

For Immediate Release

EXCELPOINT POSTS STRONG RESULTS FOR 2Q2018; NET PROFIT FOR 2Q2018 SURGED 58.4%

- Revenue growth of 31.3% and profit after tax increased by 58.4%
- Continued focus on building value-added capabilities gave rise to new opportunities, contributing to business growth in this quarter

	Second Quarter			First Half		
(US\$ million)	2Q2018	2Q2017	Change (%)	1H2018	1H2017	Change (%)
Revenue	362.2	275.9	31.3	635.0	536.2	18.4
Gross Profit	20.0	13.4	49.7	35.5	26.7	32.6
Net Profit	2.2	1.4	58.4	3.7	2.8	32.8
(US cents)	As at 30 Jun 18	As at 31 Dec 17	Change (%)			
NAV per share	61.96	62.31	(0.6)			

Singapore, 8 August 2018 - SGX Mainboard-listed Excelpoint Technology Ltd ("*Excelpoint*" or "*the Group*") is pleased to announce that it has achieved a revenue of US\$362.2 million and a profit after tax of US\$2.2 million for 2Q2018.

The Group's continued focus on building value-added capabilities has given rise to new opportunities, increasing the demand for their products and services and contributing to the business growth.

The Group's revenue increased by 31.3% from US\$275.9 million to US\$362.2 million, and gross profit increased by 49.7% from US\$13.4 million to US\$20.0 million with higher sales from both business units.

Other income increased from US\$0.1 million to US\$0.3 million mainly due to government grant received in 2Q2018.

Sales and distribution costs increased by 65.6% from US\$6.3 million to US\$10.4 million, and general and administrative expenses increased by 79.6% from US\$2.9 million to US\$5.2 million. These were mainly due to staff cost, net foreign exchange loss arising from the translation of balances denominated in foreign currency into functional currency and new system enhancements related expenses across the Group.

Other expenses decreased by US\$1.5 million. This was due to lower allowance for doubtful trade debts in 2Q2018.

Interest expense increased by 78.6% from US\$0.9 million to US\$1.7 million mainly due to higher borrowings and higher financing cost from the hikes in interest rates.

Overall, the Group reported an increase in profit after taxation by 58.4% from US\$1.4 million to US\$2.2 million.

Cashflow and Financial Position Highlights

During the quarter, the Group's net cash flow used in operating activities was US\$8.7 million compared to net cash flow generated from operating activities of US\$2.5 million in 2Q2017, mainly due to higher working capital requirements.

The Group's trade and other debtors increased from US\$199.1 million to US\$207.8 million as at 30 June 2018 mainly due to increase in sales. Stock increased from US\$175.0 million to US\$191.8 million as at 30 June 2018.

Trade and other creditors increased from US\$169.3 million to US\$175.8 million as at 30 June 2018, due to higher purchase of stock.

Interest-bearing loans and borrowings increased from US\$142.7 million to US\$166.4 million as at 30 June 2018 to fund the working capital requirements.

The Group's cash and short-term deposits was US\$13.1 million as at 30 June 2018 as compared to US\$10.0 million as at 31 December 2017.

Overall, shareholders' equity decreased to US\$73.5 million from US\$73.8 million as at 31 December 2017, due to dividend payment of US\$4.0 million in 1H2018. This was partially offset by the net profit of US\$3.7 million for 1H2018.

Commenting on the Group's overall performance for the first half of 2018, Mr. Albert Phuay Yong Hen, Chairman and Group Chief Executive Officer, said, "We saw a steady growth in our business for the first half of the year driven primarily by the increase in demand for our products and value-added services. The growth momentum of the global electronics and semiconductor industry has been positive with the emergence of new technologies, such as 5G, E-Vehicles and the introduction of autonomous systems."

He added, "While there are uncertainties in the business environment, we continue to see promising opportunities in the markets we operate in. We remain focused on building our technical capabilities to provide more value-add to our suppliers and customers. We believe that our strong positioning in the market can drive sustainable growth in our business."

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This press release is to be read in conjunction with Excelpoint's exchange filings on 8 August 2018, 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 ("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