



*For more information, please contact:  
JOVIAN Financial Communications Ltd.  
Angel YY Yeung / Mary Ng  
Tel No.: (852) 2581 0168  
Fax No.: (852) 2854 2012  
Email: [mary.ng@joviancomm.com](mailto:mary.ng@joviancomm.com)*

**APPLIED INTERNATIONAL ANNOUNCES  
TERMINATION OF THE PROPOSED ACQUISITION OF 18 MILLION SQUARE FEET IN  
ST. CROIX ISLAND IN US VIRGIN ISLANDS**

(Hong Kong, 11 July 2006) ----- **Applied International Holdings Ltd.** ("AIHL," "The Group" SEHK: 519) announced its wholly owned subsidiary has terminated the sale and purchase agreement ("Agreement") on proposed acquisition of the property in the United States Virgin Islands. The Group announces that it is not fully satisfied with the result of the due diligence review and has terminated the Agreement with immediate effect. Such termination shall not have any significant impact on the operations and financial position of the Group.

**Mr. Raymond Hung, Managing Director of AIHL said,** "The results of the due diligence conducted by our consulting firms revealed certain geographical conditions affecting the property and its surrounding renders the property unsuitable for the development as a five star hotel complex. As the Group's business strategy is to continue to develop resort businesses around the world, the Group considered the limited potential of the property and decided to terminate the Agreement with the Vendors with immediate effect."

As set out in the Announcement, the Group has the right to terminate the Agreement before the Due Diligence Period expires if during the Due Diligence Period, the Purchaser is dissatisfied with any aspect of the Property. As the Agreement is terminated within the first 60 days of the Due Diligence Period, US\$100,000 (equivalent to HK\$780,000) of the initial Deposit paid by the Purchaser to Hamilton as the escrow agent upon signing of the Agreement will be forfeited and the remaining US\$400,000 (equivalent to HK\$3,120,000) will be refunded to the Purchaser.

"The Group will keep exploring other suitable opportunity to further expand our resort business, bringing sustainable return to our shareholders." **Mr. Hung concluded.**

~end~

**About Applied International Holdings Limited (SEHK: 519)**

Applied International Holdings Ltd. principal activities are property developments in the British and US Virgin Islands, investment properties in Hong Kong and the PRC, and OEM manufacturing.