

EXCELPOINT POSTS A STRONG SET OF FY2020 RESULTS WITH A 13.5% GROWTH IN REVENUE AND US\$10.3 MILLION OF NET PROFIT

- *The Group delivered a strong set of results amidst the Covid-19 pandemic with strengthened balance sheet and improved cash position.*
- *The PlanetSpark Innovation Centre is an investment to capture new business opportunities within the AI and IoT space.*

| (US\$ million) | FY2020 | FY2019 | Change (%) |
|------------------|-----------------|-----------------|------------|
| Revenue | 1,108.6 | 977.0 | 13.5% |
| Gross Profit | 60.3 | 54.2 | 11.3% |
| Gross Margin (%) | 5.4% | 5.5% | (0.1%) |
| Net Profit | 10.3 | 1.6 | 546.6% |
| | | | |
| (US cents) | As at 31 Dec 20 | As at 31 Dec 19 | Change (%) |
| NAV per share | 72.82 | 64.06 | 13.7% |

Singapore, 8 February 2021 - SGX Mainboard-listed Excelpoint Technology Ltd ("*Excelpoint*" or "*the Group*") announces a revenue of US\$1,108.6 million and a profit after tax of US\$10.3 million for FY2020.

Commenting on the Group's overall performance for FY2020, Mr. Albert Phuay Yong Hen, Chairman and Group Chief Executive Officer, said, "Despite the Covid-19 pandemic, Excelpoint, as a group has worked hard to deliver a set of good results for 2020 with an increase in revenue and improved profitability. China remains an important market with its strong positioning as a manufacturing powerhouse. Going forward, we will see rising demand for semiconductor chips and solutions in our key segments, as the shift towards a more digital lifestyle continues across the globe.

Continuous strengthening of our value-add and adapting business strategies to the environment have always been key to the sustainability of our business. The setting up of our PlanetSpark Innovation Centre reiterates our emphasis on providing more value-add to our partners. The solutions developed by the innovation centre alongside our local start-ups, as well as Excelpoint's core capabilities in the sensors and communications segments, will position us well to harness opportunities in the AI and IoT space.

While we remain cautious of the business environment due to the ongoing pandemic and geopolitical uncertainties, the Group will continue to adopt a disciplined approach in our operations and sharpen our competitive edge to capture new opportunities in the coming year."



INCOME STATEMENT

The Group's revenue increased by 13.5% from US\$977.0 million to US\$1,108.6 million, and gross profit increased by 11.3% from US\$54.2 million to US\$60.3 million, due to higher sales from the Singapore and Hong Kong business units.

Other income increased from US\$1.6 million to US\$2.7 million, mainly due to government grants recognised during the year.

Sales and distribution costs remained stable. General and administrative expenses increased by 11.7% from US\$14.7 million to US\$16.4 million, mainly due to higher staff cost.

Interest expense decreased by 47.4% from US\$5.6 million to US\$2.9 million mainly due to lower interest rate.

Overall, the Group reported profit after taxation of US\$10.3 million for FY2020.

CASHFLOW AND FINANCIAL POSITION

The Group's net cash flows generated from operating activities was US\$50.1 million in FY2020 as compared to US\$45.6 million in FY2019. This was mainly due to cash flow generated from operations.

Net cash flows used in investing activities was remained at US\$1.1 million for FY2020. It was mainly for the renovation and equipment for Planetspark Innovation Centre.

Net cash flows used in financing activities was US\$24.4 million in FY2020 as compared to US\$50.6 million in FY2019. This was mainly due to lower borrowings.

Cash and short-term deposits was US\$39.2 million as at 31 December 2020 as compared to US\$14.5 million as at 31 December 2019.

Non-current assets increased from US\$10.5 million to US\$13.8 million as at 31 December 2020 mainly due to the recognition of right-of-use assets, purchase of equipment and other investment. This was partially offset by the depreciation of property, plant and equipment.

Current assets increased from US\$320.7 million to US\$391.6 million as at 31 December 2020 mainly due to increase in trade and other debtors of US\$13.8 million due to higher sales, increase in stocks of US\$32.5 million due to higher purchase of stocks in support of the business, and increase in cash and short-term deposits of US\$24.7 million.

Current liabilities increased from US\$253.2 million to US\$309.8 million as at 31 December 2020 mainly due to increase in trade and other creditors of US\$77.4 million, increase in contract liabilities of US\$4.7 million and partially offset by decrease in short-term interest-bearing loans and borrowings of US\$25.6 million.

Non-current liabilities of US\$8.3 million as at 31 December 2020 was mainly due to the increase in long-term lease liabilities and long-term interest-bearing loans and borrowings.

Overall, shareholders' equity increased from US\$76.7 million to US\$87.3 million as at 31 December 2020, mainly due to net profit of US\$10.3 million.

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This press release is to be read in conjunction with Excelpoint's exchange filings on 8 February 2021, which can be downloaded via www.sgx.com.

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About Excelpoint Technology Ltd (Registration No. 200103280C)

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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