



EXCELPOINT TECHNOLOGY LTD.

(Incorporated in the Republic of Singapore on 18 May 2001)

(Company Registration No. 200103280C)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

Table of Contents

| | | |
|----|---|----|
| A. | Condensed interim consolidated statement of profit or loss and other comprehensive income.... | 1 |
| B. | Condensed interim statements of financial position | 2 |
| C. | Condensed interim statements of changes in equity | 3 |
| D. | Condensed interim consolidated statement of cash flows..... | 5 |
| E. | Notes to the condensed interim consolidated financial statements | 6 |
| F. | Other information | 17 |

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

| | Note | Group | | | | | |
|---|------|--------------------|--------------------|------------------------------|--------------------|--------------------|------------------------------|
| | | 2H2021 US\$'000 | 2H2020 US\$'000 | Increase/ (Decrease) % | FY2021 US\$'000 | FY2020 US\$'000 | Increase/ (Decrease) % |
| Revenue | 4 | 857,596 | 598,680 | 43.2% | 1,598,467 | 1,108,638 | 44.2% |
| Cost of sales | | (807,390) | (564,726) | 43.0% | (1,496,649) | (1,048,356) | 42.8% |
| Gross profit | | 50,206 | 33,954 | 47.9% | 101,818 | 60,282 | 68.9% |
| Other income | | 368 | 1,459 | (74.8%) | 980 | 2,701 | (63.7%) |
| Sales and distribution costs | | (22,743) | (15,765) | 44.3% | (46,634) | (31,584) | 47.7% |
| General and administrative expenses | | (12,199) | (9,102) | 34.0% | (24,615) | (16,403) | 50.1% |
| (Impairment losses)/ reversal of impairment losses on financial assets | | (41) | 172 | N.M. | (59) | (7) | 742.9% |
| Finance costs | | (1,265) | (1,066) | 18.7% | (2,383) | (2,924) | (18.5%) |
| Profit before tax | 7 | 14,326 | 9,652 | 48.4% | 29,107 | 12,065 | 141.3% |
| Income tax expense | 8 | (1,767) | (1,362) | 29.7% | (4,585) | (1,726) | 165.6% |
| Profit for the period/ year attributable to equity holders of the Company | | 12,559 | 8,290 | 51.5% | 24,522 | 10,339 | 137.2% |
| Other comprehensive income:- | | | | | | | |
| <u>Item that will not be reclassified subsequently to profit or loss:-</u> | | | | | | | |
| Net fair value gain on equity instrument at fair value through other comprehensive income | | 41 | 29 | 41.4% | 687 | 19 | N.M. |
| <u>Items that may be reclassified subsequently to profit or loss:-</u> | | | | | | | |
| Foreign currency translation | | (5) | 100 | N.M. | 7 | 195 | (96.4%) |
| Total other comprehensive income for the period/ year | | 36 | 129 | (72.1%) | 694 | 214 | 224.3% |
| Total comprehensive income for the period/ year attributable to equity holders of the Company | | 12,595 | 8,419 | 49.6% | 25,216 | 10,553 | 138.9% |
| Basic and diluted earnings per share attributable to equity holders of the Company (cents per share) | | 10.47 | 6.92 | 51.3% | 20.44 | 8.63 | 136.8% |

Note:-

N.M. = Not meaningful
2H = 6 months ended
FY = 12 months ended/ financial year ended

B. Condensed interim statements of financial position

| | Note | Group | | Company | |
|---|------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 5 | 3,818 | 2,794 | – | – |
| Right-of-use assets | | 5,851 | 6,921 | – | – |
| Intangible assets | | 752 | 752 | – | – |
| Investments in subsidiaries | | – | – | 27,878 | 27,878 |
| Other investments | 6.1 | 3,812 | 3,239 | 907 | 762 |
| Deferred tax assets | | 98 | 87 | – | – |
| Total non-current assets | | 14,331 | 13,793 | 28,785 | 28,640 |
| Current assets | | | | | |
| Trade and other debtors | 6.2 | 219,348 | 172,226 | 9,959 | 8,642 |
| Prepayments | | 491 | 315 | 2 | 2 |
| Stocks | 11 | 211,396 | 179,907 | – | – |
| Derivatives | | – | – | – | – |
| Cash and short-term deposits | | 34,146 | 39,174 | 8,224 | 6,157 |
| Total current assets | | 465,381 | 391,622 | 18,185 | 14,801 |
| Total assets | | 479,712 | 405,415 | 46,970 | 43,441 |
| Current liabilities | | | | | |
| Trade and other creditors | | 268,387 | 217,392 | 6,535 | 2,148 |
| Contract liabilities | | 11,654 | 9,094 | – | – |
| Interest-bearing loans and borrowings | 12 | 72,034 | 79,023 | – | – |
| Lease liabilities | | 2,425 | 2,338 | – | – |
| Income tax payable | | 4,039 | 1,943 | 62 | 40 |
| Total current liabilities | | 358,539 | 309,790 | 6,597 | 2,188 |
| Net current assets | | 106,842 | 81,832 | 11,588 | 12,613 |
| Non-current liabilities | | | | | |
| Interest-bearing loans and borrowings | 12 | 8,284 | 3,199 | – | – |
| Lease liabilities | | 4,044 | 5,111 | – | – |
| Total non-current liabilities | | 12,328 | 8,310 | – | – |
| Total liabilities | | 370,867 | 318,100 | 6,597 | 2,188 |
| Net assets | | 108,845 | 87,315 | 40,373 | 41,253 |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 13.1 | 39,483 | 39,106 | 39,483 | 39,106 |
| Revenue reserves | | 67,914 | 47,455 | 142 | 1,544 |
| Other reserves | | 1,448 | 754 | 748 | 603 |
| Total equity | | 108,845 | 87,315 | 40,373 | 41,253 |
| Total equity and liabilities | | 479,712 | 405,415 | 46,970 | 43,441 |

EXCELPOINT TECHNOLOGY LTD.
Company Registration No.: 200103280C

C. Condensed interim statements of changes in equity

| Attributable to equity holders of the Company | | | | | | | | | | |
|--|------|----------------|---------------|-----------------|-----------------|-----------------------|-----------------------|--------------------|-------------------|--------------------------------------|
| Group | Note | Equity, total | Share capital | Treasury shares | Revenue reserve | Other reserves, total | Other capital reserve | Fair value reserve | Statutory reserve | Foreign currency translation reserve |
| | | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| <u>2021</u> | | | | | | | | | | |
| Opening balance at 1 January 2021 | | 87,315 | 39,106 | – | 47,455 | 754 | 227 | 265 | 25 | 237 |
| Profit for the year | | 24,522 | – | – | 24,522 | – | – | – | – | – |
| Other comprehensive income for the year | | 694 | – | – | – | 694 | – | 687 | – | 7 |
| Total comprehensive income for the year | | 25,216 | – | – | 24,522 | 694 | – | 687 | – | 7 |
| <u>Contribution by and distribution to owners:-</u> | | | | | | | | | | |
| Dividends on ordinary shares | 9 | (4,063) | – | – | (4,063) | – | – | – | – | – |
| Grant of equity-settled share awards under EPSS | 13.1 | 377 | 377 | – | – | – | – | – | – | – |
| Total transactions with owners in their capacity as owners | | (3,686) | 377 | – | (4,063) | – | – | – | – | – |
| Closing balance at 31 December 2021 | | 108,845 | 39,483 | – | 67,914 | 1,448 | 227 | 952 | 25 | 244 |
| <u>2020</u> | | | | | | | | | | |
| Opening balance at 1 January 2020 | | 76,712 | 39,056 | – | 37,116 | 540 | 227 | 246 | 25 | 42 |
| Profit for the year | | 10,339 | – | – | 10,339 | – | – | – | – | – |
| Other comprehensive income for the year | | 214 | – | – | – | 214 | – | 19 | – | 195 |
| Total comprehensive income for the year | | 10,553 | – | – | 10,339 | 214 | – | 19 | – | 195 |
| <u>Contribution by and distribution to owners:-</u> | | | | | | | | | | |
| Purchase of treasury shares | 13.2 | (5) | – | (5) | – | – | – | – | – | – |
| Grant of equity-settled share awards under EPSS | 13 | 55 | 50 | 5 | – | – | – | – | – | – |
| Total transactions with owners in their capacity as owners | | 50 | 50 | – | – | – | – | – | – | – |
| Closing balance at 31 December 2020 | | 87,315 | 39,106 | – | 47,455 | 754 | 227 | 265 | 25 | 237 |

C. Condensed interim statements of changes in equity (cont'd)

| Company | Note | Attributable to equity holders of the Company | | | | | | |
|--|------|---|---------------------------|-----------------------------|-----------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| | | Equity, total US\$'000 | Share capital US\$'000 | Treasury shares US\$'000 | Revenue reserve US\$'000 | Other reserves, total US\$'000 | Other capital reserve US\$'000 | Fair value reserve US\$'000 |
| 2021 | | | | | | | | |
| Opening balance at 1 January 2021 | | 41,253 | 39,106 | – | 1,544 | 603 | 227 | 376 |
| Profit for the year | | 2,661 | – | – | 2,661 | – | – | – |
| Other comprehensive income for the year | | 145 | – | – | – | 145 | – | 145 |
| Total comprehensive income for the year | | 2,806 | – | – | 2,661 | 145 | – | 145 |
| Contribution by and distribution to owners:- | | | | | | | | |
| Dividends on ordinary shares | 9 | (4,063) | – | – | (4,063) | – | – | – |
| Grant of equity-settled share awards under EPSS | 13.1 | 377 | 377 | – | – | – | – | – |
| Total transactions with owners in their capacity as owners | | (3,686) | 377 | – | (4,063) | – | – | – |
| Closing balance at 31 December 2021 | | 40,373 | 39,483 | – | 142 | 748 | 227 | 521 |
| 2020 | | | | | | | | |
| Opening balance at 1 January 2020 | | 40,911 | 39,056 | – | 1,382 | 473 | 227 | 246 |
| Profit for the year | | 162 | – | – | 162 | – | – | – |
| Other comprehensive income for the year | | 130 | – | – | – | 130 | – | 130 |
| Total comprehensive income for the year | | 292 | – | – | 162 | 130 | – | 130 |
| Contribution by and distribution to owners:- | | | | | | | | |
| Purchase of treasury shares | 13.2 | (5) | – | (5) | – | – | – | – |
| Grant of equity-settled share awards under EPSS | 13 | 55 | 50 | 5 | – | – | – | – |
| Total transactions with owners in their capacity as owners | | 50 | 50 | – | – | – | – | – |
| Closing balance at 31 December 2020 | | 41,253 | 39,106 | – | 1,544 | 603 | 227 | 376 |

D. Condensed interim consolidated statement of cash flows

| | Note | Group | |
|--|------|--------------------|--------------------|
| | | FY2021 US\$'000 | FY2020 US\$'000 |
| Operating activities | | | |
| Profit before tax | | 29,107 | 12,065 |
| Adjustments for:- | | | |
| Interest income | 7 | (320) | (205) |
| Finance costs | 7 | 2,383 | 2,924 |
| Depreciation of property, plant and equipment | 7 | 994 | 1,287 |
| Depreciation of right-of-use assets | 7 | 2,345 | 2,429 |
| Dividend income from investment security | 7 | (51) | (43) |
| Net (gain)/ loss on disposal of property, plant and equipment | 7 | (49) | 5 |
| Property, plant and equipment written off | 7 | – | 6 |
| Net gain on disposal of right of use asset | 7 | (1) | – |
| Net impairment losses on trade debtors | 7 | 59 | 7 |
| Net fair value loss on financial assets at fair value through profit or loss | 7 | 219 | 14 |
| Net stocks written down | 7 | 2,052 | 1,286 |
| Net fair value changes on derivatives | 7 | – | 3 |
| Unrealised foreign exchange gain | | (107) | – |
| Share based payments under EPSS | 13 | 377 | 55 |
| Operating cash flows before changes in working capital | | 37,008 | 19,833 |
| Changes in working capital:- | | | |
| Increase in stocks | | (33,541) | (33,818) |
| Increase in trade and other debtors and prepayments | | (47,357) | (13,745) |
| Increase in trade and other creditors and contract liabilities | | 53,575 | 82,124 |
| Cash flows generated from operations | | 9,685 | 54,394 |
| Interest received | | 314 | 205 |
| Interest paid | | (2,403) | (2,924) |
| Income tax paid | | (2,500) | (1,534) |
| Net cash flows generated from operating activities | | 5,096 | 50,141 |
| Investing activities | | | |
| Purchase of other investment | | (150) | (250) |
| Dividend income from investment security | | 51 | 43 |
| Purchase of property, plant and equipment | | (2,233) | (936) |
| Proceeds from disposal of property, plant and equipment | | 254 | 44 |
| Net cash flows used in investing activities | | (2,078) | (1,099) |
| Financing activities | | | |
| Net repayment of bill payables | | (8,658) | (23,203) |
| Proceeds from bank loans | | 7,489 | 3,782 |
| Repayment of bank loans | | (568) | (3,000) |
| Dividend paid on ordinary shares | 9 | (4,063) | – |
| Purchase of treasury shares | 13.2 | – | (5) |
| Payment of principal portion of lease liabilities | | (2,269) | (2,003) |
| Net cash flows used in financing activities | | (8,069) | (24,429) |
| Net (decrease)/ increase in cash and cash equivalents | | (5,051) | 24,613 |
| Effects of exchange rate changes on cash and cash equivalents | | 23 | 78 |
| Cash and cash equivalents at beginning of the year | | 39,174 | 14,483 |
| Cash and cash equivalents at end of the year | | 34,146 | 39,174 |

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Excelpoint Technology Ltd. (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”). The primary activities of the Company are that of an investment holding company and the provisions of support services to its subsidiaries.

The principal activities of the Group are:-

- (a) trading of electronic components;
- (b) investment holding; and
- (c) provision of marketing and technical support services.

2. Basis of preparation

The condensed interim financial statements as at and for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standard Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the six months ended 30 June 2021.

The Group’s accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollar (“USD” or “US\$”), which is the Company’s functional currency. All values in the tables are rounded to the nearest thousand (“US\$’000”) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current financial year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 6.2 - Provision for expected credit losses of trade debtors
- Note 11 - Allowance for slow-moving and obsolete stocks

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial year.

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information

The Group is organised into the following reportable operating segments:–

- (i) **Hong Kong Business Unit:** The Hong Kong Business Unit segment covers the business entities located in The People's Republic of China and Hong Kong;
- (ii) **Singapore Business Unit:** The Singapore Business Unit segment covers the business entities located in South East Asia and India; and
- (iii) **Corporate Unit:** The Corporate Unit segment comprises the corporate services, treasury functions, investment securities, innovation centre and other dormant companies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

4.1 Reportable segments

| | Hong Kong Business Unit | | Singapore Business Unit | | Corporate Business Unit | | Adjustment and Eliminations | | Consolidated | |
|-----------------------------------|-------------------------|-----------|-------------------------|-----------|-------------------------|----------|-----------------------------|----------|--------------|-----------|
| | 2H2021 | 2H2020 | 2H2021 | 2H2020 | 2H2021 | 2H2020 | 2H2021 | 2H2020 | 2H2021 | 2H2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Revenue | | | | | | | | | | |
| External customers | 471,032 | 354,263 | 386,564 | 244,417 | – | – | – | – | 857,596 | 598,680 |
| Inter-segment | 6,762 | 809 | 1,146 | 1,002 | 5 | – | (7,913) | (1,811) | – | – |
| Total revenue | 477,794 | 355,072 | 387,710 | 245,419 | 5 | – | (7,913) | (1,811) | 857,596 | 598,680 |
| Results | | | | | | | | | | |
| Segment profit/ (loss) before tax | 11,963 | 9,611 | 3,382 | 152 | (1,050) | (112) | 31 | 1 | 14,326 | 9,652 |
| Income tax (expenses)/ credit | (1,356) | (1,401) | (360) | 57 | (51) | (18) | – | – | (1,767) | (1,362) |
| Profit/ (loss) for the period | 10,607 | 8,210 | 3,022 | 209 | (1,101) | (130) | 31 | 1 | 12,559 | 8,290 |
| Assets | | | | | | | | | | |
| Segment assets | 276,240 | 263,727 | 190,459 | 130,660 | 13,013 | 11,027 | – | 1 | 479,712 | 405,415 |
| Liabilities | | | | | | | | | | |
| Segment liabilities | (207,248) | (208,161) | (152,363) | (106,503) | (11,256) | (3,436) | – | – | (370,867) | (318,100) |

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

| | Hong Kong Business Unit | | Singapore Business Unit | | Corporate Business Unit | | Adjustment and Eliminations | | Consolidated | |
|-----------------------------------|-------------------------|-----------|-------------------------|-----------|-------------------------|----------|-----------------------------|----------|--------------|-----------|
| | FY2021 | FY2020 | FY2021 | FY2020 | FY2021 | FY2020 | FY2021 | FY2020 | FY2021 | FY2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Revenue | | | | | | | | | | |
| External customers | 904,297 | 615,947 | 694,170 | 492,691 | – | – | – | – | 1,598,467 | 1,108,638 |
| Inter-segment | 10,198 | 820 | 5,876 | 1,524 | 5 | – | (16,079) | (2,344) | – | – |
| Total revenue | 914,495 | 616,767 | 700,046 | 494,215 | 5 | – | (16,079) | (2,344) | 1,598,467 | 1,108,638 |
| | | | | | | | | | | |
| Results | | | | | | | | | | |
| Segment profit/ (loss) before tax | 23,458 | 11,810 | 7,168 | 308 | (1,520) | (54) | 1 | 1 | 29,107 | 12,065 |
| Income tax (expenses)/ credit | (3,759) | (1,717) | (764) | 25 | (62) | (34) | – | – | (4,585) | (1,726) |
| Profit/ (loss) for the year | 19,699 | 10,093 | 6,404 | 333 | (1,582) | (88) | 1 | 1 | 24,522 | 10,339 |
| | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Segment assets | 276,240 | 263,727 | 190,459 | 130,660 | 13,013 | 11,027 | – | 1 | 479,712 | 405,415 |
| Liabilities | | | | | | | | | | |
| Segment liabilities | (207,248) | (208,161) | (152,363) | (106,503) | (11,256) | (3,436) | – | – | (370,867) | (318,100) |

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue

| Group | Hong Kong Business Unit | | Singapore Business Unit | | Total | |
|---|----------------------------|----------------|----------------------------|----------------|----------------|----------------|
| | 2H2021 | 2H2020 | 2H2021 | 2H2020 | 2H2021 | 2H2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Primary geographical markets:- | | | | | | |
| Hong Kong/ The People's Republic of China | 471,032 | 354,263 | 149,477 | 128,337 | 620,509 | 482,600 |
| Southeast Asia | – | – | 122,849 | 79,623 | 122,849 | 79,623 |
| India | – | – | 84,773 | 20,693 | 84,773 | 20,693 |
| Others | – | – | 29,465 | 15,764 | 29,465 | 15,764 |
| | <u>471,032</u> | <u>354,263</u> | <u>386,564</u> | <u>244,417</u> | <u>857,596</u> | <u>598,680</u> |

Major product or service lines:-

| | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Electronics equipment, electrical components and accessories for manufacturers and distribution channels | 471,032 | 354,263 | 386,564 | 244,417 | 857,596 | 598,680 |
| Commission income | – | – | – | – | – | – |
| | <u>471,032</u> | <u>354,263</u> | <u>386,564</u> | <u>244,417</u> | <u>857,596</u> | <u>598,680</u> |

Timing of transfer of goods or services:-

| | | | | | | |
|--------------------|---------|---------|---------|---------|---------|---------|
| At a point in time | 471,032 | 354,263 | 386,564 | 244,417 | 857,596 | 598,680 |
|--------------------|---------|---------|---------|---------|---------|---------|

| Group | Hong Kong Business Unit | | Singapore Business Unit | | Total | |
|---|----------------------------|----------------|----------------------------|----------------|------------------|------------------|
| | FY2021 | FY2020 | FY2021 | FY2020 | FY2021 | FY2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Primary geographical markets:- | | | | | | |
| Hong Kong/ The People's Republic of China | 904,297 | 615,947 | 304,371 | 238,530 | 1,208,668 | 854,477 |
| Southeast Asia | – | – | 228,872 | 167,806 | 228,872 | 167,806 |
| India | – | – | 111,126 | 35,479 | 111,126 | 35,479 |
| Others | – | – | 49,801 | 50,876 | 49,801 | 50,876 |
| | <u>904,297</u> | <u>615,947</u> | <u>694,170</u> | <u>492,691</u> | <u>1,598,467</u> | <u>1,108,638</u> |

Major product or service lines:-

| | | | | | | |
|--|----------------|----------------|----------------|----------------|------------------|------------------|
| Electronics equipment, electrical components and accessories for manufacturers and distribution channels | 904,296 | 615,943 | 694,170 | 492,686 | 1,598,466 | 1,108,629 |
| Commission income | 1 | 4 | – | 5 | 1 | 9 |
| | <u>904,297</u> | <u>615,947</u> | <u>694,170</u> | <u>492,691</u> | <u>1,598,467</u> | <u>1,108,638</u> |

Timing of transfer of goods or services:-

| | | | | | | |
|--------------------|---------|---------|---------|---------|-----------|-----------|
| At a point in time | 904,297 | 615,947 | 694,170 | 492,691 | 1,598,467 | 1,108,638 |
|--------------------|---------|---------|---------|---------|-----------|-----------|

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue (cont'd)

A breakdown of sales:

| Group | FY2021 US\$'000 | FY2020 US\$'000 | Increase/ (Decrease) US\$'000 |
|---|----------------------------|----------------------------|--|
| Sales reported for first half year | 740,871 | 509,958 | 230,913 |
| Profit after tax before deducting non-controlling interests reported for first half year | 11,963 | 2,049 | 9,914 |
| Sales reported for second half year | 857,596 | 598,680 | 258,916 |
| Profit after tax before deducting non-controlling interests reported for second half year | 12,559 | 8,290 | 4,269 |

5. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to US\$466,000 (2H2020: US\$712,000) and disposed of assets amounting to US\$1,000 (2H2020: US\$Nil).

During the financial year ended 31 December 2021, the Group acquired assets amounting to US\$2,233,000 (31 December 2020: US\$936,000) and disposed of assets amounting to US\$205,000 (31 December 2020: US\$49,000).

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

| | Group | | Company | |
|---|--|--|--|--|
| | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 |
| Financial assets | | | | |
| Cash and short-term deposits and trade and other debtors (Amortised cost) | 252,363 | 210,236 | 18,183 | 14,799 |
| Financial assets at fair value through profit or loss ("FVPL") | – | 477 | – | – |
| Financial assets at fair value through other comprehensive income ("FVOCI") | 3,812 | 2,762 | 907 | 762 |
| | 256,175 | 213,475 | 19,090 | 15,561 |
| Financial liabilities | | | | |
| Trade and other creditors, lease liabilities and interest-bearing loans and borrowings (Amortised cost) | (351,026) | (303,899) | (6,491) | (2,104) |

E. Notes to the condensed interim consolidated financial statements (cont'd)

6. Financial assets and financial liabilities (cont'd)

6.1 Fair values

Set out below is a comparison of the fair values of financial assets as at 31 December 2021 and 31 December 2020:

| | Group | | Company | |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 |
| Financial assets:- | | | | |
| Quoted equity securities | 907 | 762 | 907 | 762 |
| Unquoted debt securities | – | 477 | – | – |
| Unquoted equity securities | 2,905 | 2,000 | – | – |
| Total | <u>3,812</u> | <u>3,239</u> | <u>907</u> | <u>762</u> |

During the financial year ended 31 December 2021, the Group converted US\$250,000 of unquoted debt securities and invested additional US\$156,000 in unquoted equity securities.

Fair value hierarchy

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making measurement. The fair value hierarchy has the following levels:-

- i. Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ii. Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- iii. Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between Level 1 and Level 2 fair value measurements during the year, and no transfers into or out of Level 3 fair value measurements during the financial year ended 31 December 2021.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the financial year.

E. Notes to the condensed interim consolidated financial statements (cont'd)

6. Financial assets and financial liabilities (cont'd)

6.1 Fair values (cont'd)

The following table presented the assets measured at fair value:-

| Group | Fair value measurement using | | | |
|--|------------------------------|---------------------|---------------------|-------------------|
| | Level 1 US\$'000 | Level 2 US\$'000 | Level 3 US\$'000 | Total US\$'000 |
| <u>As at 31 December 2021</u> | | | | |
| Financial assets measured at fair value:- | | | | |
| Quoted equity securities | 907 | – | – | 907 |
| Unquoted equity securities | – | – | 2,905 | 2,905 |
| | 907 | – | 2,905 | 3,812 |

| | | | | |
|--|-----|---|-------|-------|
| <u>As at 31 December 2020</u> | | | | |
| Financial assets measured at fair value:- | | | | |
| Quoted equity securities | 762 | – | – | 762 |
| Unquoted debt securities | – | – | 477 | 477 |
| Unquoted equity securities | – | – | 2,000 | 2,000 |
| | 762 | – | 2,477 | 3,239 |

| Company | Fair value measurement using | | | |
|--|------------------------------|---------------------|---------------------|-------------------|
| | Level 1 US\$'000 | Level 2 US\$'000 | Level 3 US\$'000 | Total US\$'000 |
| <u>As at 31 December 2021</u> | | | | |
| Financial assets measured at fair value:- | | | | |
| Quoted equity securities | 907 | – | – | 907 |
| <u>As at 31 December 2020</u> | | | | |
| Financial assets measured at fair value:- | | | | |
| Quoted equity securities | 762 | – | – | 762 |

E. Notes to the condensed interim consolidated financial statements (cont'd)

6. Financial assets and financial liabilities (cont'd)

6.1 Fair values (cont'd)

Level 3 fair value measurements

The significant unobservable input used in determining recurring fair value measurement of unquoted debt and equity securities is developed by the issuers of the securities.

Reconciliation of recurring fair value measurements categorised within Level 3 of fair value hierarchy

| Group | Unquoted equity securities US\$'000 | Unquoted debt securities US\$'000 | Total US\$'000 |
|--|--|--|-------------------|
| As at 1 January 2021 | 2,000 | 477 | 2,477 |
| Purchases | 156 | – | 156 |
| Conversion of debt security | 250 | (250) | – |
| Net fair value gain recognised in OCI | 542 | – | 542 |
| Net fair value loss recognised in profit or loss | – | (219) | (219) |
| Exchange differences | (43) | (8) | (51) |
| As at 31 December 2021 | 2,905 | – | 2,905 |
| As at 1 January 2020 | 2,000 | 220 | 2,220 |
| Purchases | – | 250 | 250 |
| Net fair value loss recognised in OCI | (111) | – | (111) |
| Net fair value loss recognised in profit or loss | – | (14) | (14) |
| Exchange differences | 111 | 21 | 132 |
| As at 31 December 2020 | 2,000 | 477 | 2,477 |

6.2 Trade debtors

| | Group | |
|--|---------------------------------|---------------------------------|
| | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 |
| Gross trade debtors | 204,207 | 163,614 |
| Less: Allowance for expected credit losses | (501) | (863) |
| Net trade debtors | 203,706 | 162,751 |

The Group provides for lifetime expected credit losses for all trade debtors using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on business operating unit. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions.

E. Notes to the condensed interim consolidated financial statements (cont'd)

6. Financial assets and financial liabilities (cont'd)

6.2 Trade debtors (cont'd)

The movement in allowance for expected credit losses of trade debtors computed based on lifetime ECL are as follows:-

| | Group | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2H2021 | 2H2020 | FY2021 | FY2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| At beginning of the period/ year | 465 | 1,035 | 863 | 916 |
| Net charge for the period/ year | 41 | (172) | 59 | 7 |
| Write-offs | (5) | – | (421) | (60) |
| At end of the period/ year | <u>501</u> | <u>863</u> | <u>501</u> | <u>863</u> |

Trade debtors written off are more than 180 days past due as the Group does not expect to receive future cash flows from. There are no recoveries from collection of cash flows previously written off.

7. Profit before tax

7.1 Significant items

| | Group | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2H2021 | 2H2020 | FY2021 | FY2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Interest income | 68 | 143 | 320 | 205 |
| Interest expenses on loans and borrowings | (1,150) | (978) | (2,142) | (2,748) |
| Interest expenses on lease liabilities | (115) | (88) | (241) | (176) |
| (Impairment losses)/ reversal of impairment losses on trade debtors | (41) | 172 | (59) | (7) |
| Reversal of stocks written down | 2,442 | 1,037 | 4,282 | 1,966 |
| Stocks written down/ off | (4,002) | (2,271) | (6,334) | (3,252) |
| Net gain on disposal of right of use assets | 1 | – | 1 | – |
| Net gain/ (loss) on disposal of property, plant and equipment | 12 | 2 | 49 | (5) |
| Property, plant and equipment written off | – | (1) | – | (6) |
| Depreciation of property, plant and equipment | (472) | (641) | (994) | (1,287) |
| Depreciation of right-of-use assets | (1,185) | (1,124) | (2,345) | (2,429) |
| Net foreign exchange gain | 467 | 1,385 | 806 | 1,138 |
| Net fair value change on derivatives | – | – | – | (3) |
| Net fair value loss on financial assets at fair value through profit or loss | (223) | (14) | (219) | (14) |
| Dividend income from equity securities at FVOCI | 51 | 43 | 51 | 43 |

7.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

E. Notes to the condensed interim consolidated financial statements (cont'd)

8. Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:-

| | Group | | | |
|---|----------|----------|----------|----------|
| | 2H2021 | 2H2020 | FY2021 | FY2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| <u>Current income tax</u> | | | | |
| Current income tax expense | 1,984 | 1,615 | 4,808 | 2079 |
| Over provision in respect of previous years | (206) | (253) | (212) | (353) |
| | 1,778 | 1,362 | 4,596 | 1,726 |
| <u>Deferred income tax</u> | | | | |
| Origination and reversal of temporary differences | (11) | – | (11) | – |
| Income tax expense recognised in profit or loss | 1,767 | 1,362 | 4,585 | 1,726 |

9. Dividend

| | Group | |
|--|----------|----------|
| | FY2021 | FY2020 |
| | US\$'000 | US\$'000 |
| Ordinary dividends paid:- | | |
| - Final exempt (one-tier) dividend for FY2020: S\$0.030 (FY2019: S\$Nil) per share | 2,709 | – |
| - Final exempt (one-tier) special dividend for FY2020: S\$0.015 (FY2019: S\$Nil) per share | 1,354 | – |
| | 4,063 | – |

10. Net asset value

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | As at | As at | As at | As at |
| | 31/12/2021 | 31/12/2020 | 31/12/2021 | 31/12/2020 |
| Net asset value per ordinary share (US cents) | 90.46 | 72.82 | 33.56 | 34.41 |
| | 90.46 | 72.82 | 33.56 | 34.41 |

11. Stocks

| | Group | |
|---------------------|------------|------------|
| | As at | As at |
| | 31/12/2021 | 31/12/2020 |
| | US\$'000 | US\$'000 |
| Trading stocks, net | 211,396 | 179,907 |
| | 211,396 | 179,907 |

The Group carries out stocks review on a product-by-product basis to determine the allowance for slow-moving and obsolete stocks and whether stocks are stated at the lower of cost and net realisable value. For the purpose of determining whether stocks are stated at the lower of cost and net realisable value, management's estimates of the net realisable value of the stocks at the end of the financial year are based primarily on the latest selling prices and the market conditions.

During the financial year ended 31 December 2021, the reversal of stocks written down was made when the related stocks were sold above their carrying amounts.

E. Notes to the condensed interim consolidated financial statements (cont'd)

12. Borrowings

| | Maturity | Group | |
|--|----------|---------------------------------|---------------------------------|
| | | As at 31/12/2021 US\$'000 | As at 31/12/2020 US\$'000 |
| <u>Amount repayable within one year or on demand:-</u> | | | |
| Bills payable, unsecured | 2022 | 69,782 | 78,440 |
| Temporary bridging loan, unsecured | 2022 | 2,252 | 583 |
| | | <u>72,034</u> | <u>79,023</u> |
| <u>Amount repayable after one year:-</u> | | | |
| Temporary bridging loan, unsecured | 2026 | 8,284 | 3,199 |
| Total borrowings | | <u>80,318</u> | <u>82,222</u> |

Details of any collateral

There is no collateral on the Group's interest-bearing loans and borrowings as at 31 December 2021 and 31 December 2020.

As at 31 December 2021, the Company has provided corporate guarantees to banks and institutions in connection with credit facilities provided to its subsidiaries, of which US\$92,550,000 (31 December 2020: US\$84,223,000) of the credit facilities have been utilised.

13. Share capital and treasury shares

13.1 Share capital

| | Group and Company | | | |
|--|--------------------|---------------|--------------------|---------------|
| | 2021 | | 2020 | |
| | No. of shares | US\$'000 | No. of shares | US\$'000 |
| <u>Issued and fully paid share capital</u> | | | | |
| At beginning of the financial year | 119,903,140 | 39,106 | 119,757,140 | 39,056 |
| Grant of share awards under EPSS | 415,500 | 377 | 146,000 | 50 |
| At end of the financial year | <u>120,318,640</u> | <u>39,483</u> | <u>119,903,140</u> | <u>39,106</u> |

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

13.2 Treasury shares

| | Group and Company | | | |
|------------------------------------|-------------------|----------|---------------|----------|
| | 2021 | | 2020 | |
| | No. of shares | US\$'000 | No. of shares | US\$'000 |
| At beginning of the financial year | – | – | – | – |
| Acquired during the year | – | – | 19,400 | 5 |
| Issuance of EPSS | – | – | (19,400) | (5) |
| At end of the financial year | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |

The Company did not hold any treasury shares as at 31 December 2021 and 31 December 2020.

E. Notes to the condensed interim consolidated financial statements (cont'd)

13. Share capital and treasury shares

Grant of Share Awards Pursuant to the Excelpoint Performance Share Scheme (“EPSS”)

In November 2020, the Company issued and allotted 146,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.337 (S\$0.460) under the EPSS.

In November 2020, the Company reissued 19,400 treasury shares to eligible participants at a weighted average exercise price of US\$0.248 (S\$0.349) under the EPSS

In November 2021, the Company issued and allotted 415,500 ordinary shares in the share capital of the Company at the Market Price of US\$0.907 (S\$1.220) under the EPSS.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION

1. Review

The condensed interim statements of financial position of Excelpoint Technology Ltd. and its subsidiaries as at 31 December 2021 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-months and financial year ended 31 December 2021 and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

INCOME STATEMENT

COMPARING 2H2021 TO 2H2020

The Group's revenue increased by 43.2% from US\$598.7 million in 2H2020 to US\$857.6 million in 2H2021 and gross profit increased by 47.9% from US\$34.0 million in 2H2020 to US\$50.2 million in 2H2021, 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\$1.5 million in 2H2021 to US\$0.4 million in 2H2021, mainly due to lower government grants received.

Sales and distribution costs increased by 44.3% from US\$15.8 million in 2H2020 to US\$22.7 million in 2H2021 and general and administrative expense increased by 34.0% from US\$9.1 million in 2H2020 to US\$12.2 million in 2H2021. These were mainly attributable to higher staff cost due to increase in headcount and lower foreign exchange gain in 2H2021 arising from the translation of balances denominated in foreign currency into functional currency.

Interest expense increased by 18.7% from US\$1.1 million in 2H2020 to US\$1.3 million in 2H2021 due to higher utilisation of borrowings during the period.

Overall, the Group reported profit after taxation of US\$12.6 million for 2H2021.

F. OTHER INFORMATION (cont'd)

2. Review of performance of the Group (cont'd)

COMPARING FY2021 TO FY2020

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

Cashflow

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.

Financial Position

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:-

- a) increase in trade and other debtors of US\$47.1 million arising from higher sales;
- b) increase in stocks of US\$31.5 million due to higher stock level to mitigate against supply disruptions; and
- c) 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:-

- a) increase in trade and other creditors of US\$51.0 million due to higher purchase of stocks;
- b) increase in contract liabilities of US\$2.6 million due to customers deposit received;
- c) increase in income tax payable of US\$2.1 million due to higher taxable profit; and
- d) partially offset by decrease in interest-bearing loans and borrowings of US\$7.0 million.

F. OTHER INFORMATION (cont'd)

2. Review of performance of the Group (cont'd)

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.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N.A. No forecast or a prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The business environment amidst the Covid-19 pandemic has been an uncertain one, with significant impacts to the semiconductor supply chain such as the global chip shortages and lifestyle shifts. While this has given rise to exceptional business opportunities, we are still cautious of geopolitical risks and the impact that the ongoing pandemic may have on the macro business environment.

Overall, we continue to see rising demand for semiconductor chips and with the sustained momentum of remote working and remote learning, we see traction coming from segments such as high performance computing, fast connectivity and secure networks, as well as communications and sensors. These would in turn generate more demand for Excelpoint's value-added solutions.

We remain focused on strengthening our core business through innovation, enhancing our engineering capabilities and forging new partnerships to sharpen our competitive edge and increase our business resilience for a sustainable growth.

5. Dividend information

i. Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? **Yes.**

| Name of Dividend (First and Final) | Ordinary | Special |
|--|------------------------------|------------------------------|
| Dividend Type | Cash | Cash |
| Dividend Amount per Ordinary Share (in Singapore cent) | 4.0 (tax exempt one-tier) | 4.8 (tax exempt one-tier) |
| Tax Rate | Tax Exempted | Tax Exempted |

ii. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes.**

| Name of Dividend (First and Final) | Ordinary | Special |
|--|------------------------------|------------------------------|
| Dividend Type | Cash | Cash |
| Dividend Amount per Ordinary Share (in Singapore cent) | 3.0 (tax exempt one-tier) | 1.5 (tax exempt one-tier) |
| Tax Rate | Tax Exempted | Tax Exempted |

F. OTHER INFORMATION (cont'd)

5. Dividend information (cont'd)

iii. Date Payable

To be announced later.

iv. Record Date

Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined: To be announced later.

6. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

| | FY2021 | FY2020 |
|-----------------------|-----------------|-----------------|
| | US\$'000 | US\$'000 |
| (a) Ordinary | 4,063 | Nil |
| (b) Preference | Nil | Nil |
| Total | 4,063 | Nil |

7. Interested person transactions ("IPT")

The Group has not obtained a general mandate from shareholders of the Company for IPT.

The aggregate value of all IPT for the current financial year reported on were as follows:-

| Name of Interested Person | Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Description of the transaction entered into with the interested person during the financial year under review | Aggregate value of all IPT conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|---------------------------|---|---|--|
| Albert Phuay Yong Hen | US\$74,000 | Rental of premises | N.A. |

F. OTHER INFORMATION (cont'd)

8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|----------------|------------|---|--|--|
| Phuay Yong Hua | 59 | Younger brother of Chairman and Group CEO, Albert Phuay Yong Hen Elder brother of Executive Director, Tonny Phuay Yong Choon | (i) Group Senior Vice President, HR & Administration since 2016. Responsible for the overall Group Human Resources & Administrative departments. (ii) Appointed Directors for:- - Excelpoint Systems (H.K.) Limited - Excelpoint Systems (India) Pvt Ltd - Synergy Electronics (H.K.) Limited | N.A. |
| Phuay Li Ying | 32 | Daughter of Chairman and Group CEO, Albert Phuay Yong Hen | (i) Deputy Director, Corporate Development since 2018. Responsible for overseeing Corporate Development including the Group's branding and corporate communication strategies, as well as corporate matters. (ii) Appointed Director of PlanetSpark Pte Ltd. since 2018. (iii) Managing Director of PlanetSpark Pte Ltd, effective from 1 September 2020. Responsible for the daily operations and overseeing business in PlanetSpark Pte Ltd. | N.A. |

F. OTHER INFORMATION (cont'd)

9. Use of Placement Proceeds as at Date of this Announcement

The Company refers to the net proceeds of approximately S\$7,825,000 raised from the placement of 15 million new ordinary shares at S\$0.525 each in the issued and paid-up share capital of the Company on 5 October 2016 (the "Net Proceeds") (as defined in the Company's announcement dated 2 September 2016).

The status on the use of the Net Proceeds is as follows:-

| Intended Uses | Approximate Amount (S\$'000) | Estimated Percentage Allocation of Net Proceeds | Amount Utilised as at Date of this Announcement (S\$'000) | Balance as at Date of this Announcement (S\$'000) |
|---|-------------------------------------|--|--|--|
| Strategic Investments and Acquisitions | 5,000 | 63.9% | (3,592) | 1,408 |
| Development of New Technology and Application | 1,700 | 21.7% | (1,340) | 360 |
| Investments in Research and Development Expertise | 1,125 | 14.4% | (1,125) | – |
| Total | 7,825 | 100.0% | (6,057) | 1,768 |

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
Singapore
16 February 2022