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**Applied Development (519.HK) Announces
Recent Development of Joint Venture with InterIsle
Value of BVI Project Appreciates 14.7% over the JV with InterIsle
Reaching US\$58.5 Million**

(Hong Kong, 30 January 2007) ----- **Applied Development Holdings Ltd. ("ADHL", "The Group", 519.HK)** is pleased to announce the value of the BVI project appreciates 14.7% over the joint venture with InterIsle (US\$51 million) reaching US\$58.5 million (approximately HK\$456,300,000) according to the valuation appraisal conducted by the proposed bank. This implies the Group will be able to secure the greatest amount of US\$58.5 million bank loan to finance the BVI Project. The Group has also obtained approval of the Master Plan of the BVI Project from the Chief Minister and the Planning Board of the British Virgin Islands, meaning that the transaction of forming the joint venture with InterIsle Development Ltd. ("InterIsle") will be proceeded soon. Immediately upon completion of the transaction, the Group will receive cash of US\$30 million (equivalent to approximately HK\$234,000,000).

The Group schedules the groundbreaking ceremony on 19 March 2007 and the pre-sale is expected to be launched in 2nd quarter of 2007. Currently, the Group is negotiating with the management of two five-star luxury hotels to manage its hotel and branding.

Mr. Raymond Hung, Managing Director of ADHL said, "Both InterIsle and ADHL are very excited to learn that the value of our BVI project appreciates again. Approval from the government concerned in BVI signifies the kick off of construction of the BVI project. Also, the substantial cash inflow will be used to pay off our acquisition of land in Panama and fund the building of our land bank in the region of South America, Pacific Islands and Caribbean in future."

The joint venture plans to develop the Real Property into a mixed-use luxury resort, to include, among others, a luxury hotel that may include a condominium hotel and fractional ownership element, an 18-hole championship golf course, a variety of residential units, a marina and a high-end retail commercial area, together with the related infrastructure improvements and installation of utilities.

On 10 December 2006, the Group has entered into an agreement to acquire a piece of land of an area sized approximately 450 hectares (48.42 million square feet) in the Province of Chiriqui in Panama. The number of foreigners moving to Panama to enjoy their retirement has been increasing in recent years. In accordance with Tax-News.com of Washington, Panama has topped International Living's Retirement Index for the sixth

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consecutive in 2006. In view of these, the Group believes it is a unique chance to raise its land bank and further its resort development in Panama.

“We believe the experience and expertise accumulated during our flagship project, the BVI Project, will make us much more confident in this new development project. Moreover, we expect to have about 77.17 million square feet of land in our land bank upon completion of our Panama acquisition. Nevertheless, we are determined to look for more land for our resort development and become a world leading resort developer.” **Mr. Hung** concluded.

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.

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