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APPLIED INTERNATIONAL HOLDINGS LIMITED

實力國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 519)

ANNOUNCEMENT

The directors of the Company have noted the decrease in price of the shares of the Company on 20th April, 2005 and wish to state that they are not aware of any reasons for such unusual movements in price save for the matters disclosed in the Announcement and below.

Reference is made to the announcement issued by the Company dated 19th April, 2005. The Company would like to state that it is intended by the parties that the financial contribution of the Company in the joint venture is the Site and no guarantee nor further capital commitment is required to be provided by the Company in respect of the project. The Company has no current intention to carry out any fund raising exercise.

This announcement is made in connection with the recent decrease in price of the shares of Applied International Holdings Limited (“Company”). Reference is also made to the announcement issued by the Company dated 19th April, 2005 (“Announcement”). Terms defined in the Announcement has the same meaning when used in this announcement.

The directors of the Company have noted the decrease in price of the shares of the Company on 20th April, 2005 and wish to state that they are not aware of any reasons for such unusual movements in price save for the matters disclosed in the announcement dated 19th April, 2005 (“Announcement”). The Company would also like to inform the public that it is the intention of the parties that the financial contribution of the Company under the 50-50 joint venture arrangement will be the Site and Ritz Carlton will contribute an amount equivalent to the value of the Site. Further financing in respect of the project will be raised by the joint venture company and guaranteed by the project itself. The Company has been in discussions to engage an independent third party to arrange for a US\$80 million to US\$100 million syndicated loan facility guaranteed by the project to the proposed joint venture company. No guarantee nor further capital commitment is required to be provided by the Company in respect of the project and the Company has no current intention to carry out any fund raising exercise. Further announcement will be made by the Company when there are major developments in respect of the project.

The proposed joint venture may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

Save as disclosed above, the board of directors of the Company (“Board”) confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of The Rules Governing the Listing on The Stock Exchange of Hong Kong Limited (“Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which may be of a price-sensitive nature.

As at the date of this announcement, the executive Directors are Mr. Hung Kin Sang, Raymond, Ms. Hung Wong Kar Gee, Mimi and Mr. Fang Chin Ping and the independent non-executive Directors are Mr. Soo Hung Leung, Lincoln, Mr. Lo Yun Tai and Mr. Lun Tsan Kau.

Made by the order of the Board, the directors of which individually and joint accept responsibility for the accuracy of this statement.

By order of the board
Applied International Holdings Limited
Hung Kin Sang, Raymond
Chairman

Hong Kong, 20th April, 2005

* *For identification only*

“Please also refer to the published version of this announcement in China Daily”