

10 May 2005

**Press Release**

【For immediate release】

**EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED  
RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2005**

Financial Summary

Unaudited Consolidated Results	31 March 2005 HK\$'000	31 March 2004 HK\$'000
Turnover	35,786	36,348
Loss from operations	(6,117)	(5,216)
Loss attributable to shareholders	(6,065)	(5,169)
Loss per share - Basic	(0.62) cents	(0.52) cents

(10 May 2005, HONG KONG) - Excel Technology International Holdings Limited ('Excel' or the 'Company', together with its subsidiaries, the 'Group'; stock code: 8048) announces its unaudited consolidated results for the three-month period ended 31 March 2005.

The Group recorded a turnover of HK\$35,786,000 for the three months ended 31 March 2005, a slight decrease of 2% from HK\$36,348,000 for the corresponding period of last year.

By sector performance on a quarter-to-quarter comparison, revenue on professional services grew by 185%, ASP services increased by 9% but systems integration decreased by 13% and enterprise software products dropped by 11%.

Revenue on professional services records a significant growth in the quarter, which represents the result of the Group's conscious effort in the development of IT

outsourcing business. The decrease in the turnover of systems integration business mainly reflects the shifting of hardware systems integration to software and services in China and the slow demand on computer hardware and infrastructure in Hong Kong. The decrease in the turnover of enterprise software products is the result of delays in the signing of certain customer contracts.

Net loss attributable to shareholders for the three months ended 31 March 2005 amounted to HK\$6,065,000. This represents an increase of 17% loss on a quarter-to-quarter basis when compared with the same period of last year (2004 Q1: loss of HK\$5,169,000).

Although IT industry remains a highly competitive pricing tough sector and customer spending behavior is conservative at this moment, our management is confident that our current situation will soon improve as we are starting to see the positive signs such as stronger pipelines and keener customer interests in our products and services. We also expect some of the contracts will be concluded soon.

Maintaining a steady revenue stream with prospect for long-term growth is our key objective. To build a steady revenue stream, we are focusing in expanding our enterprise software base, as well as riding the IT outsourcing trend which is happening in China. With the opening up of the banking and finance industry in many Asian countries, the Group expects that its suite of banking enterprise software will see a steady and healthy growth in the coming years. On the IT outsourcing side, works are being done to open up offices in Dalian, Hangzhou and Taipei to capture the opportunities there. These two business areas, together with our ASP service, will set the foundation for repeatable business based on our core competence in software development.

Besides our business area focus, management has made conscious effort to broaden our geography coverage in Southeast Asia to reduce any dependence on any one country or location, and to put the Company on a truly regional footprint, which is of great importance. This would in turn generate more business with less sales effort as a wider geographic coverage would allow us to serve the multi-national companies, especially regional banks we are serving with a one-stop-service to their regional needs.

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Company Background:

Excel is a leading information technology (IT) and enterprise software and solution provider specializing in the banking, finance, insurance, ERP and logistics sectors in Asia. Excel Technology's major business includes development and implementation of enterprise software products, providing e-solutions, IT strategy and planning, outsourcing and systems integration. Headquartered in Hong Kong, the company has a strong team of over 400 IT professionals serving in Beijing, Shanghai, Guangzhou, Shenzhen and Singapore.

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