

For Immediate Release

## EXCELPOINT POSTS A 6.9% INCREASE IN NET PROFIT WITH A REVENUE GROWTH OF 4.8% FOR 1Q2018

- Revenue growth of 4.8% and profit after tax increased by 6.9%
- Improved balance sheet with increased shareholder equity
- Demand for new innovations and the increasing proliferation of the Internet of Things (“IoT”) gave rise to the business growth this quarter

	<i>First Quarter</i>		
<i>(US\$ million)</i>	<i>1Q2018</i>	<i>1Q2017</i>	<i>Change (%)</i>
<b>Revenue</b>	<b>272.8</b>	<b>260.3</b>	<b>+4.8</b>
<b>Gross Profit</b>	<b>15.4</b>	<b>13.4</b>	<b>+15.5</b>
<b>Net Profit</b>	<b>1.5</b>	<b>1.4</b>	<b>+6.9</b>
<i>(US cents)</i>	<i>As at 31 Mar 18</i>	<i>As at 31 Dec 17</i>	<i>Change (%)</i>
<b>NAV per share</b>	<b>63.55</b>	<b>62.31</b>	<b>+2.0</b>

**Singapore, 8 May 2018** - SGX Mainboard-listed Excelpoint Technology Ltd (“Excelpoint” or “the Group”) is pleased to announce that it has achieved a revenue of US\$272.8 million and a profit after tax of US\$1.5 million for 1Q2018.

The proliferation of IoT in different technologies and applications, as well as consumers’ demands for new innovations have given rise to the business growth.

The Group’s revenue increased by 4.8% from US\$260.3 million to US\$272.8 million, and gross profit increased by 15.5% from US\$13.4 million to US\$15.4 million, due to higher sales from the Hong Kong and Singapore business units.

Other income increased by 198.0% from US\$49,000 to US\$146,000 mainly due to non-recurring engineering income.

Sales and distribution costs increased by 15.9% from US\$6.8 million to US\$7.9 million, and general and administrative expenses increased by 13.6% from US\$3.9 million to US\$4.4 million. These were mainly due to higher staff costs and marketing expense.

Other expenses decreased by US\$0.1 million due to lower allowance for doubtful trade debts in 1Q2018.

Interest expense increased by 78.5% from US\$0.8 million to US\$1.5 million mainly due to higher borrowings and higher financing costs from the hikes in interest rates.

Overall, the Group reported an increase in profit after tax by 6.9% from US\$1.4 million to US\$1.5 million.

**Commenting on the Group's overall performance in the first quarter, Mr. Albert Phuay, Chairman and Group CEO, said,** "The first quarter has been a good start to 2018 with healthy growth in our revenue and profit. We saw a sustained increase in consumers' demand for rapidly evolving trends in new innovations, and this has given rise to the demand for our products, solutions and services."

### **Cashflow and Financial Position Highlights**

During the quarter, the Group's net cash flow used in operating activities was US\$6.0 million compared to US\$9.2 million in 1Q2017, mainly due to lower working capital requirement.

The lower working capital requirement was mainly due to decrease in trade and other debtors from US\$199.1 million to US\$190.7 million as at 31 March 2018 due to improvement in collection and increase in trade and other creditors from US\$169.3 million to US\$199.9 million as at 31 March 2018 due to higher purchase of stock.

This was partially offset by the increase in stock from US\$175.0 million to US\$221.4 million as at 31 March 2018.

Property, plant and equipment increased from US\$2.6 million to US\$3.5 million as at 31 March 2018 mainly due to new system enhancements across the Group.

Interest-bearing loans and borrowings increased from US\$142.7 million to US\$149.8 million as at 31 March 2018 to fund the working capital requirements.

Overall, shareholders' equity increased to US\$75.3 million as at 31 March 2018 from US\$73.8 million as at 31 December 2017, mainly due to the profit for the period of US\$1.5 million.

**Looking ahead, Mr. Phuay added,** "Despite geopolitical uncertainties, we continue to see business opportunities arising in the markets we serve. The global outlook for the electronics and semiconductor industry remains positive, boosted by the emergence of the Internet of Things, which gives rise to new technological innovations. In addition, infrastructure developments remain a key driver for our growth, especially with the requirement for more electronic components and modules in the applications. As we continue to execute our plans for 2018, we continue to focus on creating a sustainable ecosystem with our partners to bring value to our stakeholders."



Empowering **Future Technology**

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This press release is to be read in conjunction with Excelpoint's exchange filings on 8 May 2018, which can be downloaded via [www.sgx.com](http://www.sgx.com).

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**About Excelpoint Technology Ltd (Registration No. 200103280C)**

*Bloomberg Code: EXLP:SP / Reuters Code: EXCE.SI / SGX Code: BDF.SI*

Excelpoint Technology Ltd ("Excelpoint" or the "Group") is a leading regional B-to-B business platform providing quality electronics components, engineering design services and supply chain management to original equipment manufacturers ("OEM"), original design manufacturers ("ODM") and electronics manufacturing services ("EMS") in the Asia Pacific region. It ranks among the Top 25 Global Franchised Distributors List from EBN in 2017.

Excelpoint works closely with its principals to create innovative solutions to complement its customers' products and solutions. Aimed at improving its customers' operational efficiency and cost competitiveness, the Group has set up research and development ("R&D") centres in both Singapore and China that are helmed by a team of professional engineers.

Established in 1987 and headquartered in Singapore, Excelpoint's business presence spans more than 40 cities across Asia Pacific with a workforce of more than 650 people from different nationalities and cultural backgrounds.

For more information about Excelpoint, please visit [www.excelpoint.com](http://www.excelpoint.com)