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This announcement, for which the directors (the “Directors”) of Excel Technology International Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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)

(Stock Code: 8048)

**DISPOSAL OF ASSETS
MAJOR TRANSACTION**

The Vendor, an indirect wholly-owned subsidiary of the Company, entered into an agreement on 11 April 2006 for the disposal of approximately 21.51 percent of the issued share capital of Camelot to the Purchaser for an aggregate cash consideration of approximately US\$4,253,375 (equivalent to approximately HK\$33,176,325) to be net of professional fees of approximately HK\$300,000.

The Purchaser is an independent third party not connected with the Company, any directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

As the applicable percentage ratio(s) as defined in the GEM Listing Rules exceed(s) 25% but less than 75%, the Disposal constitutes a major transaction of the Company under the GEM Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. No shareholder of the Company is required to abstain from voting in the general meeting of the Company for approving the Disposal and the Company has obtained from Passion, which currently holds 563,679,197 Shares, representing approximately 57.22 per cent. of the issued share capital of the Company, written approval for the Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company seeking approval from its shareholders pursuant to Rule 19.44 of the GEM Listing Rules.

* For identification purpose only

A circular giving details of the Agreement will be sent to shareholders as soon as practicable.

Trading in the shares of the Company was suspended as from 9:30 a.m. on 12 April 2006 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange from 9:30 a.m. 18 April 2006.

AGREEMENT DATED 11 APRIL 2006

Parties:

Vendor: Grandful Star Ltd., an indirectly wholly-owned subsidiary of the Company

Purchaser: Yin Webster

Warrantor: the Company

Asset disposed:

4,850 shares of Camelot, representing approximately 21.51 per cent. of its issued share capital. The balance of the issued share capital of Camelot is owned by independent third parties not connected with the Company, any directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

Camelot is a company incorporated in the British Virgin Islands on 28 November 2000. Camelot Group is principally engaged in the provision of technical and business support services for corporate clients in China. For the year ended 31 December 2005 and 31 December 2004, its audited net profits before taxation and minority interests were approximately HK\$29,076,000 (equivalent to approximately RMB30,932,000) and HK\$25,068,000 (equivalent to approximately RMB26,668,000) respectively. For the year ended 31 December 2005 and 31 December 2004, its audited net profits after taxation and minority interests were approximately HK\$28,597,000 (equivalent to approximately RMB30,422,000) and HK\$23,035,000 (equivalent to approximately RMB24,505,000) respectively.

The assets to be disposed of had a book value of approximately HK\$36,152,000 as at 31 December 2005.

Immediately upon completion of the Agreement, the Company will cease to have any shareholding in Camelot.

The Company joined with the Vendor to give representations, warranties and undertakings to the Purchaser under the Agreement. These representations, warranties and undertakings mainly relate to the capacity of the Vendor and the title of the Vendor to the Sale Shares. The Company and the Vendor represent warrant, and undertake that the Company has the right to sell the shares and that the shares are fully paid up and free of any encumbrances.

Consideration:

US\$4,253,375 (equivalent to approximately HK\$33,176,325) to be paid in cash upon completion of the Agreement. It is expected that there will be approximately HK\$300,000 of professional fees to be paid to complete the transaction.

The consideration was arrived at after arm's length negotiations and with reference to market value of PRC companies of similar nature (companies who are engaged in the provision of technical and business support services) in the last 6 months by study conducted by independent financial advisor.

The Directors (including the independent non-executive Directors) consider that the terms of Disposal are fair and reasonable and in the interests of the shareholders as a whole.

Payment terms:

The purchase price for the Sale Shares will be paid in cash on completion of the Agreement.

Use of proceeds:

The proceeds of the Disposal will be applied to the development of the China outsourcing centres for the Group in 2006 and 2007.

Completion date:

The Agreement is expected to be completed on the thirtieth business day after the date of the Agreement (or such other date as the parties shall agree in writing).

Reasons for the transaction:

The Group acquired and subscribed for 4,850 shares of Camelot at a consideration of approximately HK\$21,668,000 in August 2001. Since then, the Group has started its software development outsourcing business in 2005 using resources of its own. The Group decided to dispose of its shareholding in Camelot as the current business of Camelot may conflict with that of the Group in the longer term and by disposing of its interest in Camelot, the Group can concentrate in developing and growing its own outsourcing centres so as to provide support to the Group's customers in Hong Kong, China and South East Asia at lower cost.

There is a loss of approximately HK\$2,976,000 over book value arising on the Disposal.

Connection between the parties:

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an independent third party not connected with the Company, any directors, chief executive or substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the GEM Listing Rules).

Information for shareholders:

The Group is one of the leading business application solutions providers in the banking and finance sector in Hong Kong, and is principally engaged in (i) the development, sale and implementation of enterprise software, (ii) the operation of the ASP Business through a subsidiary in which the Group owns 80.1 per cent. interest and iBusiness Corporation Limited (whose shareholders, in turn, include Cheung Kong, Hutchison Whampoa, HSBC and Hang Seng Bank) owns the remaining 19.9 per cent., (iii) IT consultancy (including the provision of e-business solutions) and customised application system development, and (iv) systems integration and resale and maintenance of IT products, all with a principal focus on providing solutions to the banking and finance sector.

As the applicable percentage ratio(s) as defined in the GEM Listing Rules exceed(s) 25% but less than 75%, the Disposal constitutes a major transaction of the Company under the GEM Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. No shareholder of the Company is required to abstain from voting in the general meeting of the Company for approving the Disposal and the Company has obtained from Passion, which currently holds 563,679,197 Shares, representing approximately 57.22 per cent. of the issued share capital of the Company, written approval for the Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company seeking approval from its shareholders pursuant to Rule 19.44 of the GEM Listing Rules.

A circular giving details of the Agreement will be sent to shareholders as soon as practicable.

Trading in the shares of the Company was suspended as from 9:30 a.m. on 12 April 2006 at the request of the Company pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange from 9:30 a.m. on 18 April 2006.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

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| “Agreement” | the sale and purchase agreement dated 11 April 2006 entered into between the Vendor and the Purchaser in relation to the Disposal |
| “Camelot” | Camelot Information Systems Inc., a company incorporated in the British Virgin Islands on 28 November 2000 with limited liability and is an associated company of the Company immediately before the Disposal |
| “Camelot Group” | Camelot and its subsidiaries and associated companies |
| “Cheung Kong” | Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong, the shares of which are listed on the Main Board |
| “Company” | Excel Technology International Holdings Limited |
| “Directors” | directors of the Company |
| “Disposal” | the disposal of 4,850 shares, representing approximately 21.51% of the issued share capital, of Camelot under the Agreement |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hang Seng Bank” | Hang Seng Bank Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board |
| “HSBC” | The Hongkong and Shanghai Banking Corporation Limited |
| “Hutchison Whampoa” | Hutchison Whampoa Limited, a company incorporated in Hong Kong, the shares of which are listed on the Main Board |
| “Main Board” | the securities market operated by the Stock Exchange, excluding the Growth Enterprise Market and the option market |
| “Passion” | Passion Investment (BVI) Limited, a substantial shareholder of the Company and is wholly owned by Mrs. Zee Chan Mei Chu, Peggy, the Chairman of the Company |

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| “Purchaser” | Yin Webster |
| “RMB” | Reminbi, the lawful currency of the People’s Republic of China |
| “Sale Shares” | the 4,850 shares, representing approximately 21.51% of the issued share capital, of Camelot legally and beneficially owned by the Vendor |
| “Shares” | shares of HK\$0.10 each in the capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “USD” | United States dollars, the lawful currency of United States of America |
| “Vendor” | Grandful Star Ltd., a company incorporated in the British Virgin Islands on 18 May 2001 with limited liability and is an indirect wholly-owned subsidiary of the Company |

In this announcement, the exchange rate of RMB1.00 to HK\$0.94 and USD1.00 to HK\$7.80 were adopted.

By Order of the Board
Zee Chan Mei Chu, Peggy
Chairman

The board of Directors comprises:

Zee Chan Mei Chu, Peggy (*Executive Director*)

Leung Lucy, Michele (*Executive Director*)

Fung Din Chung, Rickie (*Executive Director*)

Ng Wai King, Steve (*Executive Director*)

Ip Tak Chuen, Edmond (*Non-executive Director*)

Cheong Ying Chew, Henry (*Independent non-executive Director*)

Chang Ka Mun (*Independent non-executive Director*)

Wong Mee Chun (*Independent non-executive Director*)

Hong Kong, 13 April 2006

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least seven days from the date of its posting and on the website of the Company at www.excel.com.hk.