

For Immediate Release

EXCELPOINT POSTS A STRONG SET OF 1H2022 RESULTS

- *The Group continues to deliver a strong set of results amidst geopolitical tensions and uncertainties on the global front despite easing of the pandemic situation.*
- *Demand for semiconductor chips will remain robust, driven by the adoption of technologies such as 5G, and Internet of Things, which require chips with more processing power and efficiencies.*
- *Investments into new segments such as Artificial Intelligence and Machine Learning will give us a competitive edge.*

(US' million)	1H2022	1H2021	Change (%)
Revenue	816.5	740.9	10.2
Gross Profit	46.0	51.6	(10.8)
Gross Margin (%)	5.6%	7.0%	(1.4)
Net Profit	10.3	12.0	(13.8)
(US cents)	As at 30 Jun 2022	As at 31 Dec 2021	Change (%)
NAV per share	92.72	90.46	2.5

Singapore, 12 August 2022 - SGX Mainboard-listed Excelpoint Technology Ltd. ("*Excelpoint*" or "*the Group*") announces a revenue of US\$816.5 million and a profit after tax of US\$10.3 million for 1H2022.

INCOME STATEMENT

The Group's revenue increased by 10.2% from US\$740.9 million to US\$816.5 million, mainly due to higher sales from Singapore Business Unit. However, gross profit decreased by 10.8% from US\$51.6 million to US\$46.0 million mainly due to the change in product mix.

Other income increased from US\$0.6 million to US\$1.1 million, mainly due to increase in grant income.

Sales and distribution costs decreased by 9.9% from US\$23.9 million to US\$21.5 million and general and administrative expenses decreased by 4.3% from US\$12.4 million to US\$11.9 million. These were mainly attributable to lower staff cost in 1H2022.

Interest expense increased by 42.3% from US\$1.1 million to US\$1.6 million due to higher interest rate and borrowings.

Overall, the Group reported profit after taxation of US\$10.3 million for 1H2022.

CASHFLOW AND FINANCIAL POSITION

The Group's net cash flows used in operating activities was US\$24.0 million as compared to cash flows used in operating activities of US\$22.4 million in 1H2021. This was mainly due to working capital requirements.

Net cash flows used in investing activities was US\$1.1 million compared to US\$1.7 million in 1H2021. This was mainly due to higher capital expenditure in 1H2021 and partially offset by higher investments in 1H2022.

Net cash flows generated from financing activities was US\$21.3 million compared to US\$16.7 million in 1H2021. This was mainly due to working capital requirements and partially offset by dividend payment.

Cash and short-term deposits was US\$30.4 million as at 30 June 2022 as compared to US\$31.9 million as at 30 June 2021.

Non-current assets decreased from US\$14.3 million as at 31 December 2021 to US\$14.2 million as at 30 June 2022 mainly due to depreciation of property, plant and equipment and right-of-use assets. This was partially offset by capital expenditure and addition of investments in 1H2022.

Current assets increased from US\$465.4 million as at 31 December 2021 to US\$549.7 million as at 30 June 2022 mainly due to:-

- a) increase in trade and other debtors of US\$9.1 million arising from higher sales;
- b) increase in stocks of US\$78.9 million due to higher stock level to support the business; and
- c) partially offset by decrease in cash and short-term deposits of US\$3.8 million.

Current liabilities increased from US\$358.5 million as at 31 December 2021 to US\$442.3 million as at 30 June 2022 mainly due to:-

- a) increase in trade and other creditors of US\$49.8 million due to higher purchase of stocks;
- b) increase in short-term interest-bearing loans and borrowings of US\$31.6 million due to working capital requirement; and
- c) increase in short-term contract liabilities of US\$1.6 million due to customers deposit received.

Non-current liabilities decreased from US\$12.3 million as at 31 December 2021 to US\$10.0 million as at 30 June 2022 mainly due to decrease in long-term interest-bearing loans and borrowings of US\$1.5 million and long-term lease liabilities of US\$0.8 million.

Overall, shareholders' equity increased from US\$108.8 million as at 31 December 2021 to US\$111.6 million as at 30 June 2022, mainly due to net profit of US\$10.3 million and increase in share capital of US\$0.1 million in 1H2022. This was partially offset by the dividend paid of US\$7.6 million.



Commenting on the Group's overall performance for 1H2022, Mr. Albert Phuay Yong Hen, Chairman and Group Chief Executive Officer, said, "Geopolitical tensions and uncertainties on the global front continues to give rise to market volatilities despite easing of the pandemic situation. The global chip shortage disruptions have put a pause to many emerging segments but with the situation easing, we see rising opportunities especially in infrastructure growth, electric and autonomous vehicles and the building of sustainable environments. In addition, the demand for semiconductor chips will remain robust, driven by the adoption of technologies such as 5G, and Internet of Things, which require chips with more processing power and efficiencies. With our strong value-added core, alongside our strong presence in the markets we operate in, we are well-positioned to grow our business.

Excelpoint continues to strengthen our engineering capabilities to sharpen our technical offerings as well as forge new partnerships for our solutions in Artificial Intelligence and Machine Learning. The entrance into these new segments will set us apart and give us a competitive edge to seize rising opportunities coming our way.

People remain key assets and we will always continue nurturing and investing in them. With the strong foundation that we have built as a Group, we believe that we can navigate the uncertain times together with our partners and continue to grow the business sustainably."

– End –

This press release is to be read in conjunction with Excelpoint's exchange filings on 12 August 2022, 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 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 700 employees.

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