

## Quarterly Results announcement form

Name of listed company : System 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 01/04/2001	from	01/04/2000
	to 30/06/2001	to	30/06/2000
	HK\$'000		HK\$'000
Turnover	6,005		13,865
Profit/(Loss) from Operations	-14,322		5,148
Finance cost	13		178
Share of Profit/(Loss) of Associates	N/A		N/A
Share of Profit/(Loss) of Jointly Controlled Entities	N/A		N/A
Profit/(Loss) after Taxation & MI	-14,156		4,146
% Change Over the Last Period	N/A	%	
EPS / (LPS) - Basic	(1.366) Cents		0.691 Cents
- Diluted	N/A		0.564 Cents
Extraordinary (ETD) Gain/(Loss)	N/A		N/A
Profit (Loss) after ETD Items	N/A		N/A
1st Q Dividend per Share (specify if with other options)	N/A		N/A
B/C Dates for 1st Q Dividend	N/A	to	N/A bdi.
Payable Date	N/A		
B/C Dates for AGM/SGM	N/A	to	N/A bdi.
Other Distribution for Current Period	N/A		
B/C Dates for Other Distribution	N/A	to	N/A bdi.

\* Please delete as appropriate

(bdi: both days inclusive)

Remarks :

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

Signature :  
Name :  
Title :

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C.K. To  
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Chairman  
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**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.

Notes:

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 June 2001 and 2000 included 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 Directors, 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 systems 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 period is as follows:

	Three months ended 30 June	
	2001	2000
	HK\$'000	HK\$'000

## Principal activities

System development	2,934	5,882
Sales of software and hardware products	642	3,989
Professional service fees	1,584	2,010
Training fees	797	1,026
Technical support fees	47	199
Others	1	759
	6,005	13,865

3 (Loss)/profit from ordinary activities before taxation

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

	Three months ended 30 June	
	2001	2000
	HK'000	HK'000

## Crediting:

Interest income	562	37
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## Charging:

Interest on bank advances and other borrowings repayable within five years	13	178
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Staff costs	12,627	6,739
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Operating lease rentals - properties	1,107	233
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Pre-operating costs written off	63	-
Amortisation of deferred asset	24	-
Depreciation	611	273

#### 4. Taxation

	Three months ended 2001	30 June 2000
	HK'000	HK'000
Hong Kong Taxation	-	101
Overseas Taxation	-	-
	-	101
Deferred taxation	-	716
	-	817

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

The provision for Hong Kong Profits Tax is calculated at 16% of the estimated assessable profits arising in Hong Kong for the three months ended 30 June 2001. Taxation on the profits of subsidiaries operating outside Hong Kong is calculated at the current rates applicable in the respective jurisdictions.

A subsidiary operating in the 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 ended 30 June 2001 since the subsidiary is still within the two-year tax exemption period.

#### 5 (Loss)/Earnings per share

##### (a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on the combined loss attributable to shareholders for three months ended 30 June 2001 of approximately of HK\$14,156,000 divided by the weighted average number of 1,036,375,000 shares in issue during the three months ended 30 June 2001.

The calculation of basic earnings per share for the three months ended 30 June 2000 is based on the combined profit attributable to

shareholders of approximately HK\$4,146,000 divided by 599,999,942 shares, prior to the placing but after adjusting the effect of the capitalisation issue on 1 September 2000.

(b) Diluted earnings per share

There were no potential dilutive ordinary shares in issue during the period ended 30 June 2001.

The calculation of diluted earnings per share for the three months ended 30 June 2000 is based on the adjusted combined profit attributable to shareholders of HK\$4,324,000 and the weighted average number of ordinary shares of 766,774,667 shares after adjusting for the effects of the dilutive potential ordinary shares committed under the convertible notes issued on 20 December 1999, 29 January 2000, 27 April 2000, 6 May 2000 and 15 May 2000 which entitled the noteholders to convert the paid up principal into ordinary shares of the Company.

(c) Reconciliations

	2000 HK\$'000
Profit attributable to shareholders	4,146
Interest paid for the convertible notes	178
Adjusted profit attributable to shareholders	4,324
	2000 Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	599,999,942
Deemed issue of ordinary share	166,774,725
Weighted average number of ordinary shares used in calculating diluted earnings per share	766,774,667

6 Reserves

Share premium	Exchange reserves	Retained profits/ (Accumulated losses)	Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000

At 1 April 2000	-	41	7,373	7,414
Premium on the issuance of shares	127,840	-	-	127,840
Shares issue expenses	(15,389)	-	-	(15,389)
Capitalisati on issue	(79,307)	-	-	(79,307)
Exchange differences on translation of accounts of subsidiaries outside Hong Kong	-	(73)	-	(73)
Loss for the year	-	-	(28,541)	(28,541)
At 31 March 2001	33,144	(32)	(21,168)	11,944
At 1 April 2001	33,144	(32)	(21,168)	11,944
Exchange differences on translation of accounts of subsidiaries outside Hong Kong	-	(27)	-	(27)
Loss for the period	-	-	(14,156)	(14,156)
At 30 June 2001	33,144	(59)	(35,324)	(2,239)

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.