

Press Release

【For immediate release】

**EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED**

**RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2002**

- For the nine months ended 30<sup>th</sup> September, 2002, turnover amounted to HK\$117,285,000, representing a drop of 9% when compared with the same period of last year.
- The turnover for the third quarter of 2002 was HK\$41,497,000 which was 11% lower than that of the second quarter of 2002.
- Loss from operations for the nine months ended 30<sup>th</sup> September, 2002 was HK\$32,601,000.
- For the third quarter of 2002, the loss from operations was HK\$18,854,000.
- Loss attributable to shareholders for the nine months ended 30<sup>th</sup> September, 2002 amounted to HK\$34,809,000.
- Excel Hong Kong won contracts to provide InterTrade system to Wing Lung Bank and several other local banks in Hong Kong.
- Excel Force Limited successfully obtained a certification from the Shenzhen Customs Department for its electronic customs declaration software.
- HR21 successfully launched the HR21 ASP service to the customers of Bank Utama in Malaysia.
- Excelink, the Group's Singapore subsidiary, won a contract to provide *Unit Trust System* to a major local bank in Singapore.

### Financial Summary

Unaudited Consolidated Results	Nine months ended 30 <sup>th</sup> September, 2002 HK\$'000	Nine months ended 30 <sup>th</sup> September, 2001 HK\$'000
Turnover	117,285	129,294
(Loss)/Profit from operations	(32,601)	11,278
(Loss) attributable to shareholders	(34,809)	(20,060)
(Loss) per share Basic and diluted	(3.53) cents	(1.97) cents

(11<sup>th</sup> November, 2002, HONG KONG) - Excel Technology International Holdings Limited ('Excel', together with its subsidiaries, the 'Group'; stock code: 8048) announces its unaudited consolidated results for the nine-month period ended 30<sup>th</sup> September, 2002.

Turnover for the third quarter of 2002 was disappointing due to the sluggish Hong Kong economy and longer than expected delay in some contract signing by clients. Sales originated from the Chinese Mainland rose to 35% of the Group's total turnover during the period, which is a promising sign in our China strategy. We expect the fourth quarter operating result for the Group in general to improve with more new contracts and a strong pipeline into the next year.

Break down of the turnover for this nine-month period is as follows: 31% software sales and custom development; 49% complementary hardware and software resale; 11% consulting and systems integration services; 6% maintenance services; and the rest being revenue from the ASP businesses.

Despite the poor global economy and Hong Kong's depressed environment, the Group made major achievements on geographical expansion into Chinese Mainland, Singapore and Malaysia. The Group made a successful transition from a Hong Kong enterprise software company to a regional financial technology provider. This is evidenced by the adoption of the Group's enterprise software products by clients in Chinese Mainland, Singapore, and Malaysia. The Group now operates in Hong Kong, Singapore, Beijing, Shanghai, Guangzhou and Shenzhen.

In the Chinese Mainland, we now not only serve multinational financial institutions and Hong Kong banks, but also selling our own enterprise software products to major state-owned banks and large domestic enterprises.

In Singapore, the Group successfully sold the *Excel UTS* (Unit Trust System) to one of the largest local banks. The Group's ASP subsidiary HR21 launched ASP service via the second largest bank in Malaysia in September 2002.

Ms Peggy Chan, CEO of the Group said, "The Group is now strongly positioned to take advantage of an economic turnaround in the region. The very tough climate left few competitors. Our software development capabilities and the established sales network in Chinese Mainland enable the Group to capture the high growth domestic IT market. Major banks in Singapore and Malaysia are buying or have shown keen interest in the Group's financial software products and the ASP services. The Group has firmly established quality yet cost effective development capabilities in Hong Kong/Shenzhen to support the Group's regional expansion. We are optimistic of the Group's ability to turn around in the very near future."

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Company Background:

Excel is a leading business application solutions provider and is principally engaged in the development, sale and implementation of enterprise software. The Group is also a major player in the ASP (application service provider) business through i21 Limited. With a further focus on IT consultancy, systems integration, maintenance and resale of IT products, Excel maintains its reputation as a regional financial technology provider to the banking and finance sector. Headquartered in Hong Kong, Excel has offices in Singapore, Beijing, Shanghai, Guangzhou and Shenzhen.

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