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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)**

**PRICE SENSITIVE INFORMATION  
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to record a loss for the six-month interim period ended 31 December 2011 as compared to a profit for the corresponding six-month interim period ended 31 December 2010.

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

**PRICE SENSITIVE INFORMATION - PROFIT WARNING**

This announcement is made by Applied Development Holdings Limited (the “Company” together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to record a loss for the six-month interim period ended 31 December 2011 as compared to a profit for the corresponding six-month interim period ended 31 December 2010. The Board believes that such possible loss is mainly due to losses resulting from (i) a decrease in rental income resulting from the disposal of the entire issued share capital of Applied Electronics Limited by the Group in March 2011 which held investment properties (details of which were stated in the Company’s announcement dated 14 December 2010 and the Company’s circular dated 11 January 2011); and (ii) an extra-ordinary litigation cost incurred in connection with litigation proceedings involving a former director of the Company, Ms. Wong Kar Gee, Mimi (“Ms. Wong”) during the period. As compared to the corresponding six-month interim period ended 31 December 2010, the Company earned a significant profit on disposal of other assets.

Regarding the legal proceedings between the Group and Ms. Wong, the Board has been advised by legal advisors of the Company that the Group holds strong position in the litigation proceedings

with Ms. Wong.

The information contained in this announcement is only a preliminary assessment by the management of the Company which is based on the management accounts as well as operational data available to the management which has not been audited or reviewed by the Company's auditors. Shareholders and potential investors are advised to refer to details in the interim results announcement of the Company for the period ended 31 December 2011 which is expected to be released by the end of February 2012.

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

Made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

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

Hong Kong, 6 February 2012

As at the date hereof, Mr. Hung Kai Mau, Marcus is an executive Director of the Company; Mr. Lun Tsan Kau, Mr. Su Ru Jia, Mr. Lo Yun Tai and Mr. Chan Ming Fai, Terence are independent non-executive Directors of the Company.

*\* for identification purpose only*