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**APPLIED DEVELOPMENT (519.HK) ANNOUNCES  
2005/06 ANNUAL RESULTS  
NET PROFIT AMOUNTED TO HK\$10,757,000**

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**BVI PROJECT UNDER SPEEDY PROGRESS  
SEIZING THE BOOMING GLOBAL RESORT MARKET**

(Hong Kong, 17 October 2006) ----- **Applied Development Holdings Ltd. ("ADHL", "The Group", 519.HK)** today announced that the annual results for the year ended 30 June 2006, turnover increased 2.2% to HK\$107,634,000. Profit from operation amounted to HK\$16,025,000. Profit attributable to shareholders amounted to approximately HK\$10,757,000. Earnings per share was 1.22 cents. The Directors do not recommend payment of any final dividend.

The decrease in profit from operation was mainly due to the significant increase in fair value of investment property for the corresponding year in which the new Hong Kong Financial Standards was early adopted.

For the year ended 30 June 2006, the British Virgin Islands Project ("BVI Project") continued to be the signature resort development project of the Group.

**Mr. Raymond Hung, Managing Director of ADHL** said, "During the year under review, we made strategic progress on our pipeline project and partnered with various professional resort developers in order to deliver promising returns in the future. We have finalized a master plan together with the world-class specialists including Jack Nicklaus Signature, EDSA, ATM, Hill Glazier, Harris Civil Engineers Civil Engineers and Wilson & Associates etc. for the BVI Project and the finalized master plan had been approved by the British Virgin Islands Government. The Group expects to launch the presales of residential and fractional units in early 2007."

On 11 August 2006, the wholly-owned subsidiary of the Group, Quorum Island (BVI) Ltd ("Quorum"), has entered into a joint venture agreement with InterIsle Development Ltd. ("InterIsle"), a joint venture of Interlink Group ("Interlink") and Island Global Yachting ("IGY"), to jointly develop the BVI Project. According to the Joint Venture Agreement, upon the completion of transaction by November 30 2006, the Group is expected to receive a disposal gain of approximately US\$26.2 million (approximately HK\$234,000,000) or approximately US\$20.95 million (approximately HK\$163,410,000) if the Group receives US\$35.25 million (approximately HK\$274,950,000) or US\$30 million (approximately HK\$234,000,000) respectively.

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**Mr. Hung** continued, "We are pleased that the joint venture with InterIsle is realized. As Interlink and IGY are experts in the construction and resort development industry, this alliance with renowned expertise in the industry provides us an opportunity to realize its investment and improve the liquidity of the Group. We believe that the Project, with its innovative approach to resort development comprising golf course, hotel and properties, will generate a steady income stream for the Group in future years."

The Group's investment properties, mainly in Hong Kong and the PRC, generated a total rental revenue of approximately HK\$8,826,000 during the year. For the year ended 30 June 2006, the Group disposed an investment property located at 41/F, Far East Finance Centre, No 16 Harcourt Road, Hong Kong at a consideration of HK\$118.2 million with its original cost of HK\$60,480,000. The Group will continue to seek appropriate property investment opportunities in Hong Kong and the PRC in future.

The OEM of electronic business continued as the Group's stable source of revenue during the year under review. After the move of OEM's factory to Shenzhen with more advanced machinery in April 2006, it is expected that the factory will be able to increase its production capacity by 25% and its competitive edges.

"The success of ADHL rests on our ability to capitalize on global vision and foresight. We believe the next growth driver for the Group will be the upscale resort development business, in particular focus in the Us and Europe. Apart from the BVI Project, we will continue to explore suitable opportunities to further expand our resort business and acquire new islands for further development. " **Mr. Hung** concluded.

To signify the Group's transition to resort development business, the Group has also changed its Company name to Applied Development Holdings Limited from Applied International Holdings Limited. The new name would be more appropriate to reflect the core objectives of the Company and directions of its future business development. The recently changed new logo also represents ADHL in international venues and illustrates the Group's goal as the world's resort developer.

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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](http://www.applieddev.com).