

NEWS RELEASE

Group Performance Review for 1Q2021

Excelpoint Posts Strong Net Profit of US\$4.39M for 1Q2021

	1Q2021 US\$'000	1Q2020 US\$'000	Change (%)
Revenue	336,281	252,969	32.9
Gross Profit	23,382	12,978	80.2
Gross Margin (%)	7.0	5.1	1.9
Net Profit	4,389	229	N.M.
Basic and diluted earnings per share (US cents)	3.66	0.19	N.M.

N.M. = Not meaningful

The Group's revenue increased by 32.9% from US\$253.0 million for 1Q2020 to US\$336.3 million for 1Q2021 and gross profit increased by 80.2% from US\$13.0 million for 1Q2020 to US\$23.4 million for 1Q2021, mainly due to higher sales from the Singapore and Hong Kong business units. The increase was mainly due to the increase in demand for semiconductors on the back of accelerated technology adoption.

Operating costs increased in 1Q2021 as compared to 1Q2020, mainly attributable to higher staff cost and higher travelling expenses due to partial resumption of business travel. The Group reported net profit of US\$4.4 million for 1Q2021.

	31 Mar 2021 US\$'000	31 Dec 2020 US\$'000	Change (%)
Trade and other debtors	172,316	172,226	0.1
Stocks	210,634	179,907	17.1
Cash and short-term deposits	27,470	39,174	(29.9)
Total assets	423,867	405,415	4.6
Trade and other creditors	(230,782)	(217,392)	6.2
Interest-bearing loans and borrowings	(81,422)	(82,222)	(1.0)
Total liabilities	(332,163)	(318,100)	4.4
Total equity	91,704	87,315	5.0
Net asset value	91,704	87,315	5.0
Net asset value per share (US cents)	76.48	72.82	5.0

Total assets increased from US\$405.4 million as at 31 December 2020 to US\$423.9 million as at 31 March 2021 mainly due to increase in stocks of US\$30.7 million and partially offset by lower cash and short-term deposits of US\$11.7 million. In view of the global chip shortage, the Group was able to secure higher stock level to mitigate against supply disruptions.

Total liabilities increased from US\$318.1 million as at 31 December 2020 to US\$332.2 million as at 31 March 2021 mainly due to increase in trade and other creditors of US\$13.4 million.

** To note that the above figures have not been audited or reviewed by our auditors.*

Business Outlook

As the COVID-19 pandemic persists, the importance of the digital world continues to accelerate technology adoption across the globe. Excelpoint has since adapted business strategies and initiated plans to strengthen our value proposition and positioning in the market.

Business momentum has seen recovery, especially in China and it will remain the key market for Excelpoint's growth. We will continue to see rising demand for semiconductor chips and solutions in the segments we operate in with the shift towards a more digital lifestyle.

From our newly set-up PlanetSpark Innovation Centre, there are increasing opportunities to develop solutions in Artificial Intelligence and the Internet of Things, and we are able to value-add more to our partners in new ways and segments. These strong partnerships forged will allow us to stay ahead of the curve and sharpen our competitive edge to capture new business opportunities arising.

With our strong focus on business sustainability, Excelpoint's implementation of strategies to improve the cost and operational efficiencies over the years have seen results. In addition, focusing on our people remains a priority and we have enhanced our talent development and incentive initiatives as part of our plans to build, nurture and align the next generation of leaders, who play a key role in taking our business to the next level.

The world amidst the COVID-19 pandemic remains uncertain but with the Group's robust foundation, strong team and business strategies in place, we are well-positioned to grow the business sustainably.

Thank you for your continued support and trust to Excelpoint.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
11 May 2021