

EXCELPOINT TECHNOLOGY LTD
(the “**Company**”)
(Incorporated in the Republic of Singapore)
(Company Registration No. 200103280C)

**PROPOSED ISSUANCE OF 15,000,000 NEW SHARES TO ALONIM INVESTMENTS INC. BY
WAY OF PRIVATE PLACEMENT**

1. Introduction

The Company wishes to announce that it had on 2 September 2016 entered into a conditional subscription agreement (the “**Subscription Agreement**”) with Alonim Investments Inc. (the “**Placee**”) to allot and issue 15,000,000 new ordinary shares in the Company (the “**Subscription Shares**”), which upon issue will represent approximately 12.8% of the enlarged issued share capital of the Company (excluding treasury shares) as at the date of this announcement, to the Placee at an issue price of S\$0.525 (the “**Issue Price**”) for each Subscription Share (the “**Proposed Subscription**”).

The Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued ordinary shares in the capital of the Company (the “**Shares**”) except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion date of the Proposed Subscription (the “**Completion Date**”).

Each Subscription Share will be issued at a price of S\$0.525. As the volume weighted average trading price (“**VWAP**”) of the shares of the Company on the SGX-ST on 26 August 2016 being the last market day on which shares were traded up to the time the Subscription Agreement was signed is S\$0.390, the Subscription Shares will be issued at a premium of 34.6% to the aforementioned VWAP.

The Issue Price of S\$0.525 for each Subscription Share was arrived at after negotiations between the Placee and the Company on a willing buyer and willing seller basis.

2. The Subscription Shares

The Subscription Shares are to be issued by the Directors pursuant to the authority granted to them by the shareholders' at the Company's annual general meeting held on 6 April 2016 pursuant to Section 161 of the Companies Act, Chapter 50, and Rule 806 of the Listing Manual of the SGX-ST (the “**Listing Manual**”). The Directors are authorized to issue shares in the Company provided that the aggregate number of shares to be issued pursuant to such authority (including shares to be issued in pursuance of any relevant offers, agreements or options made or granted pursuant to such authority and including shares which may be issued pursuant to any adjustment effected under any relevant offers, agreements, or options) shall not exceed 50% (or such other limit or limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)) of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% (or such other limit or limits and manner of calculation as may be prescribed by the SGX-ST) of the total number of issued shares (excluding treasury shares) in the capital of the Company.

The total number of issued shares (excluding treasury shares) of the Company shall be based

on the number of issued shares (excluding treasury shares) of the Company as at the time of the passing of the resolution, after adjusting for: (i) new shares arising from the conversion or exercise of any convertible securities or employee share options issued as at the date of the resolution; and (ii) any subsequent consolidation or sub-division of shares. Unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which this meeting is required by law to be held, whichever is earlier.

The Subscription Shares will only be issued to the Placee (or its nominee) and will not be issued to any of the persons listed in Rule 812(1)(a) to (d) of the Listing Manual and will be in compliance with Rule 812. The Subscription Shares represent approximately 14.6% of the existing total number of issued and paid-up ordinary shares in the capital of the Company as at the date of this Announcement, and approximately 12.8% of the total enlarged number of issued and paid-up ordinary shares in the capital of the Company immediately after completion of the Proposed Subscription, in each case, excluding treasury shares.

3. Information on the Placee

The Placee is an investment company which makes private and public investments in companies around the globe. The Placee has identified strong business synergy with the Company, and the placement to the Placee cements a strategic partnership and allows both to collaborate on business opportunities. The Placee had previously expressed an interest to collaborate with the Company, and was identified by the Board as a potential investor.

As of the date hereof, the Placee does not have any interests, direct or indirect, in the Company's issued share capital. The Placee is not related to any of the Directors or, to the best of knowledge of the Placee, the substantial shareholders of the Company.

4. Conditions Precedent for the Completion of the Proposed Subscription

The Proposed Subscription is conditional upon, *inter alia*:

- (i) the approval in-principle being obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST and such approval not having been revoked or amended and, where such approval is subject to conditions, to the extent that such conditions required to be fulfilled by the SGX-ST are so fulfilled on or before the Completion Date;
- (ii) the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation, directive or request promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere, which is applicable to the Company and/or the Placee;
- (iii) the following not having occurred on or prior to the Completion Date; (i) a suspension or material limitation of trading in securities generally on the SGX-ST; or (ii) a suspension in trading in the Company's securities on the SGX-ST, save in circumstances in which such suspension is routine in nature or in accordance with the usual business practices of the Company; and
- (iv) there being no occurrence of any event or circumstances which has a material adverse effect on the condition (financial or otherwise), results of operations, assets and liabilities, prospects or business of the Company and its subsidiaries (hereinafter known as the "**Group**") or the Company.

5. Additional Listing Application

The Proposed Subscription will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act. Accordingly, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the issuance of the Subscription Shares.

The Company will make an application to the SGX-ST for the listing of and quotation for the Subscription Shares in due course.

6. Net Proceeds and Use of Proceeds of the Proposed Subscription

Based on the Issue Price, the net proceeds to the Company in respect of the Subscription Shares will be approximately S\$7,825,000 after deducting all costs and expenses payable in relation to the Proposed Subscription amounting to approximately S\$50,000.

The Company intends to use the net proceeds as follows:

Intended Uses	Approximate Amount (S\$)	Estimated Percentage Allocation of Net Proceeds (%)
Strategic Investments and Acquisitions	5,000,000	63.9
Development of New Technology and Application	1,700,000	21.7
Investments in Research and Development Expertise	1,125,000	14.4
Total	7,825,000	100.0

Prior to deployment, the net proceeds from the Proposed Subscription may be deposited with financial institutions, invested in short-term money market instruments or used for any other purposes on a short-term basis, as the Directors may deem fit.

The Company will make periodic announcements on the utilisation of the net proceeds from the Proposed Subscription as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated.

7. Financial Effects of the Proposed Subscription

The financial effects of the Proposed Subscription set out below are strictly for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Group after the Proposed Subscription. The following sets out the financial effects of the Proposed Subscription based on the following bases and assumptions:

- (a) for the purpose of computing the earnings per share of the Group after the Proposed Subscription, it is assumed that the Proposed Subscription was completed on 31 December 2015; and
- (b) for the purpose of calculating the net asset value per share after the Proposed

Subscription, it is assumed that the Proposed Subscription was completed on 31 December 2015.

It should be noted that the financial effects are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Subscription.

As at the date hereof, the existing issued share capital of the Company is approximately US\$32,422,000 divided into 102,483,440 ordinary shares.

Each Subscription Share will be issued at a price of S\$0.525. As the VWAP of the Shares on the SGX-ST on 26 August 2016 being the last market day on which shares were traded up to the time the Subscription Agreement was signed is S\$0.390, the Subscription Shares will be issued at a premium of 34.6% to the aforementioned VWAP.

Assuming the allotment and issue of 15,000,000 Subscription Shares by the Company pursuant to the Proposed Subscription and the Issue Price of S\$0.525, the existing issued and paid-up share capital of the Company will increase to US\$38,260,000 divided into 117,483,440 ordinary shares.

Based on the financial statements of the Group as at 31 December 2015, the profit per share of the Group after adjusting for the Subscription Shares will decrease from 4.26 US cents to 3.72 US cents.

Based on the financial statements of the Group as at 31 December 2015, the consolidated net asset value per share of the Group after adjusting for the Subscription Shares will decrease from 55.83 US cents to 48.70 US cents.

8. Interests of Directors and Substantial Shareholders

None of the Directors of the Company nor (in so far as the Directors of the Company are aware) any substantial shareholders of the Company or their respective associates have any interest, whether direct or indirect, in the Subscription.

9. Responsibility Statement

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

10. Documents for Inspection

Copies of the Subscription Agreement are available for inspection at the Company's registered office at 15 Changi Business Park Central 1, #06-00, Singapore 486057 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

ALBERT PHUAY YONG HEN
Chairman and Group Chief Executive Officer
2 September 2016