

Press Release

【For immediate release】

EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

- Turnover increased by about 12% over the previous year to approximately HK\$194 million.
- China originated business increased by about 280% to HK\$95 million (2001: HK\$25 million), which is 49% of the total turnover.
- Maintenance service income, which is recurring revenue on Excel enterprise software products, increased by 53% to HK\$9.4 million.
- The Group incurred a loss from operations of about HK\$53 million.
- Loss attributable to shareholders is narrowed by 19% to about HK\$69 million.
- Loss per share is 6.99 cents.

Financial Summary

Audited Consolidated Results	As at 31 December 2002 HK\$'000	As at 31 December 2001 HK\$'000	Net Change
Turnover	193,398	173,111	12%
Profit/(loss) from operations	(53,437)	(15,454)	246%
Profit/ (loss) attributable to shareholders	(68,821)	(84,776)	19%
(Loss) per share Basic and fully diluted	(6.99) cents	(8.42) cents	17%

(17 March 2003, HONG KONG) - Excel Technology International Holdings Limited ('Excel' or the 'Company', together with its subsidiaries, the 'Group'; stock code: 8048) announces its audited consolidated results for the year ended 31 December 2002.

During the year ended 31 December 2002, the Group achieved a growth of 12% in its turnover. Total turnover for 2002 was HK\$193,398,000. Loss from operations amounted to HK\$53,437,000. The Group reduced its loss attributable to shareholders to HK\$68,821,000.

The growth in turnover was largely from China, with businesses originated from China substantially increased by 285% to HK\$94,803,000 (2001: HK\$24,629,000), constituting more than 49% of the Group's total turnover (2001: 14%).

The loss from operation was attributable to reduction in sales and gross profit margin in Hong Kong and substantial investment in manpower in product localization, development of new infrastructure technology and geographical expansion in China and South East Asia.

Conscious efforts were put in the restructure of non-profitable business units and staff costs. While expenses in Hong Kong and Singapore had been reduced, the cost base was shifted to China to meet business growth. The Group now has substantial presence in Beijing, Shanghai, and Shenzhen and expects the level of operating expenses to stabilize in 2003.

Recurring income such as maintenance service and ASP increased steadily throughout the period at a growth of 53% to HK\$9,362,000 and 406% to HK\$5,700,000 respectively.

The Group has made a provisions of impairment losses on fixed assets, development cost, goodwill and value of the shares of a listed company for a total amount of HK\$13,479,000.

As a result, the Group recorded a loss attributable to shareholders of HK\$68,821,000. The loss was narrowed by 19% as compared with that of 2001.

Camelot (a 21.5% associate) recorded another good year of turnover increase. It is expanding into the manufacturing and pharmaceuticals sectors and is engaged in e-Government projects in the mainland China.

During the year, the Group continued to develop the Wealth Management System (WMS) and Modular Banking System (MBS). WMS was sold to and went live with a major state-owned bank in China and is expected to be a major product for Hong Kong and Singapore in 2003. MBS is expected to go live and with new prospects in 2003.

Localization of InterTrade China (the centralized securities trading system) and Loans China (the loans origination and processing) is largely done and implementations are scheduled in client sites in early and mid 2003.

Ms Peggy Chan, CEO of the Group said, "In 2002, I am happy that our China operation has experienced high growth. In 2003, I expect a shift of revenue mix in China to a more enterprise software nature. With the new presence in Shanghai, the Group will increase business activities in this strategic city.

"Excel starts 2003 with a handful of backlog and healthy sales pipeline. Demand for enterprise software has a solid recovery. In Hong Kong and China, Excel is acquiring new banking clients. In 2003, the senior management team is committed to focus in further expanding the China market. With the improved business conditions and backlog we see within the Group, Year 2003 is the year that we will see much improved financial results over the past two years."

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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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