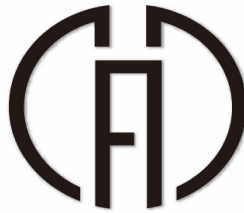


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APPLIED DEVELOPMENT HOLDINGS LTD.

實力建業集團有限公司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 519)

RECENT DEVELOPMENTS IN RESPECT, AND CLOSING, OF THE STOCK PURCHASE AND JOINT VENTURE AGREEMENT

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 which was completed on 9 April 2007. A Fifth Memorandum of Amendments to the Agreement and two Amendments to (i) the Quorum Note and (ii) the Deferred Purchase Price were signed on 9 June 2010 at after 4:00 p.m. Hong Kong time.

I. RECENT DEVELOPMENTS IN RESPECT OF 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, dated 30 January 2007 regarding recent developments in relation to it dated 10 April 2007 regarding the completion of the Agreement, dated 18 April 2008 regarding a Third Memorandum of Amendments to the Agreement and the Letter Agreement signed on 16 April 2008 and dated 16 July 2009 regarding a Fourth Memorandum of Amendments to the Agreement (“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 the completion of the Agreement, Quorum, InterIsle, Applied Enterprises and Applied Toys entered into the Second Memorandum of Amendments to the Agreement which specified the payment terms and obligations of Quorum and InterIsle.

On 16 April 2008 British Virgin Islands time Quorum, InterIsle, Applied Enterprises and Applied Toys entered into the Third Memorandum of Amendments to the Agreement and the Letter Agreement both dated “as of” 9 April 2008.

On 16 July 2009, Quorum, InterIsle, Applied Enterprises and Applied Toys entered into the Fourth Memorandum of Amendments to the Agreement dated 9 April 2009.

Quorum, InterIsle, Applied Enterprises and Applied Toys agreed to further amend the terms stated in the Agreement, the Second Memorandum of Amendments to the Agreement, the Third Memorandum of Amendments to the Agreement, the Fourth Memorandum of Amendments to the Agreement and for that purpose entered into the Fifth Memorandum of Amendments to the Agreement dated 9 April 2010 and two Amendments to (i) the Quorum Note and (ii) the Deferred Purchase Price Note and signed on 9 June 2010 at after 4:00 p.m. Hong Kong time under amongst other things:-

INITIAL LAND AND DEVELOPMENT LOAN

The date on or before which Quorum shall obtain the Initial Land and Development Loan to be arranged by InterIsle with a reputable commercial bank or financial institution (the “Bank or Financial Institution”) in the aggregate principal amount of at least US\$51 million (approximately HK\$397,800,000) was changed from 9 April 2010 to 9 April 2011.

QUORUM OBLIGATION

The latest date which Quorum is obliged to pay the Quorum Note of US\$22 million (approximately HK\$171,600,000) was changed from 9 April 2010 to 9 April 2011.

INTERISLE OBLIGATION

The date of InterIsle’s obligation to pay the final instalment of the Deferred Purchase Price in the amount of US\$10.5 million (approximately HK\$81,900,000) which shall be due and payable on the earlier of 9 April 2010 and the date of the first Development Loan unless InterIsle makes certain payments to Applied Enterprises was changed to 9 April 2011.

II. PROGRESS OF THE JOINT VENTURE AGREEMENT FOR THE BEEF ISLAND PROJECT

Since the Fourth Memorandum of Amendments to the Agreement and the Letter Agreement, the progress of the Beef Island project has included:

As announced by the Company in its Interim Report of 2010, the High Court of the BVI delivered the judgment on the BVI judicial challenge that the court found against the claimant, VIEC, on all but one ground of challenge – the granting of approval for construction of the golf course which was defined “may or is likely to” adversely impact upon a fisheries protected area made by the Chief Minister was quashed on 21 September 2009. The application for separate approvals of Master Plan is under progress. The Company will issue announcements as and when appropriate about the progress of this exercise.

III. REASONS FOR ENTERING INTO THE FIFTH MEMORANDUM OF AMENDMENTS TO THE AGREEMENT DATED 9 APRIL 2010 AND TWO AMENDMENTS TO (i) THE QUORUM NOTE AND (ii) THE DEFERRED PURCHASE PRICE NOTE

Taking into account of the above mentioned judgment on BVI judicial challenge and the application for separate approvals of Master Plan and Golf Course under process, the Board agreed to accept the extension of certain expiry dates of (i) the date of the Initial Land and Development Loan to be arranged by InterIsle with a reputable commercial bank of financial institution, (ii) Quorum Note and (iii) the Deferred Purchase Price both changed to 9 April 2011 as requested by InterIsle to have more time to obtain the Initial Land and Development Loan after the settlement of the current challenge of the BVI project. Also, the Board believes that the acceptance of the extension is the best decision to bring the most benefit to the shareholders of the Company and the Group as there are currently no other potential joint venture partners with a good experience in property development in Caribbean Region to be considered.

The Management believes that our JV partner, InterIsle will pay its best effort to look for the appropriate financing for the compliance of payment obligations (i) Quorum Note and (ii) the Deferred Purchase Price upon the grant of the relevant Master Plan.

The Board does not consider that the Fifth Memorandum of Amendments to the Agreement and two Amendments to (i) the Quorum Note and (ii) the Deferred Purchase Price Note constitutes a material variation of the terms of the Agreement of the type contemplated by Rule 14.36. It involves only a delay of certain payments and the Board considers that this is an unremarkable event, common in major projects.

The Board also considers that the entering into of the Fifth Memorandum of Amendments to the Agreement and two Amendments to (i) the Quorum Note and (ii) the Deferred Purchase Price Note is within the scope of the shareholders approval in relation to the Agreement.

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
Managing Director
Hong Kong, 9 June 2010

As at the date of this announcement, the Executive Directors of the Company are Mr. Hung Kin Sang, Raymond, Ms. Wong Kar Gee, Mimi and Mr. Hung Kai Mau, Marcus and the Independent Non-executive Directors of the Company are Mr. Lun Tsan Kau, Mr. Lam Ka Wai, Graham and Mr. Su Ru Jia.

** For identification only*