



志鴻科技國際控股有限公司
EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED

Press Release

【For immediate release】

EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2002

- For the six months ended 30th June 2002, turnover amounted to HK\$75,788,000, representing a slight drop of 6% when compared with the same period of last year.
- The turnover for the second quarter of 2002 is HK\$46,648,000 which is 60% better than that of the first quarter of 2002.
- Loss from operations for the six months ended 30th June, 2002 was HK\$13,747,000.
- For the second quarter of 2002, the loss from operations is narrowed to HK\$5,730,000.
- Loss attributable to shareholders for the six months ended 30th June, 2002 amounted to HK\$15,761,000.
- The Group acquired 40% interest in Excel Force Limited which is a provider of application software to facilitate electronic submission of customs declaration in Shenzhen.
- The Group's subsidiary, HR21 Limited, has successfully launched the HR21 ASP service to the customers of United Overseas Bank in Singapore.
- For business in Chinese Mainland, following the contract with Shenzhen Guosen Securities for a centralized securities trading system, InterTrade-China, the Group signed a contract with a major state-owned bank in Chinese Mainland for the implementation of Wealth Management System.

Financial Summary

Unaudited Consolidated Results	30 th June, 2002 HK\$'000	30 th June, 2001 HK\$'000	Net Change
Turnover	75,788	80,590	- 6.0%
(Loss)/Profit before taxation	(15,386)	7,964	N/A
(Loss)/Profit attributable to shareholders	(15,761)	7,899	N/A
(Loss)/Earnings per share Basic and fully diluted	(1.6) cents	0.79 cents	N/A

(12th August, 2002, HONG KONG) - Excel Technology International Holdings Limited ('Excel' or the 'Company', together with its subsidiaries, the 'Group'; stock code: 8048) is pleased to announce its unaudited consolidated results for the six-month period ended 30th June, 2002.

Break down of the turnover for this six-month period is as follows: 38% software sales and custom development; 37% hardware resale and distribution; 15% consulting and systems integration services; 6% maintenance services; and the rest being revenue from the ASP business. Software sales were slow when comparing with the same period of last year due to decrease of IT capital spending in a sluggish economy.

In the second quarter, sales rebounded significantly by 60% over the first quarter. Coupled with cost containment measure, the Group successfully narrowed loss to \$5,730,000.

In Hong Kong, the Group successfully signed two contracts for the @Surance and Unit Trust System respectively. Several additional software contracts for InterTrade settlement system are still in the negotiation stage and expected to be materialized in the coming months.

We see a strong growth from Chinese Mainland. Our recent sales of the Wealth Management System (WMS), the InterTrade China (Centralized Securities Trading System), and LOANS (the Loans Origination and Processing System) established Excel as a niche software provider in the banking and securities industry in Chinese Mainland. We are optimistic of the current business momentum in Chinese Mainland and the Group is setting up a Shanghai office. Turnover originated from Chinese Mainland represents 8% of the Group's total turnover.

During this period, the Group acquired 40% interest in Excel Force Limited which, through its Shenzhen subsidiary, provides the *i-DEC* application software service for electronic submission of customs declaration in Shenzhen using an ASP mode. We aim to enroll more than 1,000 enterprises in Shenzhen onto the *i-DEC* platform. On the other hand, preparatory work is being done for one of the largest banks in Malaysia to launch the HR21 ASP service to its banking customers.

Although Singapore is still slow, we expect one or two major sales of our enterprise software products can be made within the second half of the year.

The Group's associate company in Beijing, Camelot Information Systems Inc., has been making encouraging progress in its business development. Camelot has just been appointed the first partner of IBM's "Blue Easy Program" to implement CRM solution for China enterprises. Camelot is profitable for the six-month period ended 30th June, 2002.

The development of the Modular Banking System (MBS) is around 80% finished and will be fully completed in the third quarter of 2002. We have started pre-marketing activities to selected potential customers. Formal marketing campaign will be launched towards the end of 2002.

The Group continues to look for investment targets which can provide domain knowledge and market share in the PRC.

Ms Peggy Chan, CEO of the Group said, "We do not expect a strong rebound for Hong Kong in the second half of 2002 but see IT capital spending coming back, albeit in a slower pace but much better than 2001. The management is pinning its hope on further expanding Excel's market share in Chinese Mainland."

###

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, a joint venture with iBusiness Corporation ('iBusiness'). With a further focus on IT consultancy, systems integration, maintenance and resale of IT products, Excel maintains its reputation as a leading IT provider, with a principal focus on the banking and finance sector. Excel has offices in Hong Kong, Beijing, Shenzhen and Singapore.

- Ends -

EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED
12th August, 2002

For further information, please contact:

Flora Wong

Tel: 2186 2800

Fax:2186 8062

E-mail: PR@excel.com.hk

Web-site: www.excel.com.hk