independent audit committee, the Board (including Ms. Wong when she was a member) and the Shareholders (including Ms. Wong) in the general meetings.
- (ii) some of the Allegations had already been investigated by independent external accountants and it was confirmed that there was no misappropriation of assets of the Group.
- (iii) there was no misappropriation of assets of the Group.

The Company notes that there have been various reports on the outcome of HCMP 1602/2010 and therefore reserves its right to take any legal actions against any persons who may have wrongly announced the outcome in order to protect the Company and the Shareholders' interest at all.

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

Hong Kong, 31 August 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*