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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 (“GEM Listing Rules”) 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 (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 INTERNATIONAL HOLDINGS LIMITED**

**(志鴻科技國際控股有限公司)\***

*(Incorporated in Bermuda with limited liability)*

The board of Directors (the “Board”) would like to give further information regarding the annual results announcement of the Company published on 15th March, 2001 (the “Results Announcement”).

### **1. MATERIAL DIFFERENCES IN NET PROFIT**

The Company and its subsidiaries (the “Group”) recorded a profit attributable to shareholders of HK\$22.7 million for the year ended 31st December, 2000, which exceeded the forecast profit of HK\$13 million as stated in the Company’s prospectus dated 20th June, 2000 (the “Prospectus”). The variance is mainly due to the recognition of a sizeable license fee for certain component engines developed by the Group upon the conclusion of a major development contract with a regulatory authority in Hong Kong in the fourth quarter.

In addition, in the fourth quarter of 2000, the Group recorded revenue which was significantly above its original forecast due to a strong demand for the Group’s software products. As explained in the Results Announcement, it is a common phenomenon in the IT industry that major purchase decisions are made towards the end of each calendar year. i21 Limited, an associated company of the Company, launched three ASP services during 2000, and recorded a loss which was significantly less than originally forecasted.

## **2. DIFFERENCES IN THE REPORTED RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 1999**

In the preparation of the accountants' report included in the Prospectus (the "Accountants' Report"), as is the usual practice in respect of accountants' reports included in the prospectuses, the financial results of the Group represented the combined results of the Group during the three years ended 31st December, 1999 as if the Group structure set out on page 73 of the Prospectus had been in existence during the relevant period covered by the Accountants' Report. As a result, the Group accounted for its investment in Net Fun Limited ("Net Fun") as investment securities to the extent of dividend income in respect of the relevant period in the Accountants' Report. This basis of preparation was disclosed in the Accountants' Report.

In accordance with Hong Kong Statements of Standard Accounting Practice applicable to statutory accounts, the financial results of the Group for the years ended 31st December, 1999 and 31st December, 2000 included the financial results of Net Fun up to the Group's disposal of Net Fun on 29th January, 2000. Since the date of disposal, the Group accounted for its investment in Net Fun as investment securities to the extent of dividend income attributable to each financial period. As a result, the Group's loss for the year ended 31st December, 1999 as shown in the Results Announcement incorporates a net charge of HK\$914,000 attributable to Net Fun.

Had the results of the Group for the year ended 31st December, 2000 been prepared on the same basis as that set out in the Accountants' Report, for comparative purpose, the audited results would be HK\$21.6 million. The Board confirmed that the Group met the profit forecast of HK\$13 million as stated in the Prospectus.

On Behalf of the Board  
**Ip Kim Kuen**  
*Executive Director*

Hong Kong, 21st March, 2001

\* *For identification purpose only*

*This announcement will remain on the GEM website on the "Latest Company Announcements" page for 7 days from the day of its posting.*