

For Immediate Release

EXCELPOINT POSTS REVENUE OF US\$231.1 MILLION IN 2Q2019

- *Slow quarter due to continued trade tensions alongside a weaker economic climate*
- *Group continues to focus on long-term strategies of pursuing higher value business opportunities while closely monitoring market developments*

	Second Quarter			First Half		
(US\$ million)	2Q2019	2Q2018	Change (%)	1H2019	1H2018	Change (%)
Revenue	231.1	362.2	(36.2)	470.9	635.0	(25.8)
Gross Profit	15.7	20.0	(21.8)	30.0	35.5	(15.7)
Gross Margin (%)	6.8	5.5	1.3	6.4	5.6	0.8
Net Profit	0.2*	2.2	(92.5)	1.2	3.7	(68.1)
(US cents)	As at 30 Jun 19	As at 31 Dec 18	Change (%)			
NAV per share	63.75	65.33	(2.4)			

*Includes a one-off impairment loss of a trade debtor of US\$1.4 million

Singapore, 7 August 2019 - SGX Mainboard-listed Excelpoint Technology Ltd ("*Excelpoint*" or "*the Group*") announces a revenue of US\$231.1 million and a profit after tax of US\$0.2 million for 2Q2019.

This quarter remained slow due to significant market volatilities such as the continued US-China trade tensions and a weaker economic climate, which has resulted in a challenging business operating environment.

Commenting on the Group's overall performance for first half of 2019, Mr. Albert Phuay Yong Hen, Chairman and Group Chief Executive Officer, said, "The US-China trade tensions, alongside a weaker economic climate has affected the business environment within the electronics industry, which has inevitably impacted our business for the first half of 2019. We are closely monitoring market developments and remain confident that with our value-added technical capabilities, and strong business presence within the Asia Pacific region, we can capture rising opportunities. As we exercise caution in our business in view of the current volatilities, we are also focusing on long-term strategies of pursuing higher value business opportunities through strategic alliances to aid the business and enhance shareholder value."

The Group's revenue decreased by 36.2% from US\$362.2 million to US\$231.1 million and gross profit decreased by 21.8% from US\$20.0 million to US\$15.7 million, mainly due to lower sales from the Singapore and Hong Kong business units. However, gross margin improved by 1.3% from 5.5% to 6.8% due to product mix.



Sales and distribution costs decreased by 15.7% from US\$10.4 million to US\$8.8 million, and general and administrative expense decreased by 25.5% from US\$5.2 million to US\$3.9 million. These were mainly due to lower staff cost and lower net foreign exchange loss in 2Q2019 arising from the translation of balances denominated in foreign currency into functional currency.

Impairment losses on financial assets increased by US\$1.4 million. This was due to allowance for doubtful trade debts.

Interest expense decreased by 14.2% from US\$1.7 million to US\$1.5 million, due to lower borrowings.

Overall, the Group reported profit after taxation of US\$0.2 million for 2Q2019.

Cashflow and Financial Position Highlights

Cashflow

The Group's net cash flows generated from operating activities was US\$9.5 million compared to net cash flows used in operating activities of US\$8.7 million in 2Q2018.

Net cash flows used in investing activities was US\$2.3 million compared to US\$0.7 million in 2Q2018. This was mainly due to purchase of investment.

Net cash flows used in financing activities was US\$16.3 million compared to net cash generated from financing activities of US\$12.6 million in 2Q2018. This was mainly due to lower working capital requirement.

Cash and short-term deposits was US\$15.4 million as at 30 June 2019 as compared to US\$13.1 million as at 30 June 2018.

Financial Position

Non-current assets increased from US\$6.7 million to US\$14.5 million as at 30 June 2019 mainly due to the recognition of right-of-use assets upon adoption of SFRS(I) 16 on 1 January 2019 and purchase of investment.

Current assets decreased from US\$377.4 million to US\$328.8 million as at 30 June 2019 mainly due to decrease in trade and other debtors of US\$27.1 million due to lower sales; decrease in stocks of US\$16.4 million due to lower purchase of stocks; and decrease in cash and short-term deposits of US\$5.1 million.

Current liabilities decreased from US\$306.2 million to US\$264.9 million as at 30 June 2019 mainly due to decrease in trade and other creditors of US\$23.9 million due to lower purchase of stocks; decrease in interest-bearing loans and borrowings of US\$19.5 million due to lower working capital requirement; and partially offset by increase in lease liabilities of US\$2.8 million due to recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Non-current liabilities of US\$2.4 million as at 30 June 2019 was due to the recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Overall, shareholders' equity decreased from US\$77.9 million to US\$76.0 million as at 30 June 2019, mainly due to the dividend payment of US\$3.5 million in 2Q2019. This was partially offset by net profit of US\$1.2 million and fair value changes on equity instrument of US\$0.5 million in 1H2019.

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This press release is to be read in conjunction with Excelpoint's exchange filings on 7 August 2019, which can be downloaded via 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. (the "Company") and its subsidiaries ("Excelpoint" or the "Group") are one of the leading regional business-to-business ("B2B") platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers ("OEMs"), original design manufacturers ("ODMs") and electronics manufacturing services ("EMS") 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 (a premier online community for global supply chain professionals) and EPSNews (a US premier news, information and data portal and resource centre for electronics and supply chain industries) respectively.

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 Singapore, China and Vietnam that are helmed by its dedicated team of professional engineers.

Established in 1987 and headquartered in Singapore, Excelpoint's business presence spans over 40 cities in more than 10 countries with a workforce of more than 750 people from different nationalities and cultural backgrounds.

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