

Quarterly Results announcement form

Name of listed company : Systek Information Technology (Holdings) Limited

Stock code : 8103

Year end date : 31/03/2002

This result announcement form only contains extracted information from and should be read in conjunction with the detailed results announcement of the issuer, which can be viewed on the GEM website at <http://www.hkgem.com>

	(* Unaudited)	(* Unaudited)
	Current Period (dd/mm/yyyy)	Last Corresponding Period (dd/mm/yyyy)
	from <u>01/04/2001</u> to <u>30/09/2001</u>	from <u>01/04/2000</u> to <u>30/09/2000</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Turnover :	<u>15,887</u>	<u>24,194</u>
Profit/(Loss) from Operations :	<u>-26,209</u>	<u>2,860</u>
Finance cost :	<u>-66</u>	<u>-540</u>
Share of Profit/(Loss) of Associates :	<u>N/A</u>	<u>N/A</u>
Share of Profit/(Loss) of Jointly Controlled Entities :	<u>N/A</u>	<u>N/A</u>
Profit/(Loss) after Taxation & MI :	<u>-26,049</u>	<u>2,121</u>
% Change Over the Last Period :	<u>N/A</u>	<u>%</u>
EPS / (LPS) - Basic :	<u>-2.513 cents</u>	<u>0.334 cents</u>
- Diluted :	<u>N/A</u>	<u>N/A</u>
Extraordinary (ETD) Gain/(Loss) :	<u>N/A</u>	<u>N/A</u>
Profit (Loss) after ETD Items :	<u>-26,049</u>	<u>2,121</u>
2nd Q * Dividend per Share :	<u>N/A</u>	<u>N/A</u>
(specify if with other options) :	<u>N/A</u>	<u>N/A</u>
B/C Dates for 2nd Q* Dividend Payable Date :	<u>N/A</u>	<u>to N/A bdi.</u>
B/C Dates for AGM/SGM :	<u>N/A</u>	<u>to N/A bdi.</u>
Other Distribution for Current Period :	<u>N/A</u>	<u>N/A</u>
B/C Dates for Other Distribution :	<u>N/A</u>	<u>to N/A bdi.</u>

(bdi: both days inclusive)

Remarks :

For and on behalf of
Systek Information Technology (Holdings) Limited

Signature :

Name :

Title :

To Cho Kei

Chairman

Responsibility statement

The directors of the Company (the "Directors") as at the date hereof hereby collectively and individually accept full responsibility for the accuracy of the information contained in this results announcement form (the "Information") and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief the Information are accurate and complete in all material respects and not misleading and that there are no other matters the omission of which would make the Information herein inaccurate or misleading. The Directors acknowledge that the Stock Exchange has no responsibility whatsoever with regard to the Information and undertake to indemnify the Exchange against all liability incurred and all losses suffered by the Exchange in connection with or relating to the Information.

1 Reorganisation and basis of presentation

(a) Reorganisation

The Company was incorporated in the Cayman Islands on 16 March 2000 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The Company became the holding company of the Group on 26 August 2000 through a reorganisation (the 'Reorganisation').

(b) Basis of presentation

The Group resulting from the Reorganisation has been regarded as a continuing group. Accordingly, the consolidated results have been prepared on the basis of merger accounting, under which the Company was the holding company of the Group for both periods presented, rather than from 26 August 2000. Furthermore, the results of the Group for the periods ended 30 September 2001 and 2000 include the results of the Company and its subsidiaries with effect from 1 April 1999 or since their respective dates of incorporation, whichever is a shorter period. In the opinion of the Board, the resulting consolidated results give a more meaningful view of the results of the Group as a whole.

All significant intra-group transactions and balances have been eliminated in the preparation of the consolidated results.

(c) Statement of compliances

The consolidated results have been prepared in accordance with all applicable statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Society of Accountants and accounting principles generally accepted in Hong Kong.

2 Turnover

The principal activities of the Group are the provision of systems development and consultancy services and sale of software and hardware products. Turnover represents income arising from the provision of system development and consultancy services, provision of IT engineering and technical support services, provision of training courses and the sale of software and hardware products.

An analysis of the turnover by principal activities of the operations of the Group during the reporting periods is as follows:

Principal activities	Three months ended 30 September		Six months ended 30 September	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Systems	4,839	4,382	7,772	10,264

development				
Sales of software and hardware products	1,053	2,972	1,694	6,961
Professional service fees	2,503	1,497	4,087	3,507
Training fees	461	764	1,258	1,790
Technical support fees	992	148	1,039	347
Others	35	566	37	1,325
	9,883	10,329	15,887	24,194

3 (Loss)/profit from ordinary activities before taxation

(Loss)/profit from ordinary activities before taxation is arrived at after crediting and charging:

	Three months ended 30 September		Six months ended 30 September	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Crediting				
Interest income	295	492	857	529
Charging				
Interest on bank advances and other borrowings repayable within five years	25	362	66	540
Staff costs	14,268	5,188	26,895	11,927
Operating lease rentals - properties	1,598	515	2,705	748
Pre-operating costs written off				
Amortisation	2	-	65	-
	24	-	48	-

of deferred assets				
Auditors' remuneration	11	160	11	160
Depreciation	621	273	1,232	546

4 Taxation

	Three months ended 30 September		Six months ended 30 September	
	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000
Hong Kong taxation	-	-	-	101
Overseas taxation	-	-	-	-
	-	-	-	101
Deferred taxation	-	(453)	-	263
	-	(453)	-	364

No provision for taxation has been made for the three months and six months ended 30 September 2001 as the Group sustained losses for taxation purpose during the period.

The provision for Hong Kong Profits Tax was calculated at 16% of the estimated assessable profits arising in Hong Kong for the three months and six months ended 30 September 2000.

A subsidiary operating in PRC is exempted from PRC income tax for two years commencing from the first profit making year and is entitled to a 50% relief from PRC income tax for the following three years, after which the profits are subject to PRC income tax at the standard rate of 33%. No provision for taxation has been made for the three months and six months ended 30 September 2001 since the subsidiary is still within the two-year tax exemption period.

5 (Loss)/earnings per share

The calculation of basic loss per share for the three months and six months ended 30 September 2001 is based on the loss attributable to shareholders of approximately of HK\$11,892,000 and HK\$26,049,000 (2000: loss of HK\$2,025,000 and profit of HK\$2,121,000) and the

weighted average number of 1,036,375,000 (2000: 666,666,628 and 633,333,285, prior to the placing but after adjusting the effect of the capitalization issue on 1 September 2000) shares in issue throughout the relevant accounting period, respectively.

There was no potential dilutive ordinary shares in issue during the three months and six months ended 30 September 2001 and 2000.

6. Reserves

	Share premium	Exchange reserve	Retained profits/ (Accumulated losses)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2001	33,144	(32)	(21,168)	11,944
Exchange differences on translation of accounts of subsidiaries outside Hong Kong	-	(326)	-	(326)
Loss for the period	-	-	(26,049)	(26,049)
At 30 September 2001	33,144	(358)	(47,217)	(14,431)

According to the relevant PRC accounting rules and regulations, the PRC subsidiary may appropriate part of its profits after tax to general reserve, at the discretion of the board of directors of the subsidiary. The general reserve can be used to make good losses and to convert into paid-up capital.

No transfer to the general reserve was made by the PRC subsidiary during the period.