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**APPLIED INTERNATIONAL (SEHK: 0519)  
SIGNED DEVELOPMENT AGREEMENT WITH  
THE GOVERNMENT OF THE BRITISH VIRGIN ISLANDS –  
A MILESTONE FOR THE BVI PROJECT  
WITH THE GOVERNMENT SUPPORT**

(Hong Kong, 6 December 2005) ----- **Applied International Holdings Ltd.** ("AIHL", stock code: 0519) proudly announced that Quorum Island (BVI) Limited, the wholly-subsiary of AIHL, has signed a Development Agreement with the British Virgin Islands ("BVI") Government, represented by Honourable Dr D. Orlando Smith, Chief Minister of the BVI to develop the Island on December 2, 2005. Under the agreement, Quorum Island (BVI) Limited is granted the Pioneer status on golf course and marina & mega-yacht facilities and the Hotel Aid on hotel and all branded villas, residences and fractional units.

Being granted the Pioneer Status, a period of ten years, which is extensible, of tax holidays and import duty exemptions on capital equipment are available for Quorum Island (BVI) Limited, while under the Hotel Aid Ordinance, a period of ten or twenty years, which is extensible, of tax holidays and import duty exemptions on building materials and equipment is granted to Quorum Island (BVI) Limited.

**Mr. Raymond Hung**, Managing Director of AIHL said, "The approval of the master plan allowed the Group to change the land use of our BVI project from raw land to hotel and real estate land zoning. This symbolized that our BVI project has officially kicked off and has significantly increased our land development prospects. Further, the Agreement granted AIHL various privileges in developing the Island and greatly minimized the development and operation cost, a sign of the Government's strong support towards our BVI project."

The Ritz-Carlton, which entered the Heads of Agreement with Quorum Island (BVI) Limited on April 11, 2005 to develop a new Ritz-Carlton resort in Beef Islands, Tortola, the British Virgin Islands, is delighted about the signing of the development plan. **Mr. Simon Cooper, President & COO of The Ritz-Carlton**, said "We are excited about adding a world class resort in Tortola with a full compliment of amenities and the natural beauty and topography in the BVI. The Ritz-Carlton resort will be the best in the Caribbean and one of the best in the world."

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Quorum Island (BVI) Limited, the wholly-owned subsidiary of AIHL, will build, develop and create an upscale and low density luxury residential resort comprising a championship golf course, estimated 200 room hotel, luxury spa, conference facility, luxury condominiums and Fractional Units, "branded" villas and residences and a marina and Mega-Yacht Facility designed, built and operated in the Beef Island of BVI. These facilities will preserve and enhance the image of BVI as a high-end tourist, business and environmentally sensitive destination. AIHL believes that the development will draw more tourists to the Island and will bring considerable return to the Group.

### **About Applied International Holdings Limited**

Applied International Holdings Limited is listed on the Hong Kong Stock Exchange and is engaged in OEM, Investment Properties and Resort Development business. The company has recently signed the Head of Terms agreement with Ritz-Carlton Hotel, forming a joint-venture to develop the Beef Island Estate in the British Virgin Islands.

The company, through its wholly-owned subsidiary, has entered into the Heads of Agreement with The Ritz-Carlton Hotel Company, L.L.C. on 11<sup>th</sup> April, 2005 to develop the Site which is owned by Quorum Island for a possible establishment of 50-50 joint venture to develop a golf course, hotel and marina in Beef Island, the British Virgin Islands and the negotiation is underway. The Ritz-Carlton hotels and resorts are renowned for indulgent luxury and it has 54 hotels worldwide.

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