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**APPLIED DEVELOPMENT (519.HK) ANNOUNCES  
TO ACQUIRE A LAND OF 450-HECTARES  
(48.42 MILLION SQUARE FEET)  
IN PANAMA FOR APPROXIMATELY HK\$134 MILLION**

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**RAISE LAND BANK RESERVE FOR RESORT DEVELOPMENT**

(Hong Kong, 13 December 2006) ----- **Applied Development Holdings Ltd. ("ADHL", "The Group", 519.HK)** is pleased to announce its wholly owned subsidiary on 10 December 2006 entered into the agreement to acquire an area sized approximately 450 hectares (48.42 million square feet) ("the Property") in the Province of Chiriqui in Panama for a consideration of US\$17,249,850 (approximately HK\$134,500,000). Completion of the acquisition is subject to satisfaction of due diligence investigation carried out by the Group.

The initial deposit of US\$1,000,000 (HK\$7,800,000) will be paid by the Group on escrow within the first 60 days of the terms for the due diligence investigation. The remaining balance will be paid by the Group directly to the vendor when title over the Property are transferred to the Group. The Group also possesses the rights to acquire additional land at a price of approximately US\$38,333 per hectare plus a fixed amount of US\$500,000 to cover the costs of predevelopment and other costs induced.

**Mr. Raymond Hung, Managing Director of ADHL** said, "We are excited to have found a piece that fits our critical resort development criteria and increase our land reserve for future resort development, following our signature BVI project."

Panama is located in the middle of the American continent, with a 100% tropical climate and an average daytime temperature of 25°C. U.S. Dollar is the legal currency in Panama. Though the official language in Panama is Spanish, English is widely spoken and understood in major cities. From 1994 to 2003, the number of visitors to Panama increased 44% to 454,396, which most are from the U.S. The Province of Chiriqui is located on the southwest extreme of the country. Chiriqui is one of the famous tourism spot in Panama, and well-known with its diversified landscape, from the white sandy beaches on the coast through the plains up to the green mountain forests.

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It is a trend that people become more eco-conscious than in the past. They seek destinations or living environment which the natural scenes are well preserved. In recent years, more and more retired foreigners move to Panama to enjoy their retirement, and Panama becomes one of the best places to retire. According to Tax-News.com of Washington, Panama has topped International Living's Retirement Index for the sixth consecutive in 2006.

**Mr. Hung** continued, "This group of retirees would create an attractive potential market for the resort and land development in Panama. We are desire to seize the opportunity and bring great returns for our Group and shareholders."

In additional to the comfort lifestyle, Panama is also renowned with its Panama Canal which is a major ship canal that connecting the Atlantic and Pacific Oceans. Recently, the Panamanian Government decided to expand the capacity of the Panama Canal by US\$5.3 billion in order to increase its capacity. With the expansion of the Panama Canal, Panama will be an area of more accessible and prosper.

"Beautiful landscape, a laid-back life, reasonable living standard and tax breaks draw a growing community of Americans to Panama. Noticing the great development potential in Panama, especially the Province of Chiriqui, we decided to further our resort development in the region. Our experience and expertise earned and accumulated during the BVI Project development make us much more confident in this new development project." **Mr. Hung** concluded.

At the request of ADHL, trading in the shares on the Stock Exchange has been suspended with effect from 2:30p.m. on 11 December 2006, and will be resumed from 9:30a.m. on 14 December 2006.

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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).