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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)

**CHANGES TO THE BOARD
APPOINTMENT OF EXECUTIVE DIRECTORS
RESIGNATION AND APPOINTMENT OF COMPANY SECRETARY
AND
ESTABLISHMENT OF NOMINATION COMMITTEE**

The Board is pleased to announce that Mr. Raymond Hung has been appointed as an Executive Director and the Managing Director with effect from 15 August 2012. Also with effect from 15 August 2012, Ms. Ng resigned as the Company Secretary and has been appointed as an Executive Director and Mr. Chui has been appointed as the Company Secretary in Ms. Ng's place.

Following the above changes to the Board, the Nomination Committee has been set up with effect from 15 August 2012, and the members of the Nomination Committee are Mr. Raymond Hung and the three independent non-executive Directors, Mr. Lun Tsan Kau, Mr. Lo Yun Tai (the Chairman of the Nomination Committee) and Mr. Chan Ming Fai, Terence.

The board of directors (the "Board") of Applied Development Holdings Limited (the "Company") is pleased to announce that Mr. Hung Kin Sang, Raymond ("Mr. Raymond Hung") has been appointed as an executive director of the Company ("Executive Director"), and the managing director of the Company ("Managing Director") and Ms. Ng Kit Ling ("Ms. Ng") has been appointed as an Executive Director. Ms. Ng has resigned as company secretary of the Company ("Company Secretary"), and Mr. Chui Man Fai ("Mr. Chui") has been appointed as the Company Secretary in Ms. Ng's place. The aforesaid appointments and resignation were all effective from 15 August 2012. Details of Mr. Raymond Hung, Ms. Ng and Mr. Chui are as follows.

APPOINTMENT OF EXECUTIVE DIRECTORS

- (1) Mr. Raymond Hung, aged 63, holds a Bachelor of Science degree in Electrical Engineering from the University of Illinois and a Masters in Business Administration degree from the University of Chicago, United States of America. Mr. Raymond Hung founded the Group in April 1976, and he has been actively involved in the Group's development over the last

36 years. Upon his appointment as an Executive Director, he will have overall responsibility for the activities of the Company.

Mr. Raymond Hung first became Managing Director and the Chairman of the Company in 1986. He resigned as the Chairman of the Company in 2005 and from his position as an Executive Director and the Managing Director on 6 April 2011. After his resignation as an Executive Director and Managing Director in 2011, Mr. Raymond Hung remained with the Group due to his substantial experience and involvement in the Group's overseas projects. He also holds the directorship with all the Company's subsidiaries.

Mr. Raymond Hung's resignation in 2011 was principally to minimise the Company's involvement in Mr. Raymond Hung's personal disputes with a former director of the Company, Ms. Wong Kar Gee, Mimi. As judgment on these legal proceedings have recently been handed down, Mr. Raymond Hung was invited by the Board to be re-appointed as one of the Executive Directors and the Company's Managing Director, to be mainly responsible for the Group's projects in the British Virgin Islands and Panama. The Board believes that Mr. Raymond Hung's experience will enable him to effectively and efficiently handle and manage the two main projects of the Group and his re-appointment will also give assurance to the project partners of the Group's commitment in those projects. Furthermore, the Board strongly believes that the re-appointment of Mr. Raymond Hung will further revive the confidence of the shareholders of the Company and potential investors in the Company.

Mr. Raymond Hung is the father of Mr. Hung Kai Mau, Marcus, the Chairman of the Company. Mr. Raymond Hung does not have any other relationship with any other director of the Company ("Director"), senior management or substantial or controlling shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")) of the Company.

As at the date of this announcement, Mr. Raymond Hung was interested in 408,935,584 shares of the Company ("Shares") within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"), representing approximately 48.81% of the issued Shares.

There is no service contract between the Company and Mr. Raymond Hung. Mr. Raymond Hung will be appointed with no specific term, but his appointment as a Director will be subject to the relevant rules or regulations and provisions in the bye-laws of the Company ("Bye-Laws"), including but not limited to the requirements for retirement by rotation and re-election at the general meetings of the Company. Mr. Raymond Hung will be entitled to receive a director's emolument, which is currently HK\$4,800,000 per annum, which has been determined by reference to market benchmarks, and will be subject to annual review by the remuneration committee of the Company and the Board.

Mr. Raymond Hung has also been appointed as a member of each of the remuneration committee and nomination committee of the Company. Further details of the nomination committee of the Company are set out below.

Save as disclosed above, Mr. Raymond Hung does not have other major appointments and professional qualifications and did not hold, in the last three years, any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, there is no information in relation to Mr. Raymond Hung which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Mr. Raymond Hung that need to be brought to the attention of the shareholders of the Company.

- (2) Ms. Ng, aged 47, is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and she holds a Masters Degree in Accountancy from the Hong Kong Polytechnic University. She joined the Group in 2005 and immediately prior to her appointment as Executive Director, Ms. Ng was the Financial Controller and Company Secretary. She has over 26 years of experience in finance and accounting matters of companies listed in Hong Kong.

Ms. Ng does not have any relationship with any other Director, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the date of this announcement, Ms. Ng was interested in 10,000 Shares within the meaning of Part XV of the SFO representing approximately 0.0012% of the issued Shares.

There is no service contract between the Company and Ms. Ng. Ms. Ng will be appointed with no specific term, but her appointment as a Director will be subject to the relevant rules or regulations and provisions in the Bye-Laws, including but not limited to the requirements for retirement by rotation and re-election at the general meetings of the Company. Ms. Ng will be entitled to receive a director's emolument, which is currently HK\$810,000 per annum, which has been determined by reference to market benchmarks, and will be subject to annual review by the remuneration committee of the Company and the Board.

Save as disclosed above, Ms. Ng does not have other major appointments and professional qualifications and did not hold, in the last three years, any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Save as disclosed above, there is no information in relation to Ms. Ng which is required to be disclosed under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Ms. Ng that need to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF COMPANY SECRETARY

Mr. Chui, aged 43, is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and is a member of the Association of International Accountants in the United Kingdom. He also holds a Master Degree in Professional Accounting from the Hong Kong Polytechnic University.

Mr. Chui joined the Group in 2008 and he is currently the assistant accounts manager of the Company. He also has over 10 years of auditing experience.

The Board would like to take this opportunity to welcome Mr. Raymond Hung and Ms. Ng to join the Board, and to welcome Mr. Chui on his appointment.

ESTABLISHMENT OF NOMINATION COMMITTEE

Following the above changes to the Board, the Company has established a nomination committee (“Nomination Committee”), with effect from 15 August 2012, the principal duties and responsibilities of which include assisting the Board in identification of suitable individuals qualified to be members of the Board and senior management, reviewing the structure, size and composition of the Board and senior management and making recommendations on any proposed changes to the Board and senior management to complement the Company’s corporate strategy.

The members of the Nomination Committee are Mr. Raymond Hung and the three independent non-executive Directors, Mr. Lun Tsan Kau, Mr. Lo Yun Tai (the Chairman of the Nomination Committee) and Mr. Chan Ming Fai, Terence.

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

Hong Kong, 15 August 2012

As at the date hereof, the executive directors of the Company are Mr. Hung Kin Sang, Raymond, Mr. Hung Kai Mau, Marcus and Ms. Ng Kit Ling; the independent non-executive directors of the Company are Mr. Lun Tsan Kau, Mr. Su Ru Jia, Mr. Lo Yun Tai and Mr. Chan Ming Fai, Terence.

** for identification purpose only*