

## EXCELPOINT REPORTS A PROFITABLE FY2018

- Record US\$1,256 million revenue for FY2018
- Stable growth contributed by stronger demands in emerging markets such as India despite volatilities in the business environment
- Continued focus to invest in new innovations with the setting up of an IoT Demonstration Facility in Singapore

(US\$ million)	FY2018	FY2017	Change (%)
Revenue	1,256.0	1,146.4	9.6
Gross Profit	67.8	60.9	11.4
Net Profit	8.1	8.1	0.1
<b>(US cents)</b>			
	<b>As at 31 Dec 18</b>	<b>As at 31 Dec 17</b>	<b>Change (%)</b>
NAV per share	65.33	62.31	4.85

**Singapore, 20 February 2019** - SGX Mainboard-listed Excelpoint Technology Ltd ("*Excelpoint*" or "*the Group*") is pleased to announce that it has achieved a revenue of US\$1,256.0 million and a profit after tax of US\$8.1 million for FY2018.

**Commenting on the Group's overall performance in FY2018, Mr. Albert Phuai Yong Hen, Chairman and Group Chief Executive Officer, said,** "2018 started with many exciting business opportunities and new projects stemming from innovative developments in technology. Despite seeing several challenges in the last quarter including trade tensions, as well as rising interest rates and foreign exchange fluctuations, our team has stayed resilient and delivered a good set of results."

**He added,** "This year, we invested in the building of an IoT Demonstration Facility in Singapore as a platform to showcase our technical capabilities alongside our suppliers' cutting-edge technologies. We will continue to invest in new innovations that will put us ahead of our competitors, strengthen our position in the market, and allow us to adapt to market changes quickly. Looking ahead, the challenging business environment will persist, but we see new business opportunities from the markets we operate in, especially India and Vietnam. Barring unforeseen circumstances, we are optimistic and expect to grow our business sustainably in 2019."

### **FY2018 in Retrospect**

The Group's revenue increased by 9.6% from US\$1,146.4 million to US\$1,256.0 million, and gross profit increased by 11.4% from US\$60.9 million to US\$67.8 million, due to higher sales arising from stronger demand in FY2018.

Other income increased by 95.0% from US\$0.5 million to US\$0.9 million mainly due to government grants received in FY2018.

Sales and distribution costs increased by 18.8% from US\$29.2 million to US\$34.7 million, and general and administrative expenses increased by 6.6% from US\$17.4 million to US\$18.6 million. These were mainly due to higher staff costs, net foreign exchange loss arising from the translation of balances denominated in foreign currency into functional currency and depreciation for new system enhancements across the Group.

Interest expense increased by 64.5% from US\$4.1 million to US\$6.8 million mainly due to higher borrowings and higher financing costs from the hikes in interest rates.

The decrease in income tax expense by US\$1.8 million was mainly due to write-back of previous year's tax provisions no longer required, benefits from tax incentive programme and the recognition of deferred income tax asset arising from the provision of employee entitlement.

Overall, the Group reported profit after taxation of US\$8.1 million for FY2018.

### **Cashflow and Financial Position Highlights**

The Group's net cash flows generated from operating activities was US\$11.2 million compared to net cash flows used in operating activities of US\$21.8 million in FY2017.

Net cash flows used in investing activities was US\$2.8 million compared to US\$0.7 million in FY2017. The increase was mainly due to purchase of new systems enhancements across the Group, renovations and the premium paid for derivative financial instruments.

Net cash flows generated from financing activities was US\$2.2 million compared to US\$15.8 million in FY2017. The decrease was mainly due to lower working capital requirement.

Cash and short term deposits was US\$20.6 million as at 31 December 2018 as compared to US\$10.0 million as at 31 December 2017.

Non-current assets increased from US\$5.4 million to US\$6.7 million as at 31 December 2018 was mainly due to the increase in the property, plant and equipment and club memberships.

Current assets decreased from US\$384.4 million to US\$377.4 million as at 31 December 2018 mainly due to a decrease in trade and other debtors of US\$7.5 million due to higher collection and a decrease in stock of US\$10.6 million due to lower purchase of stock, which was partially offset by increase in cash and short term deposits of US\$10.6 million.

Current liabilities decreased from US\$316.0 million to US\$306.2 million as at 31 December 2018 mainly due to a decrease in trade and other creditors of US\$10.8 million due to lower purchase of stock and a decrease in contract liabilities of US\$3.6 million due to lower advance received from customers, which was partially offset by increase in interest-bearing loans and borrowings of US\$6.2 million.

Overall, shareholders' equity increased from US\$73.8 million to US\$77.9 million as at 31 December 2018, mainly due to the profit for the year of US\$8.1 million and issuance of new shares of US\$0.3 million. This was partially offset by the payment of dividends of US\$4.0 million during the year and the net loss on fair value changes on equity instrument designated at FVOCI of US\$0.2 million.

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This press release is to be read in conjunction with Excelpoint's exchange filings on 20 February 2019, which can be downloaded via [www.sgx.com](http://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 (“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](http://www.excelpoint.com)