



NEWS RELEASE

EXCELPOINT REVERSES LOSS WITH US\$2.6 M NET PROFIT IN FY2010

- Revenues rose 39.1% to US\$496.4 million
- Group reports net profit of US\$2.6M reversing last year's loss of US\$1.8M
- Group has cash and cash equivalents of US\$16.0 million

SINGAPORE, 10 February 2011 – Main-board listed Excelpoint Technology Ltd (“Excelpoint” or the “Group”) today announced significantly improved performance for the financial year ended 31 December 2010.

Benefiting from the vibrant economic landscape in Asia, the Group's revenues rose by 39.1%, increasing from US\$356.9 million to US\$496.4 million. Net profit after tax amounted to US\$2.6 million, a significant improvement from the loss of US\$1.8 million last financial year.

In line with the higher business activities, operating expenses were also higher this year rising from US\$28.4 million in FY2009 to US\$32.5 million representing an increase of 14.4%. This is primarily due to the higher selling and financing expenses incurred during the year.

The Group's balance sheet remains healthy as total net assets rose from US\$41.3 million as at 31 December 2009 to US\$44.5 million. The increase is primarily attributable to the increases in trade debtors, trade creditors and bank borrowings. Shareholders' Equity rose from US\$41.3 million to US\$44.5 million due to the increase in reserves. At the close of FY2010, the balance in reserves increased from US\$9.0 million to US\$12.4 million due mainly to the profit contribution of US\$3.3 million. In FY2010, approximately US\$13.7 million was used to fund operating activities due to increases in inventory and trade debtors. Cash and cash equivalents at the close of the year amounted to \$16.0 million compared to \$19.6 million in FY2009 as a portion of the cash was deployed to fund working capital needs. FY2010 witnessed an overall improvement in the Group's operating efficiency as trade debtors' turnover narrowed from 46 days to 41 days and inventory turnover improved from 45 days to 37days.

Q4 FY2010 vs Q4 FY2009

The Group maintained its strong performance into the final quarter of the year with a 21.8% increase in revenue, which rose from US\$104.4 million in 4Q FY2009 to US\$127.1 million. Net profit after tax rose from US\$0.1 million in 4Q FY2009 to US\$0.9 million this quarter, representing an increase of 1,517.5%.

Gross profit margin remained relatively stable at 7%. Operating expenses rose from US\$7.3million to US\$8.4 million, representing an increase of 15.1%. This is due to the higher sales and financing costs incurred to support the higher business volume during the quarter. Net after tax profit margin improved from 0.1% in 4Q FY2009 to 0.7% as the Group continues to closely manage its costs.

Operating activities in the final quarter gave rise to a net cash inflow of US\$5.1 million compared to the net cash outflow of US\$5.3 million in the same quarter last financial year. This is due to the reduction in trade debtors, increase in trade creditors and usage of internal financial resources to fund the higher inventory balance and other working capital needs.

Commenting on the Group's performance, Mr. Albert Phuay - Chairman and Group CEO said: "Our performance this year is attributable to the strong economic growth in the Asian region as well as the cost management measures that have been implemented over the last few years. Going forward, we will continue with our efforts in strengthening our business management skills and at the same time look for opportunities to expand into new markets and reach new customers. Demand creation will continue to be our main focus as this will enable us to value add to both our customers and our principals."

Into the new financial year, the Group remains cautiously optimistic about its business prospects in view of the uncertainties in the European economies, the volatile currency exchange rates and the rapidly rising global inflationary pressures. Nonetheless, it will continue to rationalize its business operations and sharpen its ability to anticipate market changes in a bid to help it stay abreast of competition.

About Excelpoint Technology Ltd (Registration No. 200103280C)

Established in 1987, Excelpoint Technology Ltd is a total solutions provider of quality electronics components, engineering designs and supply chain services to original equipment manufacturers ("OEM"), original design manufacturers ("ODM") and electronics manufacturing services providers ("EMS") in the electronics industry.

Excelpoint has been working closely with its principals and customers to identify new trends and technologies, and to create and test new technical features that will complement their customers' products. The Group has three research and development ("R&D") centres supported by a team of dedicated R&D professionals to create innovative solutions that will help customers go to market quickly and efficiently. The total solutions and reference designs created by Excelpoint are found in a number of

products and applications such as industrial instrumentation, wireless communications and consumer electronics equipment.

Headquartered in Singapore, Excelpoint has facilities and offices over 20 cities across the Asia Pacific region including Malaysia, Thailand, Vietnam, China, India, Korea, the Philippines and Australia. Listed on the Main-Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") the Group employs close to 500 staff.

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