



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

- For the three months ended 31st March, 2002, turnover amounted to HK\$29,140,000.
- Loss from operations was HK\$8,017,000.
- Loss attributable to shareholders amounted to HK\$9,551,000.
- During the period, the Group entered into an agreement with Shenzhen Guosen Securities in the PRC for the provision of InterTrade-China, a centralized securities trading system capable of handling high volume multi-market transactions.

Financial Summary

Unaudited Consolidated Results	31 st March, 2002 HK\$'000	31 st March, 2001 HK\$'000	Net Change
Turnover	29,140	41,269	-29%
(Loss)/Profit from operations	(8,017)	4,717	N/A
(Loss)/Profit attributable to shareholders	(9,551)	1,308	N/A
(Loss)/Earnings per share Basic and fully diluted	(0.97 cent)	0.13 cent	N/A

(13th May, 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 three-month period ended 31st March, 2002.

Business for the first quarter of 2002 remained sluggish in Hong Kong. Even though

the Group was engaged in contract negotiations with a number of banking and finance clients for the sale of enterprise software products, the general pessimistic economic factors have made our clients' approval process to purchase new products slow and cautious. . In the first quarter, sales were still weak and the Group made a loss from operations of HK\$8,017,000. Nevertheless, gross margin was improved to 79% (2001 Q1: 34%).

Capturing the trend of focusing on the more affluent customers in the banking sector, the Group had added a new product called WMS, "*Wealth Management System*", to the existing suite of enterprise software products. The Group is engaged in a number of contract negotiations and the first roll-out of this new product is expected to be in the PRC.

During the period, the Group signed a contract to provide InterTrade-China (a centralized stock trading system) for Shenzhen Guosen Securities, one of the largest securities firms in the PRC. This contract marked an important milestone of the Group in selling its enterprise software product into the PRC. Following this successful contract with Shenzhen Guosen Securities, we expect more sales to securities firms in the PRC within this year.

In Singapore, the Group launched the iHR21 services via its subsidiary HR21 Singapore Pte Ltd., the human resource management ASP service, to the clients of United Overseas Bank. This is a new market for the iHR21 service after the Group launched similar services for HSBC and Hang Seng Bank in Hong Kong.

We expect sales in the second quarter to be more robust as sales pipeline will materialize into contracts. The Group is especially confident of the PRC market. Our LOANS and WMS products are particularly in good demand. Besides the Group is actively developing the outsourcing business through its Shekou Development Center to support multinational companies' software development and localization for the China market.

Ms Peggy Chan, CEO of the Group said, "Although the operating environment for the first quarter remained tough, the Group had not slowed down its expansion plan into China and developing new products to cater for the ever-changing needs of clients."

"Even though we are more cautious in using cash to consummate our strategies, " continued Ms. Chan, "we will continue to invest in the appropriate markets and

products to position ourselves for an economic rebound in the near future. We are optimistic that the coming growth in China will compensate the downturn in Hong Kong and had already mobilized the Group's resources to capitalize the China opportunities".

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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, 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.

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