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APPLIED DEVELOPMENT HOLDINGS LTD.

實力建業集團有限公司 *

(incorporated in Bermuda with limited liability)

(Stock code: 519)

**VOLUNTARY ANNOUNCEMENT
RECENT DEVELOPMENTS ON BVI PROJECT
REINSTATEMENT OF MINISTER'S APPROVAL**

The Directors wish to update the shareholders of the Company and the public on recent developments on the challenge by the VIEC of the approval of the development of the BVI Project granted by the Minister. As per the Appeal Orders issued by the Court of Appeal dated 12 August 2011 (British Virgin Islands time) and received by Quorum on 16 August 2011, the Court of Appeal found, amongst other things, that Hans Creek was not validly declared to be a protected area, and by extension, the decision of the Minister to approve the Group's proposed development of the BVI Project granted to Quorum in January 2007, was not illegal. The decision of, and the order granted by, the judge of the High Court was set aside. As a result, the Minister's planning approval of the development of the BVI Project remains valid.

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

This announcement is made by Applied Development Holdings Limited (the "Company", together with its subsidiaries, the "Group") on a voluntary basis, under the general obligations imposed on the Company by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Directors wish to update the shareholders of the Company and the public on recent developments on the challenge by the Virgin Islands Environmental Council ("VIEC") of the approval of the development of the BVI Project granted by the Chief Minister and Minister of Planning of the British Virgin Islands (the "Minister"). As per the Appeal Orders issued by the Court of Appeal of the British Virgin Islands (the "Court of Appeal") dated 12 August 2011 (British Virgin Islands time) and received by Quorum Island (BVI) Limited ("Quorum") on 16 August 2011, the Court of Appeal found, amongst other things, that Hans Creek fisheries protected area ("Hans Creek") was not validly declared to be a protected area, and by extension, the decision of the Minister to approve the Group's proposed development of a resort on Beef Island, British Virgin Islands (the "BVI Project") granted to Quorum in January 2007, was not illegal. The decision of, and the order granted by, the judge of the High Court of the British Virgin Islands (the "High Court") was set aside. As a result, the Minister's planning approval of the development of the BVI Project remains valid.

The directors of the Company (“Directors”) believe that the above Appeal Orders permitting the reinstatement of the Minister’s planning approval of the development of the BVI Project might positively aid the obtaining of the necessary funding by Quorum for the development of the BVI Project, subject to the prevailing economic climate and conditions of the property markets. As the owner and developer of the BVI Project, the Group is very cognizant of the protection of areas of ecological importance, including but not limited to Hans Creek as a fisheries protected area, and have every intention of supporting the continued efforts of the Group in the protection and maintenance of environmentally important regions in areas in which the Group has projects.

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, 17 August 2011

As at the date hereof, Mr. Hung Kai Mau, Marcus is an executive Director of the Company; Mr. Lun Tsan Kau, Mr. Lam Ka Wai, Graham and Mr. Su Ru Jia are independent non-executive Directors of the Company.

** for identification purpose only*