

Excelpoint Technology Ltd
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY
(Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF PROFIT AND LOSS FOR THE FULL YEAR ENDED 31 DECEMBER 2003

| | Group | | |
|--|--------------------|------------------|-------------------|
| | Years ended | | |
| | 31 December | | |
| | 2003 | 2002 | Increase/ |
| | S\$'000 | S\$'000 | (Decrease) |
| Revenue | | | % |
| Sales | 645,866 | 393,649 | 64% |
| Other income | 6,069 | 1,999 | 204% |
| Total revenue | 651,935 | 395,648 | 65% |
| | | | |
| Costs and expenses | | | |
| Purchases | (629,396) | (374,207) | 68% |
| Changes in inventories of trading stocks | 25,733 | 17,785 | 45% |
| Salaries and employee benefits | (17,373) | (18,567) | -6% |
| Depreciation and amortisation | (1,509) | (1,442) | 5% |
| Foreign exchange gains | 106 | 898 | -88% |
| Other operating expenses | (13,887) | (17,323) | -20% |
| Total costs and expenses | (636,326) | (392,856) | 62% |
| | | | |
| Operating profit | 15,609 | 2,792 | 459% |
| | | | |
| Finance costs | (2,333) | (1,564) | 49% |
| Share of results of associated company | - | (5) | |
| Profit before taxation | 13,276 | 1,223 | 986% |
| | | | |
| Taxation | (2,587) | (564) | 359% |
| | | | |
| Net profit | 10,689 | 659 | 1522% |
| Notes to the income statement | 2003 | 2002 | |
| | S\$'000 | S\$'000 | |
| Grant income | 74 | 254 | |
| Write back of provision for doubtful debts | 27 | 485 | |
| Write back of provision for stock obsolescence | 298 | - | |
| Interest on borrowings | (2,333) | (1,564) | |
| Provision for doubtful trade debts and bad trade debts written off | (461) | (1,944) | |
| Provision for stock obsolescence | (617) | (955) | |
| Adjustments for (under) or over provision of tax in respect of prior years | (98) | (136) | |
| Profit or loss on sale of fixed assets | (27) | (31) | |

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| Balance sheet | 2003 | 2002 |
|----------------------------------|---------------|---------------|
| GROUP | SS'000 | SS'000 |
| Non current assets | | |
| Fixed assets | 10,238 | 11,634 |
| Club memberships, at cost | 434 | 364 |
| Intangible assets | 82 | 141 |
| Investment in associated company | 2 | 2 |
| | | |
| Current assets | | |
| Trade debtors | 128,449 | 64,206 |
| Other debtors | 4,404 | 3,379 |
| Stocks | 79,164 | 54,036 |
| Amount due from related parties | - | 2,395 |
| Cash and bank balances | 29,337 | 20,460 |
| | 241,354 | 144,476 |
| | | |
| Current liabilities | | |
| Trade creditors and accruals | 142,769 | 78,894 |
| Other creditors | 8,488 | 1,788 |
| Amount due to bankers | 70,716 | 45,512 |
| Hire purchase creditors | 286 | 443 |
| Provision for taxation | 2,539 | 700 |
| Amount due to directors | 21 | 7,045 |
| | 224,819 | 134,382 |
| | | |
| Net current assets | 16,535 | 10,094 |
| | | |
| Non current liabilities | | |
| Amount due to bankers | (787) | (1,184) |
| Hire purchase creditors | (830) | (1,701) |
| Deferred taxation | (307) | (249) |
| | (1,924) | (3,134) |
| | | |
| | 25,367 | 19,101 |
| | | |
| Shareholders' equity | | |
| Paid in capital | 17,399 | 5,396 |
| Reserves | 7,968 | 13,705 |
| | 25,367 | 19,101 |

| Balance sheet | 2003 | 2002 |
|--------------------------------------|-------------------|----------------|
| COMPANY | S\$ | S\$ |
| Non current assets | | |
| Investments in subsidiary companies | 19,398,558 | - |
| | | |
| Current assets | | |
| Other debtors | 68,199 | - |
| Amount due from subsidiary companies | 6,586,828 | - |
| Cash and bank balances | 2 | 2 |
| | 6,655,029 | 2 |
| | | |
| Current liabilities | | |
| Trade creditors and accruals | - | 1,000 |
| Amount due to bankers | 6,277,671 | - |
| Hire purchase creditors | - | - |
| Provision for taxation | - | - |
| Amount due to subsidiary companies | 2,424,313 | 8,368 |
| | 8,701,984 | 9,368 |
| | | |
| Net current liabilities | (2,046,955) | (9,366) |
| | | |
| | | |
| | 17,351,603 | (9,366) |
| | | |
| Shareholders' equity | | |
| Paid in capital | 17,398,560 | 2 |
| Reserves | (46,957) | (9,368) |
| | 17,351,603 | (9,366) |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| As at 31 December 2003 (S\$'000) | | As at 31 December 2002 (S\$'000) | |
|---|-----------|---|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 71,002 | Nil | 12,344 | 33,168 |

Amount repayable after one year

| As at 31 December 2003 (S\$'000) | | As at 31 December 2002 (S\$'000) | |
|---|-----------|---|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 1,617 | Nil | 1,184 | Nil |

Details of any collateral

The Group's borrowings as at 31 December 2003 comprised of bank overdrafts, term loans and hire purchase creditors.

The bank overdrafts and term loans were secured over part of the fixed deposits and against the Group's properties together with the joint and several guarantees of certain directors of the Group.

Hire purchase creditors were secured over certain motor vehicles owned by the Group.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Group | Years ended 31 December | |
|---|----------------------------|-----------------|
| | 2003 | 2002 |
| | S\$'000 | S\$'000 |
| Cash Flow from operating activities | | |
| Profit before taxation | 13,276 | 1,223 |
| Adjustments for: | | |
| Share of results of associated company | - | 5 |
| Amortisation of intangible assets | 73 | 69 |
| Interest income | (147) | (327) |
| Interest expense | 2,333 | 1,564 |
| Depreciation of fixed assets | 1,437 | 1,373 |
| Loss on disposal of fixed assets | 28 | 1 |
| Operating cash flow before reinvestment in working capital | 17,000 | 3,908 |
| Increase in stocks | (25,128) | (14,649) |
| Increase in debtors | (65,200) | (12,637) |
| Decrease in amounts due from subsidiaries | 2,395 | 58 |
| Increase in creditors | 70,515 | 16,886 |
| Interest received | 147 | 327 |
| Interest paid | (2,272) | (1,647) |
| Income tax paid | (691) | (861) |
| Movement in pledged fixed deposits | (2,770) | (3,133) |
| Net cash used in operating activities | (6,004) | (11,748) |
| Cash flow from investing activities | | |
| Purchase of investment in club memberships | - | (250) |
| Purchase of fixed assets | (1,359) | (2,064) |
| Proceeds on disposal of fixed assets | 335 | 496 |
| Purchase of shares of associated company | - | (7) |
| Additions of development costs | (68) | (148) |
| Net cash used in investing activities | (1,092) | (1,973) |
| Cash flow from financing activities | | |
| Proceeds from loan drawdown | 5,719 | 383 |
| Increase in bills payable | 20,023 | 12,327 |
| Increase in secured bank overdraft | - | 31 |
| Decrease in amounts due to directors | (6,764) | (938) |
| Payments of hire purchase creditors | (334) | (432) |
| Cash paid to shareholders pursuant to restructuring of the group | (3,070) | - |
| Dividends paid | (1,000) | - |
| Net cash provided by in financing activities | 14,574 | 11,371 |
| Net increase/(decrease) in cash and cash equivalents | 7,478 | (2,350) |
| Currency realignment | (437) | (311) |
| Cash and cash equivalents at beginning of financial year/period | 13,212 | 15,873 |
| Cash and cash equivalents at end of financial year/period | 20,253 | 13,212 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| The Group | Paid-in capital S\$'000 | Capital reserve S\$'000 | Revenue reserve S\$'000 | Translation reserve S\$'000 | Shareholders' equity S\$'000 |
|--|------------------------------------|------------------------------------|------------------------------------|--|---|
| As at 1 January 2002 | 4,306 | 2 | 13,009 | 424 | 17,741 |
| Net profit for the year | | | 659 | | 659 |
| Increase in share capital pursuant to restructuring | 1,090 | | | | 1,090 |
| Transfer to capital reserve | | 4 | (4) | | |
| Foreign currency translation adjustment | | | | (389) | (389) |
| As at 31 December 2002 | 5,396 | 6 | 13,664 | 35 | 19,101 |
| At 1 January 2003 | 5,396 | 6 | 13,664 | 35 | 19,101 |
| Net profit for the year | | | 10,689 | | 10,689 |
| Increase in share capital pursuant to restructuring | 12,003 | | (12,003) | | 0 |
| Transfer to capital reserve | | 6 | (6) | | 0 |
| Dividend paid by a subsidiary prior to restructuring | | | (1,000) | | (1,000) |
| Cash payout to shareholders pursuant to the restructuring of the group | | | (3,070) | | (3,070) |
| Foreign currency translation adjustment | | | | (353) | (353) |
| As at 31 December 2003 | 17,399 | 12 | 8,274 | (318) | 25,367 |

| The Company | Share capital S\$ | Revenue reserve S\$ | Shareholders' equity S\$ |
|-------------------------------|------------------------------|--------------------------------|-------------------------------------|
| As at 1 January 2002 | 2 | (6,833) | (6,831) |
| Net profit for the year | | (2,535) | (2,535) |
| As at 31 December 2002 | 2 | (9,368) | (9,366) |
| At 1 January 2003 | 2 | (9,368) | (9,366) |
| Net profit for the year | | (37,589) | (37,589) |
| Increase in share capital | 17,398,558 | | 17,398,558 |
| As at 31 December 2003 | 17,398,560 | (46,957) | 17,351,603 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 17 October 2003, 4,493,585 shares of S\$1.00 each in the Company were issued for the acquisition of Excelpoint Systems (Pte) Ltd, 7,724,310 shares of \$1.00 each in the Company were issued for the acquisition of Excelpoint Systems (H.K.) Ltd and 5,180,663 shares of S\$1.00 each in the Company were issued for the acquisition of Lights Electronics Pte Ltd.

On 13 November 2003, the authorised share capital of S\$500 million divided into 500 million ordinary shares of S\$1.00 each was sub-divided into 10,000 million shares of \$0.05 each and the issued and paid-up capital of \$17,398,560 divided into 17,398,560 ordinary shares of \$1.00 each was sub-divided into 347,971,200 ordinary shares of S\$0.05 each.

2. Whether the figures have been audited or reviewed, in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

N.A.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial years commencing on or after 1 January 2003, Singapore-incorporated companies are required to prepare and present their statutory accounts in accordance with the Singapore Financial Reporting Standards ("FRS"). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously, the Company and Group had prepared their statutory accounts in accordance with Singapore Statements of Accounting Standard ('SAS'). There is no material impact on the accounting policies and figures presented in the statutory accounts for financial year ended 31 December 2002 arising from the adoption of FRS.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

N.A.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| Earnings per share (EPS) | Full year | |
|---|------------------|------------------|
| | 31 December 2003 | 31 December 2002 |
| Based on weighted average number of ordinary shares (cents) | 3.07 | 0.19 |
| On a fully diluted basis (cents) | N.A. | N.A. |

Earnings per share on a weighted average basis for FY2003 and FY2002 has been computed based on 347,971,200 million ordinary shares of S\$0.05 each. This is based on the assumption that the share split due to restructuring had taken place as of 1 January 2002.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

| | Group | | Company | |
|--|------------|------------|------------|--------------|
| | 31-Dec-03 | 31-Dec-02 | 31-Dec-03 | 31-Dec 02 |
| Net assets backing per ordinary share based on existing issued share capital as at end of period reported on | 7.29 cents | 5.49 cents | 4.99 cents | -0.003 cents |

The group's net asset value for FY2003 and FY2002 has been computed based on 347,971,200 million ordinary shares of S\$0.05 each. This is based on the assumption that the share split due to restructuring had taken place as of 1 January 2002.

The company's net asset value for FY2003 and FY2002 has been computed based on 347,971,200 million ordinary shares of S\$0.05 each. This is based on the assumption that the share split due to restructuring had taken place as of 1 January 2002.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue and Costs

Sales revenue for the Group increased by 64.1% for FY2003 compared to FY2002. The main factor driving the increase in sales revenue was the ramp-up of manufacturing by our GSM customers using the ADI platform. The GSM business for FY2003 accounted for 29% (\$187.8 million) of our sales revenue in FY2003, whereas the GSM business accounted for only \$63.9 million or 16.2% of the sales revenue in FY2002. The increase in GSM revenue for FY2003 as compared to FY2002 is about 195.7%.

Our design-in segment has increased to 60% of the total sales revenue for FY2003 as compared to 35% in FY2002. Revenue generated from the design-in segment has also increased to \$386.9 million as compared to \$138.6 million between FY2003 and FY2002. This represents an increase of 179.1% for the design-in segment. Nonetheless, sales revenue for the distribution segment has also increased from \$255 million to \$258.9 million from FY2002 to FY2003 representing an increase of 1.5%.

| | 2003 | % | 2002 | % | Variance | Variance % |
|-----------------|---------------|--------|---------------|--------|----------------|------------|
| Singapore | \$139,654,631 | 21.6% | \$99,960,607 | 25.4% | \$39,694,024 | 39.7% |
| Malaysia | \$36,926,895 | 5.7% | \$29,432,844 | 7.5% | \$7,494,051 | 25.5% |
| Thailand | \$12,003,619 | 1.9% | \$14,756,054 | 3.7% | (\$2,752,434) | -18.7% |
| Philippines | \$14,204,195 | 2.2% | \$26,873,115 | 6.8% | (\$12,668,920) | -47.1% |
| India | \$28,070,759 | 4.3% | \$27,508,483 | 7.0% | \$562,276 | 2.0% |
| Hong Kong & PRC | \$408,543,014 | 63.3% | \$190,181,864 | 48.3% | \$218,361,150 | 114.8% |
| Others | \$6,463,039 | 1.0% | \$4,935,662 | 1.3% | \$1,527,377 | 30.9% |
| | \$645,866,152 | 100.0% | \$393,648,628 | 100.0% | \$252,217,524 | 64.1% |

Sales revenue for most geographic segments showed an increase from FY2002 to FY2003, other than Thailand and Philippines which had a decline in sales. Sales revenue in Philippines decreased by \$12.6 million due to the EOL (End of Line) projects for our Philippines customers and the decline in sales revenue for Thailand was due to reduction in demand. Intensified marketing efforts and the creation of kitting business in Singapore helped to boost the sales revenue from \$99.9 million to \$139.6 million from FY2002 to FY2003. This is an increase of 39.7% above FY2002's sales revenue. The addition of new customers in Malaysia gave rise to an increase in sales revenue by 25.5% for FY2003 as compared to FY2002. Increase in sales revenue for Hong Kong and PRC was mainly in the GSM business. The expansion of our business to new markets like Australia and Indonesia paid off, with an increase in sale revenue by \$1.5 million for the Others segment from FY2002 to FY2003.

The Group has experienced a decrease in gross margin due to the higher cost of sales. Cost of sales was higher due to thinning margins in our distribution segment and bulk buying in our design-in segment. However, gross margin in absolute amounts has increased from \$39.6 million in FY2002 to \$48 million in FY2003, mainly due to higher turnover for our design-in segment.

Operating expenses have decreased from \$36.8 million in FY2002 to \$32.1 million in FY2004. The decrease was primarily due to the reduction in directors' remuneration with the effect of the new service agreement commencing 1 January 2003. Directors' remuneration dropped from \$5.9 million in FY2002 to \$2.5 million in FY2004. Net profit after tax for the Group increased to \$10.7 million in FY2003 compared to \$0.659 million in FY2002.

Cash Flow and Balance Sheet

Most of our cash is generated by operating activities. Due to the increase in sales, stock levels and debtors increased, giving rise to cash being tied up in stock and debt. However, we were able to finance a substantial portion of the operations through longer credit terms granted by suppliers and through bank facilities.

Trade debtors have increased by \$62.5 million as compared to FY2002 mainly due to sales made in the last quarter of FY2003. Inventory has also increased by \$26.3 million as compared to FY2002 due to higher sales turnover. Increase in trade creditors for FY2003 as compared to FY2002 amounting to \$64.3 million was mainly due to increase in sales. Additional share capital amounting to \$12 million was also issued pursuant to our restructuring exercise.

Stock turnover has improved from FY2002 to FY2003, decreasing from 50 days to 41 days. Debtors' aging days has also decreased from 60 days to 54 days with the closer monitoring of collections.

Liquidity has improved slightly with faster turnaround of debt and stocks. Debt-equity ratio is higher due the increase use of bank facilities to finance the business.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

| | Actual | Forecast | Variance |
|-------------------|-------------------|-------------------|-----------------|
| | 2003 | 2003 | % |
| | \$'million | \$'million | |
| Revenue | 646 | 612 | 5.56% |
| Profit before tax | 13.28 | 11.6 | 14.48% |
| Profit after tax | 10.7 | 9.15 | 16.94% |

The group's actual revenue for FY2003 was higher than our forecast for FY2003 by 5.56%. The group's actual profit after tax for FY2003 was higher than our forecast for 2003 by 16.94%. This forecast was disclosed in our prospectus which was registered by the Monetary Authority of Singapore on 18 December 2003.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

There is general optimism in the electronics industry in the global economy, in particular in the Asia Pacific region. The recovery in the electronics industry in the year 2003 is expected to continue for the year 2004.

The PRC local manufacturers for GSM handsets had started to increase their production in 2003. This increase in demand for GSM handsets is expected to continue to grow further in 2004. The general trend in the industry is expected to have a positive impact on the financials of the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable. N.A.

(d) Books closure date. N.A.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend will be declared for 2003.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

| Business | Design in | | Distribution | | Total | |
|--|-----------|---------|--------------|---------|---------|---------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Segment revenue | 386,934 | 138,628 | 258,932 | 255,021 | 645,866 | 393,649 |
| Segment result | 12,887 | 819 | 2,722 | 1,973 | 32,662 | 2,792 |
| Finance costs | | | | | (2,333) | (1,564) |
| Share of results of associated company | | | - | (5) | - | (5) |
| Profit before taxation | | | | | 13,276 | 1,223 |
| Taxation | | | | | (2,587) | (564) |
| Net profit | | | | | 10,689 | 659 |

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8.

15. A breakdown of sales.

| | 2003 | 2002 | Variance |
|--|----------------|----------------|-----------------|
| | S\$'000 | S\$'000 | % |
| (a) Sales reported for first half year | 273,958 | 178,977 | 53% |
| (b) Operating profit after tax before deducting minority interests reported For first half of year | 2,088 | 164 | 1173% |
| (a) Sales reported for second half year | 371,908 | 214,672 | 73% |
| (b) Operating profit after tax before deducting minority interests reported for second half year | 8,601 | 496 | 1634% |
| | | | |

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

N.A.

BY ORDER OF THE BOARD

Wee Liang Hiam
Company Secretary
25/02/2004