

For Immediate Release

EXCELPOINT POSTS RECORD NET PROFIT OF US\$24.5 MILLION

- *The Group delivered record FY2021 performance as revenue and net profit reach a historic high with strongest balance sheet reported.*
- *The Covid-19 pandemic continues to accelerate technology adoption in the industrial, consumer and commercial sectors and to drive the global demand for semiconductor chips. This has resulted in improved profit margins and jump in sales.*
- *The Group has embarked on new ventures and partnerships to capture new business opportunities in the 5G & Wireless Communications, Industrial Robotics and Intelligent Computer Vision segments and for growing the business sustainably.*

(US\$ million)	2H2021	2H2020	Change (%)	FY2021	FY2020	Change (%)
Revenue	857,596	598,680	43.2%	1,598,467	1,108,638	44.2%
Gross Profit	50,206	33,954	47.9%	101,818	60,282	68.9%
Gross Margin (%)	5.9%	5.7%	0.2%	6.4%	5.4%	1.0%
Net Profit	12,559	8,290	51.5%	24,522	10,339	137.2%
(US cents)	As at 31 Dec 2021		As at 31 Dec 2020		Change (%)	
Net Assets Value per Ordinary share	90.46		72.82		24.2%	

Singapore, 16 February 2022 - SGX Mainboard-listed Excelpoint Technology Ltd. ("*Excelpoint*" or "*the Group*") announces a revenue of US\$1.6 billion and a profit after tax of US\$24.5 million for FY2021.

INCOME STATEMENT

The Group's revenue increased by 44.2% from US\$1,108.6 million in FY2020 to US\$1,598.5 million in FY2021 and gross profit increased by 68.9% from US\$60.3 million in FY2020 to US\$101.8 million in FY2021, 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.

Other income decreased from US\$2.7 million in FY2020 to US\$1.0 million in FY2021, mainly due to lower government grants received.

Sales and distribution costs increased by 47.7% from US\$31.6 million in FY2020 to US\$46.6 million in FY2021 and general and administrative expense increased by 50.1% from US\$16.4 million in FY2020 to US\$24.6 million in FY2021. These were mainly attributable to higher staff cost and higher travelling expenses due to partial resumption of business travel.

Interest expense decreased by 18.5% from US\$2.9 million in FY2020 to US\$2.4 million in FY2021 due to lower interest rates.

Overall, the Group reported profit after taxation of US\$24.5 million for FY2021.

CASHFLOW AND FINANCIAL POSITION

The Group's net cash flows generated from operating activities was US\$5.1 million in FY2021 as compared to US\$50.1 million in FY2020. This was mainly due to working capital requirements.

Net cash flows used in investing activities was US\$2.1 million in FY2021 compared to US\$1.1 million in FY2020. This was mainly due to capital expenditure.

Net cash flows used in financing activities was US\$8.1 million in FY2021 compared to US\$24.4 million in FY2020. This was mainly due to lower borrowings for working capital requirements and partially offset by dividend payment.

Cash and short-term deposits was US\$34.1 million as at 31 December 2021 as compared to US\$39.2 million as at 31 December 2020.

Non-current assets increased from US\$13.8 million as at 31 December 2020 to US\$14.3 million as at 31 December 2021 mainly due to capital expenditure. This was partially offset by depreciation of property, plant and equipment and right-of-use assets.

Current assets increased from US\$391.6 million as at 31 December 2020 to US\$465.4 million as at 31 December 2021 mainly due to increase in trade and other debtors of US\$47.1 million arising from higher sales, increase in stocks of US\$31.5 million due to higher stock level to mitigate against supply disruptions and partially offset by decrease in cash and short-term deposits of US\$5.0 million.

Current liabilities increased from US\$309.8 million as at 31 December 2020 to US\$358.5 million as at 31 December 2021 mainly due to increase in trade and other creditors of US\$51.0 million due to higher purchase of stocks, increase in contract liabilities of US\$2.6 million due to customers deposit received, increase in income tax payable of US\$2.1 million due to higher taxable profit and partially offset by decrease in interest-bearing loans and borrowings of US\$7.0 million.

Non-current liabilities increased from US\$8.3 million as at 31 December 2020 to US\$12.3 million as at 31 December 2021 mainly due to increase in long-term interest-bearing loans and borrowings of US\$5.1 million. This was partially offset by decrease in long-term lease liabilities of US\$1.1 million.

Overall, shareholders' equity increased from US\$87.3 million as at 31 December 2020 to US\$108.8 million as at 31 December 2021, mainly due to net profit of US\$24.5 million and increase in other reserves of US\$0.7 million in FY2021. This was partially offset by the dividend paid of US\$4.1 million.

Commenting on the Group's overall performance for FY2021, Mr. Albert Phuy Yong Hen, Chairman and Group Chief Executive Officer, said, "2021 has turned out to be an exceptional year for us despite many uncertainties and changes to the semiconductor supply chain such as the global chip shortages. Living alongside the Covid-19 pandemic has not been easy but our results attest to the strong fundamentals on which we have built our business upon and the resolve of our team that has enabled us to seize new opportunities. Overall, we see improvements in sales across all our markets especially in China as it remains an important market with its strong position fuelled by robust domestic demand.

We remain cautious of geopolitical risks and the impact that the ongoing pandemic may have on the macro business environment. Thus, we are placing strong emphasis on innovation, strengthening our engineering capabilities and forging new partnerships to sharpen our competitive edge and to increase our business resilience.

Aside from the establishment of the PlanetSpark Innovation Centre last year, we have continued to build on our technical expertise by growing our engineering teams. These initiatives are aimed at harnessing opportunities in the fast growing artificial intelligence ("AI") and internet-of-things ("IoT") market. The momentum of remote working and remote learning continues beyond 2021, and we see traction coming from segments such as high performance computing, fast connectivity and secure networks, communications and sensors. These would in turn generate more demand for Excelpoint's value-added solutions."

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This press release is to be read in conjunction with Excelpoint's exchange filings on 16 February 2022, which can be downloaded via www.sgx.com.

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About Excelpoint Technology Ltd. (Registration No. 200103280C)

Bloomberg Code: EXLP:SP / Reuters Code: EXCE.SI / SGX Code: BDF.SI

Excelpoint Technology Ltd. (the "Company") and its subsidiaries ("Excelpoint" or the "Group") are one of the leading regional business-to-business platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers, original design manufacturers and electronics manufacturing services 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, an online community for global supply chain professionals and EPSNews, a US-based information and data portal and resource centre for electronics and supply chain industries.

Excelpoint works closely with its principals to create innovative solutions to complement its customers' products and solutions. Aimed at improving operational efficiency and cost competitiveness, it has research and development ("R&D") centres in Singapore, China and Vietnam helmed by a team of professional engineers.

Established in 1987 and headquartered in Singapore, Excelpoint has more than 700 employees.

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