

Yearly Results announcement form

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

Stock code : 8103

Year end date : 31/03/2001

Auditors' report : Qualified
 Modified
 Neither

	(* Audited)		(* Audited)	
	Current Period (dd/mm/yyyy)		Last Corresponding Period (dd/mm/yyyy)	
	from	01/04/2000	from	01/04/1999
	to	31/3/2001	to	31/3/2000
	HK\$'000		HK\$'000	
Turnover	:	35,628	:	40,013
Profit/(Loss) from Operations	:	-28,641	:	8,663
Finance cost	:	-592	:	-124
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	:	-28,541	:	6,669
% Change Over the Last Period	:	N/A	%	
EPS / (LPS) - Basic	:	(3.362) cents	:	1.112 cents
- Diluted	:	N/A	:	1.235 cents
Extraordinary (ETD) Gain/(Loss)	:	N/A	:	N/A
Profit (Loss) after ETD Items	:	N/A	:	N/A
Final Dividend per Share	:	N/A	:	N/A
(specify if with other options)	:	N/A	:	N/A
B/C Dates for Final 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 :

TO, Chiwun-Caritas Christine

Company Secretary

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 Company and its subsidiaries (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 years presented, rather than from 26 August 2000. Furthermore, the results of the Group for the years ended 31 March 2000 and 2001 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 Directors, the resulting consolidated results give a more meaningful view of the results of the Group as a whole.

All material inter-company transactions and balances are eliminated on consolidation.

(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

An analysis of the principal activities of the operations of the Group during the year is as follows:

	2001	2000
	HK\$'000	HK\$'000
Principal activities		
Systems development	12,738	14,375
Sales of software products	9,990	13,072
Professional service fees	7,639	7,641
Training fees	3,362	3,680
Technical support fees	1,557	730
Others	342	515

35,628

40,013

3. (Loss)/profit from ordinary activities before taxation

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

	2001 HK\$'000	2000 HK\$'000
Interest on bank advances and other borrowings repayable within five years	592	124
Staff costs	36,910	24,050
Research and development costs	7,906	4,781
Operating lease rentals - properties	3,304	2,422
Pre-operating costs written off	236	-
Amortisation of deferred assets	48	-
Auditors' remuneration	950	82
Depreciation	1,441	606
Provision for bad and doubtful debts	5,942	-
Provision for foreseeable losses on systems development projects	2,573	-
Provision for diminution in value against investment securities	3,200	-

4 Taxation

	2001 HK\$'000	2000 HK\$'000
Hong Kong taxation	32	1,588

Overseas taxation	-	282
	32	1,870
Deferred taxation	263	-
	295	1,870

No provision for taxation has been made for the year ended 31 March 2001 as the Group sustained losses for taxation purpose during the year.

The provision for Hong Kong Profits Tax is calculated at 16% of the estimated assessable profits arising in Hong Kong for the year ended 31 March 2000. 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%. The subsidiary sustained losses since incorporation and the two-year tax exemption period has not been commenced.

5. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic loss per share for the year ended 31 March 2001 is based on the loss attributable to shareholders of \$28,541,000 divided by the weighted average number of 848,922,921 shares in issue during the year.

The calculation of basic earnings per share for the year ended 31 March 2000 is based on the combined profit attributable to shareholders of \$6,669,000 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 as at 31 March 2001.

The calculation of diluted earnings per share for the year ended 31 March 2000 is based on the combined profit attributable to shareholders of \$7,631,000 and the weighted average number of ordinary shares of 618,104,051 shares after adjusting for the effects of the dilutive potential ordinary shares committed under the convertible notes issued on 20 December 1999 and 29 January 2000 which entitle the noteholders to convert the paid up principal into

ordinary shares of the Company.

(c) Reconciliations

2000
HK\$'000

Profit attributable to shareholders	6,669
Interest paid for the convertible notes	962
Adjusted profit attributable to shareholders	7,631

2000
Number of Shares

Weighted average number of ordinary shares used in calculating basic earnings per share	599,999,942
Deemed issue of ordinary shares	18,104,109
Weighted average number of ordinary shares used in calculating diluted earnings per share	618,104,051

6. Reserves

	Share premium	Exchange reserves	Retained profits/ (Accumulated losses)	Total
	HK\$'000	HK\$'000	HK\$'000	\$'000
At 1 April 1999	-	21	704	725
Exchange differences on translation of accounts of subsidiaries outside Hong Kong	-	20	-	20
Profit for	-	-	6,669	6,669

the
year

At 31 March 2000	-	41	7,373	7,414
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

The PRC subsidiary may allocate to general reserve, which can be used to make good losses and to convert into paid-up capital, at the discretion of the board of directors of the subsidiary.

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