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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.

**If you are in any doubt** about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Applied Development Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

### **RENEWAL OF GENERAL MANDATES TO ISSUE SHARES AND PURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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This circular is despatched together with the annual report of Applied Development Holdings Limited for the year ended 30 June 2008 which comprises the Directors' report, the auditors' report by 23 October 2008 and the audited financial statements of Applied Development Holdings Limited and its subsidiaries for the year ended 30 June 2008.

A notice convening an annual general meeting of Applied Development Holdings Limited to be held at 2:30 p.m. on 20 November 2008 (Thursday) at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong is set out on pages 14 to 17 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at Units 3402-3, 34/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting, or any adjournment thereof, should you so wish.

\* *For identification purpose only*

23 October 2008

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 2:30 p.m. on 20 November 2008 (Thursday) at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong;
“AGM Notice”	the notice convening the AGM set out on pages 14 to 17 of this circular;
“associate”	has the meanings ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“bye-laws”	the existing bye-laws of the Company;
“Company”	Applied Development Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange;
“connected person”	has the meanings ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares;
“Latest Practicable Date”	17 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to purchase Shares;

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## DEFINITIONS

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“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of (a) Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Hung Kin Sang, Raymond (*Managing Director*)  
Ms. Hung Wong Kar Gee, Mimi (*Chairman*)  
Mr. Hung Kai Mau, Marcus  
Mr. Fang Chin Ping

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-executive Directors:*

Mr. Lo Yun Tai  
Mr. Lun Tsan Kau  
Mr. Lam Ka Wai, Graham  
Mr. Soo Hung Leung, Lincoln, J.P.  
(resigned on 24 January 2008)

*Principal place of business:*

Units 3402-3, 34/F  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

17 October 2008

*To the Shareholders*

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES TO ISSUE SHARES  
AND PURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to: (i) provide you with details of the proposed Issue Mandate and the proposed Purchase Mandate; (ii) set out an explanatory statement regarding the Purchase Mandate; and (iii) give you notice of the AGM.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND PURCHASE SHARES

Ordinary resolutions will be proposed at the AGM to give to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM. As at the Latest Practicable Date, the issued share capital of the Company comprised 873,247,826 fully paid-up Shares. If there is no allotment or repurchase of the Shares between the Latest Practicable Date and the date of AGM, the fresh general mandate to allot, issue and deal with additional Shares shall not exceed 174,649,565 Shares; and
- (ii) to purchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM.

In addition, a separate ordinary resolution will also be proposed at the AGM to add to the Issue Mandate those Shares purchased by the Company pursuant to the Purchase Mandate (if granted to the Directors at the AGM).

The Issue Mandate and the Purchase Mandate will expire on whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of the relevant resolutions at the AGM at which time such Issue Mandate and Purchase Mandate shall lapse unless, by ordinary resolutions passed at that meeting, the mandates are renewed, either unconditionally or subject to conditions; or
- (ii) the revocation or variation of the authority given under the relevant resolutions at the AGM by an ordinary resolution of the shareholders of the Company in general meeting.

The Directors have no present intention to exercise the Issue Mandate or the Purchase Mandate (if granted to the Directors at the AGM). The information in the explanatory statement is to provide you with the information reasonable necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Purchase Mandate at the AGM.

An explanatory statement containing information regarding the Purchase Mandate is set out in the Appendix I to this circular.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

The Board currently consists of seven Directors including four executive Directors, namely, Mr. Hung Kin Sang, Raymond (*Managing Director*), Ms. Hung Wong Kar Gee, Mimi (*Chairman*), Mr. Hung Kai Mau, Marcus and Mr. Fang Chin Ping, three independent non-executive Directors, namely, Mr. Lo Yun Tai, Mr. Lun Tsan Kau and Mr. Lam Ka Wai, Graham.

According to Article 87(1) of the Company's bye-laws (the "Article"), one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall also retire from office by rotation at the AGM. In addition, the new code on corporate governance practices (the "Code") under Appendix 14 to the Listing Rules provides, inter alia, that every Director should be subject to retirement by rotation at least once every three years. In accordance with the Article and the Code, Mr. Hung Kin Sang, Raymond, Mr. Hung Kai Mau, Marcus and Mr. Lam Ka Wai, Graham shall retire by rotation at the AGM and, being eligible, offer themselves for re-election. Details of Mr. Hung Kin Sang, Raymond, Mr. Hung Kai Mau, Marcus and Mr. Lam Ka Wai, Graham who are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate and the Purchase Mandate are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the relevant resolutions at the AGM.

### ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 2:30 p.m. on 20 November 2008 (Thursday) at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong is set out on pages 14 to 17 of this circular for the purpose of, inter alia, considering and, if thought fit, passing the resolutions set out therein.

### PROCEDURE BY WHICH A POLL MAY BE DEMANDED

Pursuant to bye-law 66 of the bye-laws, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by: (i) the chairman; or (ii) at least three members present in person or by proxy or by representative for the time being entitled to vote at the meeting; or (iii) a member or members present in person or by proxy or by representative and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or (iv) by a member or members present in person or by proxy or by representative and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.



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## LETTER FROM THE BOARD

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### **ACTION TO BE TAKEN**

You will find enclosed a form of proxy for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at Units 3402-3, 34/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

By Order of the Board  
**Applied Development Holdings Limited**  
**Fang Chin Ping**  
*Executive Director*

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Purchase Mandate proposed to be granted to the Directors.

## **1. THE STOCK EXCHANGE RULES FOR PURCHASES OF SHARES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed purchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be purchased must be fully paid up.

## **2. FUNDING OF PURCHASES**

Any purchase will be made out of funds which are legally available for the purpose in accordance with the memorandum of association and bye-laws of the Company and the Companies Act 1981 of Bermuda. As compared with the financial position of the Company as at 30 June 2008 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event the proposed purchases were to be carried out in full during the proposed purchase period.

The Directors do not propose to exercise the Purchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

## **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 873,247,826 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and purchase Shares and on the basis that no further Shares are issued or purchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to purchase a maximum of 87,324,782 Shares.

## **4. REASONS FOR PURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to purchase Shares on the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made when the Directors believe that such purchases will benefit the Company and the Shareholders.

## 5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Purchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and in accordance with the memorandum of association and bye-laws of the Company.

## 6. EFFECT OF THE TAKEOVERS CODE

If as a result of a purchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the substantial Shareholders having interests in 10% or more of the issued share capital of the Company were:

Name of Shareholder	Number of Shares held	Approximate % shareholding	
		As at the Latest Practicable Date	If the Purchase Mandate is exercised in full
Capita Company Inc. (Note 1)	359,153,435	41.13%	45.70%
Marami Foundation (Note 1)	439,984,584	50.38%	55.98%
Hung Kin Sang, Raymond (Note 1)	443,264,584	50.76%	56.40%
Hung Wong Kar Gee, Mimi (Note 1)	449,294,640	51.45%	57.17%

Notes:

- These Shares are held by the following companies:

	Number of Shares
Malcolm Trading Inc.	43,992,883
Primore Co. Inc.	2,509,266
Capita Company Inc.	359,153,435
Applied Investment (Asia) Limited (Note 2)	34,329,000
	439,984,584

Malcolm Trading Inc., Primore Co. Inc. and Capita Company Inc. are wholly-owned by Marami Foundation as trustee for the Raymond Hung/Mimi Hung & Family Trust, a discretionary trust the discretionary objects of which include the family members of Hung Kin Sang, Raymond and Hung Wong Kar Gee, Mimi. Among the 443,264,584 Shares which are deemed to be held by Hung Kin Sang, Raymond, 3,280,000 Shares are held under his personal interest. Among the 449,294,640 Shares which are deemed to be held by Hung Wong Kar Gee, Mimi, 9,310,056 Shares are held under her personal interest.

2. These Shares are held by Applied Investment (Asia) Limited, a wholly-owned subsidiary of the Company. Capita Company Inc. owns more than one-third of the issued Shares and is a wholly-owned subsidiary of Marami Foundation, the trustee of the Raymond Hung/Mimi Hung & Family Trust the discretionary objects of which include the family members of Hung Kin Sang, Raymond and Hung Wong Kar Gee, Mimi.

In the event the Directors exercise in full the power to purchase Shares which is proposed to be granted pursuant to the resolution, the interests of each of the above Shareholders in the Company would be increased to approximately the percentages as set out opposite their respective names in the table above. Such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not intend to exercise the power to purchase Shares to an extent which would render the aforesaid Shareholders or any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Board will endeavour to ensure that the exercise of the Purchase Mandate will not result in less than 25% of the Shares being held by the public.

## **7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates has any present intention, in the event that the proposed Purchase Mandate is granted, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make purchases of Shares.

## 8. SHARE PURCHASE MADE BY THE COMPANY

Save as disclosed below, no purchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months ended on the Latest Practicable Date.

Date	Number of Shares Repurchased	Purchase price per Share		Aggregate Purchase Consideration HK\$
		Highest HK\$	Lowest HK\$	
2 April 2008	65,000	0.390	0.390	25,480.28
3 April 2008	50,000	0.395	0.395	19,873.78
9 April 2008	20,000	0.415	0.415	8,411.75
14 April 2008	10,000	0.415	0.415	4,257.38
21 April 2008	170,000	0.410	0.400	68,497.77
24 April 2008	185,000	0.410	0.400	75,673.29
6 June 2008	30,000	0.390	0.380	11,715.04
4 July 2008	20,000	0.360	0.360	7,310.65
29 July 2008	20,000	0.325	0.325	6,609.59
5 August 2008	20,000	0.325	0.320	6,559.58
7 August 2008	45,000	0.325	0.315	14,368.28
11 August 2008	20,000	0.305	0.305	6,209.55
12 August 2008	20,000	0.325	0.325	6,609.59
18 August 2008	25,000	0.310	0.295	7,785.69
19 August 2008	10,000	0.310	0.310	3,206.28
21 August 2008	10,000	0.315	0.315	3,256.29
Total	<u>720,000</u>			<u>275,824.79</u>

**9. SHARE PRICE**

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months immediately prior to the Latest Practicable Date were as follows:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2007</b>		
October	0.730	0.550
November	0.580	0.450
December	0.700	0.490
<b>2008</b>		
January	0.520	0.360
February	0.455	0.380
March	0.470	0.345
April	0.435	0.380
May	0.405	0.350
June	0.390	0.345
July	0.360	0.300
August	0.325	0.265
September	0.320	0.250
October 2008 till the Latest Practicable Date	0.280	0.205

The following are the particulars of the directors to be retired and proposed to be re-elected at the AGM of the Company to be held on 20 November 2008:

**(i) Mr. Hung Kin Sang, Raymond**

Mr. Hung Kin Sang, Raymond (“Mr. R. Hung”), aged 60, Managing Director, holds a B.Sc. degree in Electrical Engineering from the University of Illinois and a MBA degree from the University of Chicago, U.S.A. He has overall responsibility for the activities of the Company. In April 1976, he founded the Group and has been actively involved in the Group’s development over the last 32 years.

Mr. R. Hung is the father of one of directors, Mr. Hung Kai Mau, Marcus. As at the Latest Practicable Date, Mr. R. Hung beneficially owns 3,280,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance, representing approximately 0.38% of the issued share capital of the Company.

There is no service contract between the Company and Mr. R. Hung. In addition, Mr. R. Hung is not appointed for a specific term and his length of service as a director of the Company is subject to the relevant provisions in the bye-laws. Mr. R. Hung is currently entitled to receive a director’s emoluments of HK\$6,724,000 per annum which is subject to annual review by the Board by reference to market benchmarks. He was the Non-executive Director of JLF Investment Company Limited (formerly known as Macro-link International Holdings Limited) (stock code: 472) from February 2004 to May 2006. Saved as JLF Investment Company Limited, Mr. R. Hung does not hold any directorship in any other listed company in the last three years.

Save as disclosed above, there are no other matters concerning Mr. R. Hung that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

**(ii) Mr. Hung Kai Mau, Marcus**

Mr. Hung Kai Mau, Marcus (“Mr. M. Hung”), aged 26, Director, graduated from the University of Chicago with a Bachelor’s degree in Economics. He joined the Company since 1 April 2005. He has overall responsibility for finance and administrative matters of the Group.

Mr. M. Hung is the son of the Managing Director, Mr. R. Raymond and the Chairman, Ms. Hung Wong Kar Gee, Mimi. As at the Latest Practicable Date, Mr. M. Hung beneficially owns 2,760,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance, representing approximately 0.32% of the issued share capital of the Company.

After a three year service contract between the Company and Mr. M. Hung as Assistant to Chairman of the Company for a term of 3 years from 1 April 2005, Mr. M. Hung is currently appointed for no specific term and his length of service as a director of the Company is subject to the relevant provisions in the bye-laws. Mr. M. Hung is currently entitled to receive a director's emoluments of HK\$893,000 per annum which is subject to annual review by the Board by reference to market benchmarks. Mr. M. Hung does not hold any directorship in any other listed company in the last three years.

Save as disclosed above, there are no other matters concerning Mr. M. Hung that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

**(iii) Mr. Lam Ka Wai, Graham**

Mr. Lam Ka Wai, Graham ("Mr. Lam"), aged 40, is an Independent Non-executive Director of the Company appointed on 1 October 2005. He graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He is currently a Managing Director and a Head of Corporate Finance of an investment bank and has around 14 years experience in investment banking as well as around 4 years experience in Accounting and Auditing. He is also an Independent Non-executive Director of Cheuk Nang (Holdings) Limited (stock code: 131), China Conservational Power Holdings Limited (stock code: 290), Artfield Group Limited (stock code: 1229), ZZNode Technologies Company Limited (stock code: 2371) and Pearl Oriental Innovation Limited (stock code: 632), all of which are companies listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Lam does not hold any directorship in any other listed company in the last three years.

Mr. Lam does not have any relationship with any directors, members of senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lam does not beneficially own any share of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract between the Company and Mr. Lam. In addition, Mr. Lam is not appointed for a specific term and his length of service as a director of the Company is subject to the relevant provisions in the bye-laws. Mr. Lam is currently entitled to receive a director's emoluments of HK\$100,000 per annum which is subject to annual review by the Board by reference to market benchmarks.

Save as disclosed above, there are no other matters concerning Mr. Lam that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.



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# NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of Applied Development Holdings Limited (the “Company”) will be held at 2:30 p.m. on 20 November 2008 (Thursday) at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong for the following purposes:

1. To receive and consider the audited financial statements and reports of the directors and independent auditor of the Company for the year ended 30 June 2008
2. To re-elect directors:
  - (a) Mr. Hung Kin Sang, Raymond
  - (b) Mr. Hung Kai Mau, Marcus
  - (c) Mr. Lam Ka Wai, Graham
3. To determine the directors’ remuneration for their services
4. To appoint auditors and authorise the board of directors to fix their remuneration

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions, which will be proposed as ordinary resolutions of the Company:

### **ORDINARY RESOLUTIONS**

5. **“THAT:**
  - (A) subject to paragraph (C) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

\* *For identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at close of business on the day of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. **“THAT:**

- (A) subject to paragraph (C) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to purchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (A) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** conditional upon the passing of ordinary resolutions numbered 5 and 6 in the notice of annual general meeting of the Company dated 20 November 2008, the aggregate nominal amount of the share capital of the Company which are purchased by the Company pursuant to and in accordance with ordinary resolution numbered 6 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with ordinary resolution numbered 5.”

By Order of the Board  
**Applied Development Holdings Limited**  
**Ng Kit Ling**  
*Company Secretary*

Hong Kong, 23 October 2008

*Executive Directors:*

Mr. Hung Kin Sang, Raymond  
Ms. Hung Wong Kar Gee, Mimi  
Mr. Hung Kai Mau, Marcus  
Mr. Fang Chin Ping

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-executive Directors:*

Mr. Lo Yun Tai  
Mr. Lun Tsan Kau  
Mr. Lam Ka Wai, Graham  
Mr. Soo Hung Leung, Lincoln, J.P.  
(resigned on 24 January 2008)

*Principal place of business:*

Units 3402-3, 34/F  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. A form of proxy for use at the meeting is enclosed.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the principal place of business of the Company at Units 3402-3, 34/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
5. No instrument appointing a proxy shall be valid after expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
6. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.