

For Immediate Release

EXCELPOINT POSTS REVENUE OF US\$239.8 MILLION IN 1Q2019

- *Slow quarter due to continued trade tensions and temporary geopolitical uncertainties*
- *Despite challenges, gross margins improved with strategies in place and balance sheet strengthened by US\$1.1 million*
- *Group's focus moving forward will be on enhancing product mix for margin expansion opportunities, setting new cost management measures, strengthening credit and inventory control and improving liquidity position*

<i>(US\$ million)</i>	1Q2019	1Q2018	Change (%)
Revenue	239.8	272.8	(12.1)
Gross Profit	14.2	15.4	(7.8)
Gross Margin (%)	5.9	5.7	0.2
Net Profit	1.0	1.5	(31.2)
<i>(US cents)</i>	As at 31 Mar 19	As at 31 Dec 18	Change (%)
NAV per share	66.26	65.33	1.42

Singapore, 23 April 2019 - SGX Mainboard-listed Excelpoint Technology Ltd ("*Excelpoint*" or "*the Group*") announces a revenue of US\$239.8 million and a profit after tax of US\$1.0 million for 1Q2019.

This quarter saw significant market volatilities such as trade tensions and geopolitical uncertainties from the elections in India, Thailand and Indonesia, which has resulted in a challenging business operating environment.

Commenting on the Group's overall performance in 1Q2019, Mr. Albert Phuai Yong Hen, Chairman and Group Chief Executive Officer, said, "We faced several headwinds in the first quarter of 2019 as trade tensions persist, alongside ongoing elections in India, Thailand and Indonesia, and a global economic slowdown. Looking ahead, infrastructure developments from government initiatives within emerging markets, as well as the rolling out of 5G will be the key drivers to increasing the demand for our products and services. Despite the existing market volatilities, our strong positioning as the preferred partner to our principals in the Asia Pacific region will give us an edge to harness new business opportunities when the market normalises. To improve our margins, we are focusing on various initiatives which includes enhancing our product mix, setting new cost management measures, strengthening our credit and inventory control and improving our liquidity position. While we focus on long-term strategies through the nurturing of our technical capabilities, forging stronger relationships with our partners, we will remain vigilant amidst the uncertain operating environment and stay committed to growing the business."

The Group's revenue decreased by 12.1% from US\$272.8 million to US\$239.8 million due to lower sales from the Singapore and Hong Kong business units. Gross margins improved by 0.2% from 5.7% to 5.9% with strategies in place to enhance our product mix.



Other income increased by 129.5% from \$0.1 million to \$0.3 million mainly due to non-recurring engineering income.

Sales and distribution costs decreased by 1.2% from US\$7.9 million to US\$7.8 million, and general and administrative expense decreased by 14.4% from US\$4.4 million to US\$3.8 million. These were mainly due to lower staff cost and was partially offset by lower net foreign exchange gain in 1Q2019 arising from the translation of balances denominated in foreign currency into functional currency.

Interest expense increased by 14.7% from US\$1.5 million to US\$1.7 million, due to higher financing cost from the hikes in interest rates.

Overall, the Group reported profit after taxation of US\$1.0 million for 1Q2019.

Cashflow and Financial Position Highlights

The Group's net cash flows generated from operating activities was US\$12.7 million compared to net cash flows used in operating activities of US\$6.0 million in 1Q2018.

Net cash flows used in investing activities was US\$0.7 million compared to US\$1.2 million in 1Q2018. The decrease was mainly due to lower purchase of property, plant and equipment.

Net cash flows used in financing activities was US\$8.1 million compared to net cash generated from financing activities of US\$7.0 million in 1Q2018. This was mainly due to lower working capital requirement.

Cash and short-term deposits stood at US\$24.4 million as at 31 March 2019 as compared to US\$9.8 million as at 31 March 2018.

Non-current assets increased from US\$6.7 million to US\$12.8 million as at 31 March 2019 mainly due to the recognition of right-of-use assets upon adoption of SFRS(I) 16 on 1 January 2019.

Current assets decreased from US\$377.4 million to US\$351.8 million as at 31 March 2019 mainly due to decrease in stocks of US\$16.5 million due to lower purchase of stocks; decrease in trade and other debtors of US\$13.0 million due to higher collection and lower sales; and partially offset by increase in cash and short-term deposits of US\$3.9 million.

Current liabilities decreased from US\$306.2 million to US\$282.7 million as at 31 March 2019 mainly due to decrease in trade and other creditors of US\$18.6 million due to lower purchase of stocks; decrease in interest-bearing loans and borrowings of US\$7.5 million due to lower working capital requirement; and partially offset by increase in lease liabilities of US\$2.8 million due to recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Non-current liabilities of US\$2.9 million as at 31 March 2019 was due to the recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Overall, shareholders' equity increased from US\$77.9 million to US\$79.0 million as at 31 March 2019, mainly due to the profit for the period of US\$1.0 million and fair value changes on equity instrument of US\$0.1 million.

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This press release is to be read in conjunction with Excelpoint's exchange filings on 23 April 2019, 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 750 people from different nationalities and cultural backgrounds.

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