



AZTECH GLOBAL LTD.

(Company Registration No.: 200909384G)

(Incorporated in the Republic of Singapore on 27 May 2009)

BUSINESS UPDATE ON TRADE RECEIVABLES OF A CUSTOMER

One of the Group's customers is currently undergoing a preliminary judicial proceeding (protective shield proceeding) in Germany which could result in the opening of insolvency proceedings. The protective shield proceeding is supervised by a court-appointed preliminary trustee ("Trustee").

As of 21 February 2022, the net amount owing from the customer is SGD 11.5 million. The contracts for the sale of goods to the customer contain protective clauses. The customer and the Trustee have informed the Group that the Group's interests are sufficiently protected due to the presence of the protective clause in the contracts and the fact that the inventory stored in the customer's warehouse is more than sufficient to pay for the outstanding monies owed by the customer to the Group.

The Group has received advice from their lawyers in Germany that under German insolvency law, the protective clauses entitle the Group to payment for the products when they are sold, processed or otherwise used by the customer. The Group therefore stands as a secured creditor in the said insolvency proceeding.

The Group received further confirmation from the Trustee that all proceeds from the sale of goods in the customer's warehouse from secured creditors will be deposited in a separate account.

The Board of Directors has also reviewed the customer's business proposal moving forward and understands that the customer is in talks with several investors to raise funds. Based on the available information and the opinion from the Group's lawyers in Germany that the Group is a secured creditor, the Board has assessed the recoverability of the trade receivables to be good and that no impairment is required.

The Group will make further announcement(s) in relation to this matter as and when there are any material developments of the same.

**BY ORDER OF THE BOARD
AZTECH GLOBAL LTD.**

Pavani Nagarajah
Company Secretary
22 February 2022