

For more information, please contact:
JOVIAN Financial Communications Ltd.
Angel YY Yeung / Cynthia Yip
Tel No.: (852) 2581 0168
Fax No.: (852) 2854 2012
Email: cynthia.yip@joviancomm.com

**Applied Development (519.HK) Announces
Closing of Joint Venture Agreement with Interisle on BVI Project**

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**Substantial Cash Inflow
With Full Confidence in Prospect of the BVI Project**

(Hong Kong, 10 April 2007) ----- **Applied Development Holdings Ltd. ("ADHL", "The Group", 519.HK)** today is pleased to announce closing of the joint venture agreement on the BVI Project with Interisle Development Ltd. ("Interisle"), on 9 April 2007 British Virgin Islands time. Upon completion of the agreement, the Group's wholly-owned subsidiary Quorum Island (BVI) Ltd ("Quorum") is obliged to pay US\$30,000,000 (approximately HK\$234,000,000) in cash to repay all outstanding liabilities of Quorum including those owed to the Group; and redeem 50% of the equity interest held by the Group in Quorum. Redemption of the equity interest will be paid as US\$8,000,000 in cash (approximately HK\$62,400,000) and the balance by way of issuing a promissory note due at closing of the initial loan on 9 April 2007.

Mr. Raymond Hung, Managing Director of ADHL said, "We are pleased that the joint venture with Interisle is realized. Completion of the joint venture agreement implies that a large amount of cash income will be recognized by our Group for the year. Currently, we are under negotiation with several international bankers while the most suitable one with best price will be selected. Though the bank loan has not yet been accomplished, our joint venture partner, Interisle already showed its great intention to pay the US\$8,000,000 cash contribution, which largely indicating its confidence in the BVI Project."

On the other hand, Interisle subscribed a 50% equity interest in Quorum for a total consideration of US\$21,000,000 (equivalent to approximately HK\$163,800,000) payable as follows: (a) US\$8,000,000 (approximately HK\$62,400,000) paid in cash on the closing date; (b) the balance secured by a promissory note issued at closing, payable in installments.

"Our Group is confident with the development and prospects of our flagship project, the BVI Project. We are looking forward to the groundbreaking ceremony and the pre-sale to be held in May and 2nd quarter of 2007 respectively." **Mr. Hung** concluded.

The Board has noted the recent unusual price movement and trading volume of the shares of the Company and wishes to state that, the Board is not aware of any reasons for such unusual movement.

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About Applied Development Holdings Limited (SEHK: 519)

Applied Development Holdings Limited is listed on the Hong Kong Stock Exchange and is engaged in resort development business, properties investment and OEM. 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. For details of the Company, please visit www.applieddev.com.

溢星財經傳播有限公司 JOVIAN Financial Communications Ltd.

香港灣仔港灣道30號新鴻基中心14樓1405-12室 Rooms 1405-12, 14/F Sun Hung Kai centre, 30 Harbour Road, Wanchai, Hong Kong
電話 tel: +852 2581 0168 傳真 fax: +852 2854 2012 電郵 email: jovian@joviancomm.com

www.joviancomm.com

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