

**APPLIED DEVELOPMENT (519.HK) ANNOUNCES  
2006/07 ANNUAL RESULTS  
PROFIT FOR YEAR SURGED APPROXIMATELY TEN TIMES TO HK\$109,315,000**

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**STRONG APPRECIATION OF PANAMA PROJECT  
STRENGTHENING THE MARKET POSITION AS A WORLD-CLASS RESORT DEVELOPER**

(Hong Kong, 8 October 2007) ----- **Applied Development Holdings Ltd. ("ADHL", "The Group", 519.HK)** today announced annual results for the year ended 30 June 2007. The Group's turnover increased by 12% to HK\$120,613,000. Profit for the year surged 998.4% to HK\$109,315,000. Earnings per share was HK\$12.83cents. The Directors do not recommend payment of any final dividend. In addition, in line with the Hong Kong Financial Reporting Standards and accounting general practice, the cost of investment in a new joint venture in the British Virgin Islands, Quorum Island (BVI) Limited, formerly a wholly-owned subsidiary of the Group is HK\$36,469,000. If Quorum Island (BVI) Limited's properties under development is carried at market value, the investment in the joint venture entity will be HK\$163,800,000 (equivalent to US\$21,000,000) and there is an unrecognized gain of approximately HK\$127,331,000.

The substantial increase in profit was mainly due to a significant gain on a disposal of 50% equity in a wholly-owned subsidiary, Quorum Island (BVI) Ltd.

**Mr. Raymond Hung, Managing Director of ADHL** said, "During the year under review, the Group further strengthened its market position as a world-class resort developer by achieving a remarkable progress in our resort business. In addition to our signature resort project in British Virgin Islands ("BVI Project"), we have already started developing another multi-purpose resort project on a newly acquired plot in Panama ("Panama Project"). By replicating the successful business model of the BVI Project and partnering with renowned expertise in the resort development industry, the Panama Project will bring the Group's resort development business into another high."

In April 2007, the Group completed the joint venture agreement (the "JV Agreement") with Interlink Realty International, Corp. ("Interlink") and Island Global Yachting Acquisition LLC ("IGY") to jointly develop the BVI Project. Upon completion of the JV Agreement, the Group received US\$8,000,000 in cash from the Group's wholly-owned subsidiary Quorum Island (BVI) Ltd, improving the liquidity of the Group significantly. The Group expects to launch the presales of residential and factional units in the first quarter of 2008.

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During the year under review, the Group acquired an area sized approximately 1,223 acres (495 hectares or 53.3 million square feet) named Playa Grande in the Province of Chiriqui in Panama before the approval of "the extension of Panama Canal" to develop another multi-purpose resort project targeting the fast-growing vacationers worldwide and retiree sector from the US. The Group completed the acquisition contract in June 2007. In July 2007, the Group received a verbal offer from an independent third party of the acquisition of the Panama Land for approximately US\$29,640,000 (approximately HK\$231,192,000), representing an increase of approximately 56.5% compared to that of the Group's acquisition price.

"The strong appreciation of the land where our Panama Project situated demonstrated our sharp investment vision and the promising prospects of the project. We will capture the enormous business opportunities arisen from the buoyant real estate market in Panama brought by the expansion of Panama Canal and the booming tourism," **Mr. Hung** continued.

In property sector, the Group entered an agreement to sell an investment property located at 42/F, Far East Finance Centre, No 16 Harcourt Road, Hong Kong at a consideration of HK\$59,000,000 with its original cost of HK\$33,208,000. The completion date of this agreement is 7 December 2007. The Group's investment properties, mainly in Hong Kong and PRC, generated a total rental revenue of approximately HK\$6,785,000 during the year.

"Looking ahead, continuous expansion of resort development business will continue to be the Group's main growth driver. Meanwhile, the Group will continue to identify spectacular resort islands worldwide for future development so as to seize the enormous opportunities in the flourishing resort market," **Mr. Hung** concluded.

#### **About Applied Development Holdings Limited (SEHK: 519 & ADR SYMBOL: ADHLY)**

Applied Development Holdings Limited is listed on the Hong Kong Stock Exchange and is engaged in resort development, property investment and property holding. The BVI project features a 5-star luxury hotel, branded residency, an 18-hole signature golf course, and a state-of-the-art mega yacht facility. In 2006, the Group acquired an area sized approximately 1,223 acres named Playa Grande in the Province of Chiriqui in Panama to develop another multi-purpose resort project targeting the fast-growing vacationers worldwide and retiree sector from the US where number of existing retirees reaches 300,000. For details of the Company, please visit [www.applieddev.com](http://www.applieddev.com).

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