

For Immediate Release

EXCELPOINT POSTS A STRONG SET OF 1H2021 RESULTS

- *The Group delivered a strong set of results amidst the Covid-19 pandemic with strengthened balance sheet.*
- *Strong demand for semiconductor chips and solutions coming from accelerated adoption of technologies for automation and intelligence in the consumer, commercial and industrial sectors.*

(US\$' million)	1H2021	1H2020	Change (%)
Revenue	740.9	510.0	45.3%
Gross Profit	51.6	26.3	96.0%
Gross Margin (%)	7.0%	5.2%	1.8%
Net Profit	12.0	2.0	483.8%
(US cents)	As at 30 Jun 2021	As at 31 Dec 2020	Change (%)
NAV per share	79.96	72.82	9.8%

Singapore, 5 August 2021 - SGX Mainboard-listed Excelpoint Technology Ltd. ("*Excelpoint*" or "*the Group*") announces a revenue of US\$740.9 million and a profit after tax of US\$12.0 million for 1H2021.

Commenting on the Group's overall performance for 1H2021, Mr. Albert Phuay Yong Hen, Chairman and Group Chief Executive Officer, said, "The Covid-19 pandemic has impacted our lives significantly. Despite the challenges posed by the pandemic, as a Group, we achieved a good set of results with record revenue and improved margins for the first half of this year. With the strong demand coming from the accelerated adoption of technologies for automation and intelligence in the consumer, commercial and industrial sectors, we will continue to see rising need for semiconductor chips and solutions. The focus on building Sustainable and Green cities has given rise to new opportunities such as sensorised intelligence for the built environment, where our solutions in Artificial Intelligence ("AI") and Internet of Things ("IoT") play an important role.

Our focus in building strong technical capabilities, strengthening our value-add to our partners and expanding our footprints have sharpened our competitive edge and allowed Excelpoint to capture many new opportunities. China remains strong and it will be the key growth market for us moving forward.

Business sustainability remains of utmost importance to us, and we have been focusing on ensuring our business plans are robust. Building a strong team is a key part of business sustainability and we have in place a good incentive programme as part of our talent enhancement plan to nurture our next generation of leaders, who will bring the company to another level.

The pandemic, alongside existing geopolitical tensions, will continue to impact the business environment. Despite these uncertainties, we believe that with a resilient foundation and team, Excelpoint is well-positioned to grow our business."

INCOME STATEMENT

The Group's revenue increased by 45.3% from US\$510.0 million to US\$740.9 million and gross profit increased by 96.0% from US\$26.3 million to US\$51.6 million, mainly due to higher sales from the Singapore and Hong Kong business units. The increase was mainly due to the increase in demand for semiconductors on the back of accelerated technology adoption.

Other income decreased from US\$1.2 million to US\$0.6 million, mainly due to lower government grant received.

Sales and distribution costs increased by 51.0% from US\$15.8 million to US\$23.9 million and general and administrative expense increased by 70.1% from US\$7.3 million to US\$12.4 million. These were mainly attributable to higher staff cost and higher travelling expenses due to partial resumption of business travel.

Interest expense decreased by 39.8% from US\$1.9 million to US\$1.1 million due to lower interest rate and borrowings.

Overall, the Group reported profit after taxation of US\$12.0 million for 1H2021.

CASHFLOW AND FINANCIAL POSITION

The Group's net cash flows used in operating activities was US\$22.4 million as compared to cash flows generated from operating activities of US\$12.0 million in 1H2020. This was mainly due to working capital requirements.

Net cash flows used in investing activities was US\$1.7 million compared to US\$0.2 million in 1H2020. This was mainly due to capital expenditure.

Net cash flows generated from financing activities was US\$16.7 million compared to US\$4.2 million in 1H2020. This was mainly due to working capital requirements and partially offset by dividend payment.

Cash and short-term deposits was US\$31.9 million as at 30 June 2021 as compared to US\$30.6 million as at 30 June 2020.

Non-current assets increased from US\$13.8 million to US\$15.0 million as at 30 June 2021 mainly due to capital expenditure. This was partially offset by depreciation of property, plant and equipment and right-of-use assets.

Current assets increased from US\$391.6 million to US\$475.9 million as at 30 June 2021 mainly due to increase in trade and other debtors of US\$33.0 million arising from higher sales, increase in stocks of US\$58.4 million due to higher stock level to mitigate against supply disruptions and partially offset by decrease in cash and short-term deposits of US\$7.3 million.

Current liabilities increased from US\$309.8 million to US\$381.7 million as at 30 June 2021 mainly due to increase in trade and other creditors of US\$50.8 million due to higher purchase of stocks, increase in interest-bearing loans and borrowings of US\$15.3 million due to working capital requirement, increase in contract liabilities of US\$2.9 million due to customers deposit received and increase in income tax payable of US\$2.1 million due to higher taxable profit.

Non-current liabilities increased from US\$8.3 million to US\$13.4 million as at 30 June 2021 mainly due to new term loans for working capital requirement.

Overall, shareholders' equity increased from US\$87.3 million to US\$95.9 million as at 30 June 2021, mainly due to net profit of US\$12.0 million and increase in other reserves of US\$0.7 million in 1H2021. This was partially offset by the dividend paid of US\$4.1 million.

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This press release is to be read in conjunction with Excelpoint's exchange filings on 5 August 2021, which can be downloaded via www.sgx.com.

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

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Excelpoint Technology Ltd. (the "Company") and its subsidiaries ("Excelpoint" or the "Group") are one of the leading regional business-to-business platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers, original design manufacturers and electronics manufacturing services in the Asia Pacific region. Excelpoint Technology Ltd. has been recognised in the top 25 Global Electronics Distributors and top Global Distributors lists by EBN, an online community for global supply chain professionals and EPSNews, a US-based information and data portal and resource centre for electronics and supply chain industries.

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

Established in 1987 and headquartered in Singapore, Excelpoint has more than 650 employees.

For more information about Excelpoint, please visit www.excelpoint.com