



NEWS RELEASE

EXCELPOINT POSTS A 61.6% INCREASE IN 1Q2017 NET PROFIT ON A 26.5% RISE IN REVENUE

	First Quarter		
	1Q2017	1Q2016	Increase/ (Decrease) (%)
Revenue (US\$'000)	260,293	205,709	26.5%
Net Profit After Taxation (US\$'000)	1,369	847	61.6%

SINGAPORE, 3 May 2017 - Main board listed Excelpoint Technology Ltd ("Excelpoint" or "the Group") today announced a 26.5% increase in the Group's revenue from US\$205.7 million in 1Q2016 to US\$260.3 million in 1Q2017 due to higher sales from the Hong Kong and Singapore business units. Net profit after tax increased by 61.6% from US\$0.8 million in 1Q2016 to US\$1.4 million in 1Q2017.

Comparing 1Q2017 to 1Q2016

Other income decreased by 52.4% from US\$103,000 to US\$49,000 mainly due to lower amount received under the Wage Credit Scheme in Singapore. Sales and distribution costs remained relatively constant at US\$6.8 million.

General and administrative expenses increased by 6.9% from US\$3.6 million to US\$3.9 million. These were mainly due to higher staff cost and rental.

Included in other expenses were net allowance for doubtful trade debts of US\$194,000 in 1Q2017, and net write-back of allowance for doubtful trade debts of US\$32,000 in 1Q2016 due to claim payment.

Interest expense increased by 66.4% from US\$0.5 million to US\$0.8 million mainly due to higher borrowings arising from the increase in working capital requirements and higher financing cost from the hikes in interest rates.

During the quarter, the Group's net cash flow used in operating activities was US\$9.2 million compared to net cash flow generated from operating activities of US\$18.8 million in 1Q2016, mainly due to increase in the requirement for working capital by US\$10.8 million.

The increase in working capital requirement was mainly due to an increase in stock from US\$131.6 million to US\$152.1 million as at 31 March 2017. This was partially offset by a decrease in trade debtors from US\$154.2 million to US\$151.1 million as at 31 March 2017, which was due to higher

collection and an increase in trade creditors and accruals from US\$100.1 million to US\$108.8 million as at 31 March 2017, which was due to higher purchase of stock.

The Group's net cash flow generated from financing activities was US\$6.8 million compared to net cash flow used in financing activities of US\$18.2 million in 1Q2016, mainly due to interest-bearing loans and borrowings increased from US\$123.5 million to US\$130.3 million as at 31 March 2017 to fund the increase in working capital requirements.

The Group's cash and short term deposits was US\$14.1 million as at 31 March 2017 as compared to US\$16.6 million as at 31 December 2016.

Overall, shareholders' equity increased to US\$70.0 million from US\$68.3 million as at 31 December 2016, mainly due to the profit for the period of US\$1.4 million and net gain on fair value changes of available-for-sale financial assets of US\$0.4 million during 1Q2017.

Commenting on the Group's performance, Mr. Albert Phuay, Chairman and Group CEO said: "The first quarter performance has demonstrated our business resilience amidst geopolitical and economic uncertainties. A positive first quarter economic growth in the countries that we operate in, especially China, gives us confidence in growing our business. Our focus segments remain strong and we see continued demand for our products. With infrastructure projects arising in emerging markets, coupled with our strong technical expertise, we are well-positioned to capture these opportunities. The Group will continue to explore new collaborations and relevant product lines to increase our product portfolio."

About Excelpoint Technology Ltd (Registration No. 200103280C)

Excelpoint Technology Ltd ("Excelpoint" or the "Group") is a leading regional electronics components distributor providing quality 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 2016.

Excelpoint works closely with its principals to create innovative solutions to complement its customer's products. The Group has research and development ("R&D") centres in both Singapore and China supported by a team of professional engineers aimed at helping customers improve operational efficiency and cost effectiveness.

Established in 1987 and headquartered in Singapore, Excelpoint's presence spans more than 25 cities across Asia Pacific. Currently, we provide employment to more than 600 people of different nationalities. Our shares are quoted on the Main-Board of the Singapore Exchange ("SGX").

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

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