EXCELPOINT POSTS 8.3% GROWTH IN REVENUE AND US$2 MILLION OF NET PROFIT FOR 1H2020

- The Group stayed resilient and saw new business opportunities despite a challenging environment caused by Covid-19 and geopolitical uncertainties.
- Strengthened balance sheet with improved cash position.

<table>
<thead>
<tr>
<th>(US$ million)</th>
<th>1H2020</th>
<th>1H2019</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>510.0</td>
<td>470.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>26.3</td>
<td>29.9</td>
<td>(12.0)</td>
</tr>
<tr>
<td>Gross Margin (%)</td>
<td>5.2</td>
<td>6.4</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2.0</td>
<td>1.2</td>
<td>74.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(US cents)</th>
<th>As at 30 Jun 20</th>
<th>As at 31 Dec 19</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV per share</td>
<td>65.84</td>
<td>64.06</td>
<td>7.5</td>
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</tbody>
</table>

Singapore, 5 August 2020 - SGX Mainboard-listed Excelpoint Technology Ltd ("Excelpoint" or "the Group") announces a revenue of US$510.0 million and a profit after tax of US$2.0 million for 1H2020.

Commenting on the Group’s overall performance for first half of 2020, Mr. Albert Phuay Yong Hen, Chairman and Group Chief Executive Officer, said, “The escalating concerns over the impact of the Covid-19 pandemic and geopolitical uncertainties have impacted businesses across the globe and resulted in a challenging operating environment. Our China business have seen significant recovery as manufacturing firms resume operations. In addition, the Vietnam market has given rise to new business opportunities as manufacturing giants start setting up factories there. We see the increase in demand coming from segments such as sensors and communications as they are a part of the medical equipment used for the pandemic. As we enter a new normal and experience unexpected change in our lifestyles, the shift to telecommuting, work-from-home and virtual learning remains important and will continue to give rise in the demand for technology and semiconductor chips. Despite the challenges ahead, Excelpoint remains committed towards strengthening our core competencies and value-add to our partners. We will continue to take a vigilant and disciplined approach when mining new business opportunities.”

The Group’s revenue increased by 8.3% from US$470.9 million to US$510.0 million, mainly due to higher sales from Singapore Business Unit. However, gross profit decreased by 12.0% from US$29.9 million to US$26.3 million mainly due to change in product mix.

Other income increased from US$0.7 million to US$1.2 million, mainly due to the government grant received.

Sales and distribution costs decreased by 4.5% from US$16.6 million to US$15.8 million, and general and administrative expense decreased by 4.8% from US$7.7 million to US$7.3 million. These were mainly due to lower staff cost and lower travelling expenses in 1H2020.
Impairment losses on financial assets decreased by US$1.3 million. This was due to lower impairment loss of trade debtors in 1H2020.

Interest expense decreased by 41.4% from US$3.2 million to US$1.9 million, due to lower interest rate.

Overall, the Group reported profit after taxation of US$2.0 million for 1H2020.

CASHFLOW AND FINANCIAL POSITION

Cashflow

The Group’s net cash flows generated from operating activities was US$12.0 million compared to US$22.2 million in 1H2019.

Net cash flows used in investing activities was US$0.2 million compared to US$3.0 million in 1H2019. This was mainly due to non-recurring investment in 1H2019 and lower capital expenditure.

Net cash flows generated from financing activities was US$4.2 million compared to net cash flows used in financing activities of US$24.4 million in 1H2019. This was mainly due to lower working capital requirement in 1H2019.

Cash and short-term deposits was US$30.6 million as at 30 June 2020 as compared to US$15.4 million as at 30 June 2019.

Financial Position

Non-current assets increased from US$10.5 million to US$10.6 million as at 30 June 2020 mainly due to the addition of right-of-use assets. This was partially offset by the depreciation of property, plant and equipment and right-of-use assets.

Current assets increased from US$320.7 million to US$349.2 million as at 30 June 2020 mainly due to increase in trade and other debtors of US$6.1 million due to higher sales, increase in stocks of US$6.2 million due to higher stock holding to mitigate supply disruptions as a result of the Covid-19 pandemic, and increase in cash and short-term deposits of US$16.1 million.

Current liabilities increased from US$253.2 million to US$275.6 million as at 30 June 2020 mainly due to increase in trade and other creditors of US$19.5 million due to higher purchase of stocks, increase in interest-bearing loans and borrowings of US$2.7 million due to higher working capital requirement, and partially offset by decrease in lease liabilities of US$0.7 million due to repayment of lease liabilities.

Non-current liabilities increased from US$1.3 million to US$5.4 million as at 30 June 2020 mainly due to new leases recognised in 1H2020 and new term loans for working capital requirement.

Overall, shareholders’ equity increased from US$76.7 million to US$78.8 million as at 30 June 2020, mainly due to net profit of US$2.0 million and foreign currency translation of US$0.1 million in 1H2020.

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This press release is to be read in conjunction with Excelpoint’s exchange filings on 5 August 2020, which can be downloaded via www.sgx.com.

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About Excelpoint Technology Ltd (Registration No. 200103280C)

Excelpoint Technology Ltd. (the “Company”) and its subsidiaries (“Excelpoint” or the “Group”) are one of the leading regional business-to-business (“B2B”) platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers (“OEMs”), original design manufacturers (“ODMs”) and electronics manufacturing services (“EMS”) 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 (a premier online community for global supply chain professionals) and EPSNews (a US premier news, information and data portal and resource centre for electronics and supply chain industries) respectively.

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 Singapore, China and Vietnam that are helmed by its dedicated team of professional engineers.

Established in 1987 and headquartered in Singapore, Excelpoint’s business presence spans over 40 cities in more than 10 countries with a workforce of more than 650 people from different nationalities and cultural backgrounds.

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