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**Excel**

**TECHNOLOGY**

**EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED**

**( 志 鴻 科 技 國 際 控 股 有 限 公 司 )\***

*(Incorporated in Bermuda with limited liability)*

### **CLARIFICATION ANNOUNCEMENT**

Announcement is made to clarify the difference in consideration for the acquisitions of i21 and Camelot as shown in the announcements and the 2001 Annual Report of the Company.

Reference is made to the announcements of the Company made on 9th July, 2001 (Announcement “A”) and 7th August, 2001 (Announcement “B”) respectively in relation to the acquisitions of i21 Limited (“i21”) and Camelot Information Systems Inc. (“Camelot”).

In Announcement A, the Group referred to agreements to increase its equity interest in i21 from 37.5% to 80.1% by acquiring additional shares thereof from the other shareholders of i21 for a consideration of HK\$63,900,800, to be satisfied by the issuance of a total of 67,264,000 shares of the Company at a subscription price of HK\$0.95 per share.

The transaction was completed on 24th July, 2001. The market price of the shares of the Company was HK\$0.70 per share at that date, which was deemed to be the fair value of the securities issued by the Company at that date, and accordingly, HK\$0.70 per share has been used for the calculation of the cost of acquisition of the additional shares of i21. The cost of acquisition recorded in the audited financial statements of the 2001 Annual Report of the Company was HK\$47,085,000. This is in accordance with the accounting principles generally accepted in Hong Kong and paragraph 23 of Statement of Standard Accounting Practice No. 30 “Business Combinations” issued by the Hong Kong Society of Accountants. The cost of acquisition in respect of the

acquisition of an additional 42.6% interest in i21 is set out in note 15(a) of the audited financial statements of the Group for the year ended 31st December, 2001.

The Company confirm that there has not been any change in contract terms for its increase of equity interests in i21. The consideration for the acquisition is fully satisfied by the issuance and allotment of 67,264,000 shares of the Company.

In Announcement B, on 7th August, 2001, the Group entered into an agreement to acquire a 21.5% interest in Camelot for a consideration of US\$2,910,000, to be satisfied by the issuance of a total of 3,120,000 shares of the Company at a subscription price of HK\$0.95 together with a cash payment of US\$2,530,000 (equivalent to HK\$19,734,000).

The transaction was completed on 28th August, 2001. The market price of the shares of the Company was HK\$0.62 per share at that date, which was deemed to be the fair value of the securities issued by the Company at that date, and accordingly, HK\$0.62 per share has been used for the calculation of the cost of acquisition. The cost of acquisition recorded in the audited financial statements of the 2001 Annual Report of the Company was HK\$21,668,000. This is in accordance with accounting principles generally accepted in Hong Kong and paragraph 23 of Statement of Standard Accounting Practice No. 30 “Business Combinations” issued by the Hong Kong Society of Accountants. The cost of acquisition in respect of the acquisition of a 21.5% interest in Camelot is set out in note 15(b) of the audited financial statements of the Group for the year ended 31 December, 2001.

The Company confirm that there has not been any change in contract terms for its acquisition of a 21.5% interests in Camelot. Besides the cash payment of US\$2,530,000, the balance of the consideration for the acquisition is fully satisfied by the issuance and allotment of 3,120,000 shares of the Company.

The difference in consideration as appeared in Announcements A and B and the 2001 Annual Report of the Company arose purely from the discrepancies between the market value of the Company’s shares on the date of the agreements and the date of completion of the transactions.

By order of the Board  
**Zee Chan Mei Chu, Peggy**  
Chairman

Hong Kong, 25th April, 2002

*This announcement will remain on the GEM website on the “Latest Company Announcements” page for 7 days from the date of its posting and on the Company’s website at [www.excel.com.hk](http://www.excel.com.hk).*

*\* For identification purpose only*