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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 REPURCHASE SHARES,  
REFRESHMENT OF SCHEME MANDATE LIMIT  
UNDER THE SHARE OPTION SCHEME,  
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 2010 which comprises the Directors' report, the auditors' report and the audited financial statements of Applied Development Holdings Limited and its subsidiaries for the year ended 30 June 2010.

A notice convening an annual general meeting of Applied Development Holdings Limited to be held at 2:30 p.m. on 22 October 2010 (Friday) at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong is set out on pages 16 to 20 of this circular. A form of proxy for use at the annual general meeting is enclosed with 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 only*

8 September 2010

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## **RESPONSIBILITY STATEMENT**

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This circular, for which the directors of the Company collectively and individually accept full responsibility, 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular 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 22 October 2010 (Friday) at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong;
“AGM Notice”	the notice convening the AGM set out on pages 16 to 20 of this circular;
“associate”	the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“bye-laws”	the 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”	the meaning 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, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution;
“Latest Practicable Date”	3 September 2010, 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;

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## DEFINITIONS

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“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution;
“Scheme Limit”	the meaning ascribed thereto in the section headed “Refreshment of Scheme Limit” in the Letter from the Board in this circular;
“Scheme Mandate Limit”	the meaning ascribed thereto in the section headed “Refreshment of Scheme Mandate Limit” in the Letter from the Board in this circular;
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 16 September 2002;
“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*)  
Mr. Hung Kai Mau, Marcus (*Chairman*)

*Independent Non-executive Directors:*

Mr. Lun Tsan Kau  
Mr. Lam Ka Wai, Graham  
Mr. Su Ru Jia

*Non-executive Director:*

Ms. Wong Kar Gee, Mimi

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business:*

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

8 September 2010

*To the Shareholders*

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES,  
REFRESHMENT OF SCHEME MANDATE LIMIT  
UNDER THE SHARE OPTION SCHEME,  
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 resolutions to be proposed at the forthcoming AGM in relation to: (a) the proposed Issue Mandate and the proposed Repurchase Mandate; (b) refreshment of Scheme Mandate Limit under the Share Option Scheme; and (c) re-election of Directors; (ii) set out an explanatory statement regarding the Repurchase Mandate; and (iii) give you notice of the AGM.

\* *For identification only*

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

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

- (i) to allot, issue and otherwise deal with new Shares of 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 838,888,826 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 maximum number of Shares which can be allotted, issued or otherwise dealt with pursuant to the Issue Mandate will be 167,777,765 Shares; and
- (ii) to repurchase Shares of 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. As at the Latest Practicable Date, the issued share capital of the Company comprised 838,888,826 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 maximum number of Shares which can be repurchased pursuant to the Repurchase Mandate will be 83,888,882 Shares.

In addition, a separate ordinary resolution will also be proposed at the AGM to add to the number of Shares which may be allotted, issued or otherwise dealt with pursuant to the Issue Mandate, those Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM).

The Issue Mandate and the Repurchase 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 Repurchase 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 in a general meeting.

The Directors have no present intention to exercise the Issue Mandate or the Repurchase 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 Repurchase Mandate at the AGM. An explanatory statement containing information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

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## LETTER FROM THE BOARD

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### REFRESHMENT OF SCHEME MANDATE LIMIT

In order to provide the Company with greater flexibility in granting share options to eligible persons (including but not limited to employees and Directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Company, a resolution will be proposed at the forthcoming AGM in relation to the refreshment of the Scheme Mandate Limit of the Share Option Scheme.

The Share Option Scheme was adopted on 16 September 2002. Pursuant to the terms of the Share Option Scheme, among other things:

- (1) the maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time (the “Scheme Limit”); and
- (2) the number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue on the day of adoption of the Share Option Scheme (“Scheme Mandate Limit”).

The Company may renew the Scheme Mandate Limit at any time, subject to prior Shareholders’ approval in general meeting and the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon exercise of options granted pursuant to the refreshment of the Scheme Mandate Limit. However, the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of the approval of the refreshment of the Scheme Mandate Limit. Share options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised) will not be counted for purpose of calculating the Scheme Mandate Limit as “refreshed”.

The existing Scheme Mandate Limit of the Share Option Scheme is 94,108,074 Shares, being less than 10% of the Shares of the Company in issue on the day the Scheme Mandate Limit was approved on 16 September 2002. The Directors believe that the Share Option Scheme is a cost effective way to provide incentives to, and recognise the contributions of, the Group’s employees and other selected grantees. The refreshment of the Scheme Mandate Limit will give the Directors more flexibility in employing the Share Option Scheme in the future should they need to grant share options over the existing limit. Accordingly, the Directors would like to take the AGM as an opportunity to approve the refreshment of the Scheme Mandate Limit.



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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the options carrying the right to subscribe for 44,430,000 Shares have been granted under the existing Scheme Mandate Limit. If the Scheme Mandate Limit is “refreshed” at the AGM, on the basis of 838,888,826 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are allotted and issued or repurchased by the Company between the Latest Practicable Date and the date of AGM, the Scheme Mandate Limit will be “refreshed” to 83,888,882 Shares (the “Refreshed Limit”). The Scheme Limit is 207,236,647 Shares. The Refreshed Limit does not exceed the Scheme Limit. Save for the Share Option Scheme, the Company has not adopted any other share option schemes. The Company wishes to seek the Shareholders’ approval of a refreshment of the Scheme Mandate Limit at AGM subject to the requirements under the Listing Rules.

The refreshment of the Scheme Mandate Limit is subject to (i) the Shareholders’ approval at the AGM; and (ii) the Listing Committee granting approval for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any share options granted under the refreshed limit of the Share Option Scheme.

Application will be made to the Stock Exchange for listing of and permission to deal in the Shares to be issued upon exercise of share options granted pursuant to the refreshed Scheme Mandate Limit.

### RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors including two executive Directors, namely, Mr. Hung Kin Sang, Raymond (*Managing Director*) and Mr. Hung Kai Mau, Marcus (*Chairman*), three independent non-executive Directors, namely, Mr. Lun Tsan Kau, Mr. Lam Ka Wai, Graham and Mr. Su Ru Jia and a non-executive director, namely, Ms. Wong Kar Gee, Mimi.

Bye-laws 86(2) and 87(1) of the bye-laws of the Company (the “Bye-laws”) provide, inter alia, that one-third of the Directors for the time being (which include any Directors newly appointed by the Board to fill a casual vacancy) , or, if their number is not a multiple of three, then the number nearest to but not greater than one-third, shall retire from office by rotation at the AGM. In addition, the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Listing Rules provides, inter alia, that all directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment and every Director should be subject to retirement by rotation at least once every three years. In accordance with the Bye-laws and the Code, Mr. Su Ru Jia, Ms. Wong Kar Gee, Mimi and Mr. Lun Tsan Kau shall retire at the AGM and matters which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 2:30 p.m. on 22 October 2010 (Friday) at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong is set out on pages 16 to 20 of this circular.

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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.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll. Therefore, pursuant to bye-law 66(a) of the bye-laws, the chairman of the AGM will demand that voting on all resolutions put forward at the AGM shall be taken by way of poll. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible in accordance with Rule 13.39(5) of the Listing Rules.

This document includes particulars given in compliance with the Rules of The Stock Exchange and the directors collectively and individually accept full responsibility for the accuracy of the information contained in this document 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.

### **RECOMMENDATION**

The Board would like to draw to all Shareholders' attention that there are the following proceedings between the Company and one of the retiring directors, Ms. Wong Kar Gee, Mimi ("Ms. Wong"):

- (i) On 3 August 2010, the Company commenced a legal action against Ms. Wong seeking a return of a number of antiques and artwork which are the Company's assets and which in the past have been placed in the custody of Ms. Wong and which she has not returned to the Company; and
- (ii) On 24 August 2010, Ms. Wong commenced a legal action against Mr. Hung Kin Sang, Raymond ("Mr. Hung") and the Company seeking, among other things, to inspect certain books of accounts, statutory records and documents of the Company.

The net book value of the antiques and artwork claimed in the proceedings referred to in paragraph (i) above as at 30 June 2010 is about HK\$1,140,000. The Company does not believe that these proceedings will have a material impact on the Company's business operations and financial position.

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## LETTER FROM THE BOARD

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In view of the current litigation and the strained relationship between Ms. Wong and the Company, **the majority of Directors recommend the Shareholders to take a serious consideration of the above before voting in respect of “the re-election of Ms. Wong to the Board” at AGM.** Except for the above, the majority of the Directors recommend that the Shareholders vote in favour of all the relevant resolutions at the AGM.

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

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase 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, which include that all proposed repurchases 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 repurchase 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. It is presently proposed that any repurchase of Shares would be funded from the available cash flow and/or working capital facilities of the Company.

As compared with the financial position of the Company as at 30 June 2010 (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 repurchases were carried out in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an 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 838,888,826 Shares. Subject to the passing of the relevant ordinary resolutions at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 83,888,882 Shares.

## **4. REASONS FOR REPURCHASES**

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 repurchase Shares on the market. Such repurchases 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 repurchases will benefit the Company and the Shareholders.

## 5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the power to repurchase Shares pursuant to the Repurchase 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 repurchase 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, based on the register of members of the Company and to the best of the knowledge and belief of the Directors, the substantial Shareholders having interests in 5% or more of the issued share capital of the Company were:

Name of Shareholder	Personal Interest	Held by Corporates	Total	Approximate % shareholding	
				As at the Latest Practicable Date	If the Repurchase Mandate is exercised in full
Hung Kin Sang, Raymond ("Mr. Hung")	333,912,701	75,022,883 (Note)	408,935,584*	48.75%	54.16%
Malcolm Trading Inc. (Note)	–	44,362,883	44,362,883	5.29%	5.88%

Note:

These Shares are held by the following corporate entities controlled by Mr. Hung:

	Number of Shares
Malcolm Trading Inc.	44,362,883
Jaytime Overseas Limited	30,660,000
	75,022,883

\* The Company is aware that some or all of the shares held by Mr. Hung and companies controlled by him are said to be held in trust with Ms. Wong being one of the beneficiaries of that trust. There is a dispute (the "Dispute") between Mr. Hung and Ms. Wong as regard their respective beneficial interest in that trust and who is entitled to exercise the voting rights in the shares that are held by the trust. The

Company is not in a position to determine the relative merits of Mr. Hung and Ms. Wong's conflicting arguments regarding these shares and the trust. The above therefore represents the shareholdings on the face of the register of members only. The Company does not believe that the Dispute will have a material impact on the Company's business operations and financial position. The Company will issue a supplemental circular or an announcement pursuant to the requirements of Rule 13.73 in connection with developments in the Dispute.

In the event the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate which is proposed to be granted pursuant to the relevant 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 repurchase Shares to such an extent which would render the aforesaid Shareholders or any Shareholder or group of Shareholders having an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Board does not intend to exercise the Repurchase Mandate such an extent which would 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 have any present intention, in the event that the proposed Repurchase Mandate is exercised, 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 repurchases of Shares.

#### **8. SHARE REPURCHASES MADE BY THE COMPANY**

On 12 February 2010, the Company cancelled 34,329,000 shares (the "cancellation"), shares in the Company held by its wholly-owned subsidiary, Applied Investment (Asia) Limited and its issued share capital will be reduced to 838,888,826 shares after the cancellation.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the year.

**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> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2009</b>		
September	0.405	0.248
October	0.305	0.260
November	0.395	0.249
December	0.315	0.250
<b>2010</b>		
January	0.355	0.270
February	0.295	0.250
March	0.340	0.260
April	0.350	0.275
May	0.305	0.235
June	0.270	0.250
July	0.270	0.240
August	0.290	0.260
September 2010 up to and including the Latest Practicable Date	0.280	0.265

All of the following retiring Directors are eligible for re-election and have expressed their willingness to stand for re-election at the AGM. Brief biographical details for each of the retiring Directors are set out as follows:

**(1) Mr. Su Ru Jia**

Mr. Su Ru Jia (“Mr. Su”), aged 60. Independent Non-executive Director, holds a MBA degree from International East-West University of America (美國國際東西方大學) and graduated from Nanjing Senior Army Command Colleges (南京高級陸軍指揮學院) and South China Normal University (華南師範大學) in 1983 and 1989 respectively. He has been appointed as a Committee Member of The Communist Party of Committee of Shenzhen<sup>§</sup> (中共深圳市委委員), a Committee Member of Political of Association Shenzhen Committee<sup>§</sup> (政協深圳市委員會常委) and a Deputy Director of Main Branch of Economic Technology Committee<sup>§</sup> (經濟科技委員會正局級副主任) since 2007, before that, he was appointed as a Deputy Chief of Shenzhen Trade Development Council<sup>§</sup> (深圳貿易發展局副局長) and a Secretary of The Communist Party of Committee of Shenzhen Unit Work Committee<sup>§</sup> (中共深圳市委駐深圳單位工作委員會書記) in 1998 and 2001 respectively.

Mr. Su has worked for the Community State of PRC for over 41 years. During the course of working for the military of PRC from the Deputy Squad Leader lastly promoted to the Commander of the military, he achieved three Third-class merit reward and was praised his excellent performance over 20 times. He has an extensive experience in the economic and property development of PRC, especially management in the PRC State Committee.

Mr. Su does not have any relationship with any Directors, members, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Su does not beneficially own any share of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He has not held any other directorships in any other listed public companies in the last three years.

There is no service contract between the Company and Mr. Su. In addition, Mr. Su is appointed for a specific term of 3 years and his length of service as a Director of the Company is subject to the relevant provisions in the bye-laws. Mr. Su 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. Su 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.

§ literal translation



**(2) Ms. Wong Kar Gee, Mimi**

Ms. Wong Kar Gee, Mimi (“Ms. Wong”), aged 62, Non-executive Director, holds a Bachelor of Science degree in Economics from Purdue University, U.S.A. in 1971 and an EMBA degree from the Cheung Kong Graduate School of Business in 2005. She graduated from 中國管理思想董事長高級研修班 at Peking University in 2006. She has joined the Group since 1977 and was also the chairman and an executive director of JLF Investment Company Limited (formerly known as MACRO-LINK International Holdings Limited and Applied (China) Limited, respectively), a company listed on the Main Board of the Stock Exchange and a former subsidiary of our Group. She was a director of Tung Wah Group of Hospitals (“**Tung Wah**”) and is a voting member of Tung Wah and a trustee of Friend of Hong Kong Museum of Art. Ms. Wong is the mother of Mr. Hung Kai Mau, Marcus, the Chairman of the Company.

Save as disclosed above, Ms. Wong does not have any relationship with any Directors, members, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Ms. Wong was interested or deemed to be interested in 9,310,056\* Shares and 13,330,000 shares options of the Company, representing approximately 1.11% of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance. She has not held any other directorships in any other listed public companies in the last three years.

There is no service contract in writing between the Company and Ms. Wong. In addition, Ms. Wong is not appointed for a specific term and her length of service as a Director of the Company is subject to the relevant provisions in the bye-laws. Ms. Wong 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 Ms. Wong 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.

\* This represents shareholding, in the name of Ms. Wong personally, and excludes interest which Ms. Wong claims to have and is disputed by Mr. Hung in the dispute in shareholdings referred to above.

**(3) Mr. Lun Tsan Kau**

Mr. Lun Tsan Kau (“Mr. Lun”), aged 55, Independent Non-executive Director, holds a Master of Science degree in Electronics and Computer Science from the University of California at Berkeley, USA and a Master of Business Administration degree from the University of Hong Kong. He joined the Group in 1997. He has over 31 years experience in investment, manufacturing, banking and real estate development. He was previously affiliated with several international banks, an electronics manufacturing company, a US based investment holding company and a HK public listed real estate development company. Mr. Lun was the former executive director and deputy managing director of K. Wah International Holdings Limited (Stock code: 173), the shares of which are listed on The Stock Exchange of Hong Kong Limited. Save as disclosed above, Mr. Lun has not held any other directorships in any other listed public companies in the last three years.

Mr. Lun does not have any relationship with any Directors, members, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lun 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. Lun. In addition, Mr. Lun 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. Lun 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. Lun 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 22 October 2010 (Friday) at Caine 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 2010.
2. To re-elect retiring directors:
  - (a) Mr. Su Ru Jia
  - (b) Ms. Wong Kar Gee, Mimi (**in respect of whom the Company has commenced legal proceedings against her and she has commenced legal proceedings against the Company and Mr. Hung Kin Sang, Raymond**)
  - (c) Mr. Lun Tsan Kau
3. To determine the directors’ remuneration for their services.
4. To appoint auditors and to authorise the board of directors of the Company 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

\* For identification only

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## NOTICE OF ANNUAL GENERAL MEETING

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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;

- (B) the approval in paragraph (A) shall authorise the Directors 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 which may be 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 (i) a Rights Issue (as hereinafter defined); or (ii) pursuant to the exercise of any options granted under the share option scheme adopted by the Company; or (iii) an issue of shares upon the exercise of subscription or conversion rights attached to warrants which might be issued by the Company or any securities which are convertible into shares of the Company; or (iv) 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 as at the 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 the authority granted under this resolution 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 a general meeting.

“Rights Issue” means an offer of shares in the capital of the Company, 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 in that place).”

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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, the exercise by the Directors of all powers of the Company to purchase such shares being 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 which may be 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 share capital of the Company in issue as at the 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 the authority granted under this resolution 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 a 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 8 September 2010, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased 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.”
  
8. “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of the Company which may be allotted and issued upon the exercise of options to be granted under the share option scheme adopted by the Company on 16 September 2002 (the “Share Option Scheme”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be and is hereby refreshed and renewed provided that the total number of Shares which may be allotted and issued upon the exercise of all the options to be grant under the Share Option Scheme (excluding options granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the close of business on the day of passing this resolution (the “Refreshed Limit”) and that the directors of the Company be and are hereby unconditionally authorised, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 8 September 2010

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## NOTICE OF ANNUAL GENERAL MEETING

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*Executive Directors:*

Mr. Hung Kin Sang, Raymond  
Mr. Hung Kai Mau, Marcus

*Independent Non-executive Directors:*

Mr. Lun Tsan Kau  
Mr. Lam Ka Wai, Graham  
Mr. Su Ru Jia

*Non-executive Director:*

Ms. Wong Kar Gee, Mimi

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*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 of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf at the annual general meeting.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
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 certified copy of such power or authority 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 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 named in it as 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 of the Company from attending and voting in person on any or all resolutions on which he is entitled to vote at the meeting or poll concerned, and in such event any vote cast by his proxy on the same resolution shall be null and void.
7. All resolution will be voted on by way of poll.