



For Immediate Release

## EXCELPOINT POSTS REVENUE OF US\$247.2 MILLION IN 3Q2019

- *On-going US-China trade uncertainty, alongside a weak global economic landscape will continue to affect the business environment that the Group operates in.*
- *The Group continues to focus on long-term strategies of pursuing higher value business opportunities while closely monitoring market developments.*

	Third Quarter			Year-to-Date Sept		
(US\$ million)	3Q2019	3Q2018	Change (%)	9M2019	9M2018	Change (%)
Revenue	247.2	349.3	(29.2)	718.1	984.3	(27.0)
Gross Profit	12.5	18.3	(31.6)	42.4	53.8	(21.1)
Gross Margin (%)	5.1	5.3	(0.2)	5.9	5.5	0.4
Net Profit	0.1	2.5	(95.3)	1.3	6.2	(79.2)
(US cents)	As at 30 Sep 19	As at 31 Dec 18	Change (%)			
Net Assets Value per Ordinary share	63.88	65.33	(2.2)			

**Singapore, 4 November 2019** - SGX Mainboard-listed Excelpoint Technology Ltd ("*Excelpoint*" or "*the Group*") announces a revenue of US\$247.2 million and a profit after tax of US\$0.1 million for 3Q2019.

**Commenting on the Group's performance in this quarter, Mr. Albert Phuai Yong Hen, Chairman and Group Chief Executive Officer, said,** "The escalating concerns over a weak global economic landscape, coupled with the ongoing US-China trade tensions will inevitably impact our business. Notwithstanding these challenges, Excelpoint continues to take a disciplined approach when seeking for new business opportunities in the market. While we adopt a vigilant approach in managing costs and cash flows with a view to improve efficiencies, it is important for us to continue enhancing our core capabilities and focus on pursuing higher value businesses. By sharpening our competitive edge and differentiating our core competencies, I believe we can emerge stronger when the economy recovers."

The Group's revenue decreased by 29.2% from US\$349.3 million to US\$247.2 million and gross profit decreased by 31.6% from US\$18.3 million to US\$12.5 million, mainly due to lower sales from the Singapore and Hong Kong business units in 3Q2019.

Sales and distribution costs decreased by 13.9% from US\$9.2 million to US\$8.0 million, and general and administrative expense decreased by 15.6% from US\$4.7 million to US\$3.9 million. These were mainly due to lower staff costs and lower net foreign exchange loss in 3Q2019 arising from the translation of balances denominated in foreign currency into functional currency.

Interest expense decreased by 27.1% from US\$1.7 million to US\$1.3 million in 3Q2019, due to lower borrowings.

Overall, the Group reported profit after taxation of US\$0.1 million for 3Q2019.



## **Cashflow and Financial Position Highlights**

### **Cashflow**

The Group's net cash flows generated from operating activities was US\$27.8 million compared to US\$0.3 million in 3Q2018. This was mainly due to lower working capital requirement.

Net cash flows generated from investing activities was US\$2.0 million compared to net cash flows used in investing activities of US\$0.5 million in 3Q2018. This was mainly due to disposal of investment security.

Net cash flows used in financing activities was US\$22.2 million compared to net cash generated from financing activities of US\$0.01 million in 3Q2018. This was mainly due to lower borrowings.

Cash and short-term deposits was US\$23.1 million as at 30 September 2019 as compared to US\$13.1 million as at 30 September 2018.

### **Financial Position**

Non-current assets increased from US\$6.7 million to US\$11.4 million as at 30 September 2019 mainly due to the recognition of right-of-use assets upon adoption of SFRS(I) 16 on 1 January 2019 and purchase of investment. This was partially offset by the disposal of investment security.

Current assets decreased from US\$377.4 million to US\$345.0 million as at 30 September 2019 mainly due to decrease in trade and other debtors of US\$24.2 million due to lower sales; decrease in stocks of US\$10.7 million due to lower purchase of stocks; and partially offset by increase in cash and short-term deposits of US\$2.6 million.

Current liabilities decreased from US\$306.2 million to US\$278.4 million as at 30 September 2019 mainly due to decrease in interest-bearing loans and borrowings of US\$40.9 million; partially offset by increase in trade and other creditors of US\$10.7 million; and increase in lease liabilities of US\$2.6 million due to recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Non-current liabilities of US\$1.8 million as at 30 September 2019 was mainly due to the recognition of lease liabilities upon adoption of SFRS(I) 16 on 1 January 2019.

Overall, shareholders' equity decreased from US\$77.9 million to US\$76.2 million as at 30 September 2019, mainly due to the dividend payment of US\$3.5 million. This was partially offset by net profit of US\$1.3 million and fair value changes on equity instrument of US\$0.5 million.

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This press release is to be read in conjunction with Excelpoint's exchange filings on 4 November 2019, which can be downloaded via [www.sgx.com](http://www.sgx.com).

*For media and investor enquiries, please contact:*

*Phuay Li Ying  
Excelpoint Technology Ltd  
Deputy Director, Corporate Development  
Tel: +65 6210 6649, Fax: +65 6741 8980, Email: [phuay.li.ying@excelpoint.com.sg](mailto:phuay.li.ying@excelpoint.com.sg)*



**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 (“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 approximately 750 people from different nationalities and cultural backgrounds.

For more information about Excelpoint, please visit [www.excelpoint.com](http://www.excelpoint.com)