APPLIED DEVELOPMENT HOLDINGS LTD.

實力建業集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 519)

ANNOUNCEMENT PURSUANT TO INSIDE INFORMATION PROVISIONS AND RULE 3.7 OF THE TAKEOVERS CODE

Reference is made to the Company's announcements dated 5 March 2014, 4 April 2014, 2 May 2014 and 30 May 2014 (the "**Announcements**") advising shareholders of the Company that the Board had been informed by the Managing Director of the Company, Mr. Hung, that he had been approached by the Potential Purchasers in connection with the Possible Offer. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

After the closing of trading hours on the Stock Exchange on 12 June 2014, the Board has been informed by the Managing Director of the Company, Mr. Hung, that the negotiations between Mr. Hung and the Potential Purchasers in connection with the Possible Offer have discontinued, and accordingly the Possible Offer will not proceed.

For the purpose of Takeovers Code, the offer period which commenced on 5 March 2014 has ended on 12 June 2014 following the discontinuation of the negotiations on the Possible Offer as mentioned above.

Securities holders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 12 June 2014

**for identification purpose only*

As at the date of this announcement, the Board comprises Mr. Hung Kin Sang, Raymond, Mr. Hung Kai Mau, Marcus and Ms. Ng Kit Ling as executive Directors; Mr. Lun Tsan Kau, Mr. Su Ru Jia, Mr. Lo Yun Tai and Mr. Chan Ming Fai, Terence as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.