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This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of Company, 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

EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED

(志鴻科技國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

Following an internal restructuring of HSBC Investment Bank Asia Limited ("HIBA"), a novation agreement (the "Agreement") has been entered into between Excel Technology International Holdings Limited (the "Company"), HIBA and the Hongkong and Shanghai Banking Corporation Limited ("HSBC") (of which HIBA is an indirect wholly-owned subsidiary).

Pursuant to the Agreement, the rights and obligations of HIBA under the sponsor agreement (the "Sponsor Agreement") dated 19th June, 2000 entered into between the Company and HIBA appointing HIBA as the retained sponsor of the Company from 30th June , 2000 to 31st December, 2002, have been novated to HSBC. As a result of the Agreement, HSBC will act as the retained sponsor of the Company for the remaining term of the Sponsor Agreement. Apart from the aforementioned change in sponsorship, there was no change in the terms of the Sponsor Agreement.

The change in sponsorship as a result of the Agreement does not have any impact on the relationship between the Company, HIBA and HSBC.

By order of the Board
Ip Kim Kuen
Executive Director

Hong Kong, 26th February, 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.