

**Press Release**

【For immediate release】

**EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED**

**RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2004**

- For the three months ended 31 March 2004, turnover amounted to HK\$36,348,000.
- Loss from operations was HK\$5,216,000 for the first quarter of 2004.
- Loss attributable to shareholders for the three months ended 31 March 2004 was HK\$5,169,000. This represents a significant improvement of 36% when compared with the same period of last year.

Financial Summary

Unaudited Consolidated Results	31 March 2004 HK\$'000	31 March 2003 HK\$'000	Net Change FAV / (ADV)
Turnover	36,348	59,984	-39%
Loss from operations	(5,216)	(8,694)	+40%
Loss attributable to shareholders	(5,169)	(8,100)	+36%
Loss per share Basic and fully diluted	(0.52) cents	(0.82) cents	+36%

(10 May 2004, 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 three-month period ended 31 March 2004.

For the three months ended 31 March 2004, the Group achieved a turnover of HK\$36,348,000, compared with HK\$59,984,000 in the same period of last year, representing a decrease of 39%. By sector performance on a quarter-to-quarter comparison, enterprise software products increased by 2%, systems integration dropped by

57%, professional services grew by 6% and ASP services increased by 7%. The decrease in the turnover of the systems integration business is the result of two factors. First, there is a conscious effort of the Group to increase its higher profit margin business in software and services. Second, there are timing elements in the signing and booking of major contracts under negotiation.

Total operating expense in this quarter decreased by about 14% and 23% when compared with the first quarter and last quarter in 2003 respectively.

Loss from operation was significantly reduced by 40% to HK\$5,216,000 (2003 Q1: HK\$8,694,000).

Loss attributable to shareholders was HK\$5,169,000. This represents a significant improvement of 36% on a quarter-to-quarter basis when compared with the same period of last year (2003 Q1 : loss of HK\$8,100,000).

Looking ahead in the coming quarters, management is confident that the positive trend will continue. Management is conscious of profitability and had taken significant steps to decrease operating cost and such steps are evident in the result so far.

The Group expects that software and service revenue will continue to grow healthily with significant increase in the development outsourcing and ASP area. This will further set the foundation for repeatable business based on our core competence in software development.

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**Company Background:**

Excel is a leading financial technology provider and is principally engaged in the development, sale and implementation of enterprise software and systems for the banking, financial, and logistic sectors in China and the SE Asia region. The Group is also a major player in the ASP (application service provider) business through i21 Limited and HR21 Limited.

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*EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED*  
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