

## Press Release

**【For immediate release】**

### EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED INTERIM RESULT FOR FIRST HALF OF 2001

#### HIGHLIGHTS

- Turnover amounted to HK\$80,590,000, representing a 13.7% increase over the corresponding period in 2000.
- Profit from operation was HK\$11,677,000, which is 14.5 % of the turnover.
- Profit attributable to shareholders amounted to HK\$7,899,000, representing 26.2% more than the corresponding period in 2000.
- The Group signed a conditional agreement to acquire 21.5% in Camelot Information System Inc. for a total consideration of US\$2.91 million.
- i21 Limited started to have positive contribution to the Group with a profit of HK\$841,000 for the three months ended 30<sup>th</sup> June, 2001.
- Starting from 24<sup>th</sup> July 2001, i21 becomes a subsidiary of the Group subsequent to the purchase of 42.6% issued shares of i21 from iBusiness.

#### Financial Summary

Unaudited Consolidated Results	30 <sup>th</sup> June, 2001 HK\$'000	30 <sup>th</sup> June, 2000 HK\$'000	Net Change
Turnover	80,590	70,870	13.7%
Profit from operations	11,677	9,458	23.5%
Profit attributable to shareholders	7,899	6,260	26.2%
Earnings per share Basic and fully diluted	0.79 cents	0.88 cents	-10.2%

(13<sup>th</sup> August, 2001, 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 months ended 30<sup>th</sup> June, 2001

For the six months ended 30<sup>th</sup> June, 2001, the unaudited turnover of the Group was HK\$80,590,000, representing an increase of 13.7% over the same period in 2000. The Group achieved a profit from operation of HK\$11,677,000 for the same period, which

represents an increase of about 23.5% when comparing with the same period in 2000. The profit attributable to shareholders was HK\$7,899,000. As compared to a profit of HK\$6,260,000 in same period in 2000, this represents an increase of 26.2%.

The first half period of the year was closed with a sluggish IT market. Global slow down in IT spending and consolidation in banking in Hong Kong have negative impacts on the revenue side of the Group. License sales slowed down as IT budget was trimmed and decisions on major purchasing were delayed. The sales in software product licenses and complimentary services had not picked up as expected. The banking clients are concentrating on devising tiered deposit products in face of the deregulation starting from July 2001. Some of the banking clients were busy in realigning internal business processes with newly acquired operations as part of the ongoing consolidation play.

Despite the doldrums in market conditions, the Group is deploying resources to localize its software products for the mainland China, Singapore and Malaysia markets. The Group expected to complete the localization of some of these software products within the third quarter of the year.

The Group continues its efforts in opening up the mainland China market. The latest effort was the acquisition of 21.5% equity interest in Camelot Information Systems Inc. (Camelot), an IT service company which operates in the mainland China. Camelot provides IT consultation and implementation services for local enterprises and multinational corporations operating in the mainland China in the sectors of finance, distribution, retailing and manufacturing. Camelot is a profitable company with high growth. It has much synergies with the Group in its expansion strategy in the mainland China and can work closely with the Group's China division in business development and selling of the Group's products.

Another significant development during the period being the acquisition of majority ownership in i21 Limited (i21), the Group's associated company which operates mainly ASP services in Hong Kong. The Group has increased its holding in i21 from 37.5% to 80.1%, whereas iBusiness Corporation's interest is reduced from 62.5% to 19.9%. With the acquisition of i21, the Group strives to build an earning base with recurring and predictable income sources and at the same time brings a key strategic shareholder to the Group level.

Peggy Chan, Chairman & CEO of Excel, said "The business outlook of Hong Kong for the second half of the year remains uncertain. We anticipate the IT sector in Hong Kong would be moving slowly as attention is predominantly on further industry consolidation. New e-Commerce initiatives in this sector would be overshadowed by the need to re-engineer internal business process. However, Excel will continue to focus in its geographical expansion, particularly we aim at building a substantial operations in China to take advantage of the emerging opportunities." Ms. Chan continued, "The Group will set aside more resources for developing the mainland China market both via its joint ventures and further acquisition."

"The ASP business has also witnessing encouraging results as the revenue from the two services, notably iStock21 and iHR21, continues to increase as registered users are transacting their businesses online via these ASP platforms. For the local market in Hong Kong, the ASP team will focus on service quality and acquiring new customers", said Rickie Fung, CEO of i21. Mr. Fung added, "i21 expects to set up overseas offices for the ASP business very soon toward the end of the year. The ASP operations, after the consolidation, will become an increasingly significant contributor to the overall profitability of the Group."

**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 Limited. 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.

- Ends -

For further information, please contact:

Flora Wong/Eden Lu

Tel: 2186 2800

Fax: 2186 8062

E-mail: [inquiry@excel.com.hk](mailto:inquiry@excel.com.hk)

Web-site: [www.excel.com.hk](http://www.excel.com.hk)