



FOR IMMEDIATE RELEASE

Excelpoint announces 2Q09 results

- Registers revenue of US\$84.1 million in 2Q09
- Focuses on managing costs and cash flows and to improving business mix towards higher margin products and services.

US\$'M	2Q09	2Q08	+/(-) %	1H09	1H08	+/(-) %
Revenue	84.1	115.5	(27.2)	156.8	240.0	(34.7)
Gross Profit	6.5	8.4	(22.4)	12.0	16.6	(27.7)
Net Loss Attributable to Equity Holders	(0.8)	(1.8)	(56.8)	(2.3)	(1.7)	36.6
Earnings Per Share (cents) *	(0.16)	(0.37)		(0.47)	(0.34)	
Cash and Cash Equivalents	12.7	17.2		12.7	17.2	
				As at 30 Jun 09	As at 31 Dec 08	
Total Equity for the Group				39.5	41.8	
Net Asset Value Per Share (cents)				8.1	8.6	

* based on weighted average of 486,022,200 ordinary shares

SINGAPORE – Wednesday, 5 August 2009 – Mainboard-listed Excelpoint Technology Limited (“Excelpoint” or “the Group”), a total solutions provider of quality components, engineering designs and supply chain services to electronics manufacturers, today announced its financial results for the second quarter (“2Q09”) ended 30 June 2009.

The Group ended 2Q09 with revenue of US\$84.1 million compared with US\$115.5 million in 2Q08. Revenue for the six months ended 30 June 2009 (“1H09”) was US\$156.8 million, compared with US\$240.0 million for the same period of 2008. The decline in revenue was a

result of an increasingly challenging business environment from the global economic slowdown.

Gross profit stood at US\$6.5 million in 2Q09, a decrease of 22.4% from US\$8.4 million in 2Q08. Gross profit for 1H09 was US\$12.0 million, a decrease of 27.7% from US\$16.6 million in 1H08. Despite the decline in gross profit, gross margin improved from 7.2% in 2Q08 to 7.7% in 2Q09 attributed to higher margin from design-in business.

Total operating expenses – comprising sales and distribution costs, general and administrative expenses, other expenses and interest expense – declined by 31.6% to US\$7.1 million in 2Q09 from US\$10.4 million in 2Q08. The decline is a result of continued focus on cost containment measures and streamlining of the Group's business.

Consequently, the Group narrowed its net loss after tax to US\$0.8 million in 2Q09 compared with US\$1.8 million in 2Q08 due mainly to lower stocks written down/off. For 1H09, the Group recorded a net loss after tax of US\$2.3 million compared with a net loss after tax of US\$1.7 million for the same period in 1H08.

On the Group's balance sheet, stock balance was reduced to US\$28.7 million in 2Q09 from US\$46.3 million in 4Q08 as a result of ongoing focus on rationalising and managing inventory. Trade debtors' balance increased to US\$47.5 million in 2Q09 from US\$43.6 million in 4Q08 due to higher revenue.

The Group reduced its short-term interest bearing loans and borrowings by US\$22.8 million from US\$27.7 million in 4Q08 to US\$4.9 million in 2Q09. Trade creditors' balance increased to US\$44.7 million in 2Q09 from US\$34.8 million in 4Q08.

Correspondingly, cash flow from operating activities in 2Q09 declined by US\$15.6 million compared with 2Q08, due to higher trade debtors' balances. As a result, cash and cash equivalents of the Group was reduced to US\$12.7 million in 2Q09, a decrease of US\$4.5 million from US\$17.2 million in 2Q08.

The Group reported net cash position of US\$6.2 million in 2Q09 compared with net borrowing position of US\$14.3 million in 4Q08 due to improved cash flow management and working capital control.

Mr Albert Phuay, Chairman and Group CEO said, "Given the challenging overall economic environment, Excelpoint will continue to keep our operations lean while sharpening our

competitive edge. We will adopt a vigilant approach in managing costs and cash flows with a view to improve efficiency and improve business mix towards higher margin products and services.”

“During these challenging times, it is important for us to enhance and differentiate our core competencies so that we can emerge stronger when the global economy recovers. Being a recipient of the Top 25 Global Distributors from Electronic Engineering Times this year, we are committed to continually enhance our capabilities and keeping ourselves abreast of the market. Moreover, as the electronic component distribution market migrates increasingly towards offering value-added services, we are also enhancing our capabilities in these areas by offering a diversified and expanded portfolio of products, strengthen our R&D and supply chain management expertise to help our customers manage costs, improve efficiency and reduce their time to market.”

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

About Excelpoint Technology Ltd (Registration No. 200103280C)

Excelpoint Technology Limited is a total solutions provider of quality components, engineering designs and supply chain services to Asia’s electronics manufacturers. Since 1987, Excelpoint has been working closely with its principals and customers to identify new trends and technologies, and to create and test new technical features that will complement their customers’ products. The total solutions and reference designs created by Excelpoint are found in industrial instrumentation, wireless communications and consumer electronics equipment made by Asia’s top OEM, ODM and EMS. Headquartered in Singapore, Excelpoint has a strong team of dedicated R&D professionals located in major cities to create the innovation solutions and to deliver the full range of supply chain services to help customers go to market quickly and efficiently. Excelpoint is listed on the Mainboard of Singapore Stock Exchange. The company employs over 400 staff and has facilities and offices in over 20 cities throughout Asia Pacific.

For more information, please visit our website at www.excelpoint.com

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