



**Interim Financial Information
For the Second Half and Financial Year Ended
31 December 2023**

AZTECH GLOBAL LTD.

Incorporated in the Republic of Singapore
Company Registration Number - 200909384G



**INTERIM FINANCIAL INFORMATION
FOR THE SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2023**

Condensed statements of financial position as at 31 December 2023

	Note	Group		Company	
		31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 \$'000	31.12.2022 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		231,442	195,963	165,264	125,296
Trade receivables	4	200,739	197,566	-	-
Other receivables	5	2,634	5,815	802	11,187
Other investments	6	40,580	30,262	40,580	30,262
Prepayments		2,156	812	137	101
Inventories	7	73,940	85,211	-	-
Total current assets		551,491	515,629	206,783	166,846
Non-current assets					
Other receivables	5	-	-	946	-
Investment in subsidiaries		-	-	78,866	78,866
Property, plant and equipment	8	44,818	25,764	-	-
Deferred tax assets		966	-	240	-
Total non-current assets		45,784	25,764	80,052	78,866
Total assets		597,275	541,393	286,835	245,712
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	9	3,531	1,347	-	-
Lease liabilities		2,172	1,563	464	488
Trade payables	10	173,726	185,711	-	-
Other payables	11	31,047	47,458	25,272	14,148
Provision for retirement benefit		669	649	669	649
Derivative financial instruments		30	988	30	988
Current income tax payable		16,015	13,561	1,029	276
Total current liabilities		227,190	251,277	27,464	16,549
Non-current liabilities					
Borrowings	9	13,781	3,936	-	-
Lease liabilities		2,721	1,606	946	-
Provision for retirement benefit		279	263	279	263
Deferred tax liabilities	22	8,361	308	240	-
Total non-current liabilities		25,142	6,113	1,465	263
Capital and reserves					
Share capital	12	206,166	206,166	206,166	206,166
Treasury shares		(1,843)	(1,843)	(1,843)	(1,843)
Capital reserve		(4,670)	(4,670)	11,651	11,651
Foreign currency translation account		(18,558)	(13,876)	-	-
Share options reserve		636	288	636	288
Statutory reserve		1,254	1,254	-	-
Retained profits		161,958	96,684	41,296	12,638
Total equity		344,943	284,003	257,906	228,900
Total liabilities and equity		597,275	541,393	286,835	245,712



Condensed consolidated statements of comprehensive income for the second half and financial year ended 31 December 2023

	Note	Group		increase/ (decrease) %	Group		increase/ (decrease) %
		6 months ended 31 December			Financial year ended 31 December		
		2023 \$'000	2022 \$'000		2023 \$'000	2022 \$'000	
Revenue	13	507,703	455,650	11.4	896,286	820,244	9.3
Other income	14	432	999	(56.8)	1,103	1,366	(19.3)
Changes in finished goods, work in progress and raw materials used	15	(383,838)	(333,600)	15.1	(684,426)	(615,589)	11.2
Employee benefits expense	16	(30,156)	(24,657)	22.3	(58,453)	(50,715)	15.3
Depreciation expenses		(4,607)	(4,196)	9.8	(8,747)	(8,610)	1.6
Other operating expenses	17	(11,552)	(6,345)	82.1	(21,664)	(12,366)	75.2
Loss allowance for trade receivables	18	(6,543)	(371)	1,663.6	(6,538)	(662)	887.6
Investment revenue	19	4,011	1,550	158.8	7,468	2,004	272.7
Other gains and losses	20	(2,203)	(58,006)	(96.2)	(218)	(54,011)	(99.6)
Finance costs	21	(558)	(712)	(21.6)	(1,078)	(931)	15.8
Profit before income tax		72,689	30,312	139.8	123,733	80,730	53.3
Income tax expense	22	(15,598)	(5,974)	161.1	(23,721)	(13,543)	75.2
Profit for the financial period/year		57,091	24,338	134.6	100,012	67,187	48.9
Other comprehensive income:							
- items that may be reclassified subsequently into profit or loss							
Exchange differences on translation of foreign operations, representing other comprehensive income for the financial period/year, net of tax		772	(9,995)	107.7	(4,682)	(14,684)	(68.1)
Total comprehensive income for the financial period/year		57,863	14,343	303.4	95,330	52,503	81.6
Profit attributable to owners of the parent		57,091	24,338	134.6	100,012	67,187	48.9
Total comprehensive income attributable to owners of the parent		57,863	14,343	303.4	95,330	52,503	81.6
Earnings per share							
Basic and diluted (Cents)*		7.40	3.15	134.9	12.96	8.70	49.0

*Basic and diluted EPS for FY2023 and FY2022 has been computed based on the profit attributable to equity holders of our Company divided by weighted average of ordinary share in issue of 771,952,945 shares (FY 2022: 771,952,945), 771,954,364 shares (FY2022: 771,952,945), respectively.



Condensed statements of changes in equity for the financial year ended 31 December 2023

	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve/ (account)	Share options reserve	Statutory reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
Balance as at 1.1.2023	206,166	(1,843)	(4,670)	(13,876)	288	1,254	96,684	284,003
<i>Total comprehensive income for the financial year</i>								
Profit for the financial year	-	-	-	-	-	-	100,012	100,012
Other comprehensive income for the financial year	-	-	-	(4,682)	-	-	-	(4,682)
Total	-	-	-	(4,682)	-	-	100,012	95,330
<i>Transactions with owners, recognised directly in equity</i>								
Dividend	-	-	-	-	-	-	(34,738)	(34,738)
Share option expense	-	-	-	-	348	-	-	348
Total	-	-	-	-	348	-	(34,738)	(34,390)
Balance as at 31.12.2023	206,166	(1,843)	(4,670)	(18,558)	636	1,254	161,958	344,943
Balance as at 1.1.2022	206,166	(1,843)	(4,670)	808	-	1,254	91,253	292,968
<i>Total comprehensive income for the financial year</i>								
Profit for the financial year	-	-	-	-	-	-	67,187	67,187
Other comprehensive income for the financial year	-	-	-	(14,684)	-	-	-	(14,684)
Total	-	-	-	(14,684)	-	-	67,187	52,503
<i>Transactions with owners, recognised directly in equity</i>								
Dividend	-	-	-	-	-	-	(61,756)	(61,756)
Share option expense	-	-	-	-	288	-	-	288
Total	-	-	-	-	288	-	(61,756)	(61,468)
Balance as at 31.12.2022	206,166	(1,843)	(4,670)	(13,876)	288	1,254	96,684	284,003



Condensed Statements of changes in equity for the financial year ended 31 December 2023
(Continued)

	Share capital	Treasury shares	Capital reserve	Share options reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Company						
Balance as at 1.1.2023	206,166	(1,843)	11,651	288	12,638	228,900
Profit representing total comprehensive income for the financial year	-	-	-	-	63,396	63,396
<i>Transactions with owners, recognised directly in equity</i>						
Dividend	-	-	-	-	(34,738)	(34,738)
Share option expense	-	-	-	348	-	348
Total	-	-	-	348	(34,738)	(34,390)
Balance as at 31.12.2023	206,166	(1,843)	11,651	636	41,296	257,906
Balance as at 1.1.2022	206,166	(1,843)	11,651	-	39,490	255,464
Profit representing total comprehensive income for the financial year	-	-	-	-	34,904	34,904
<i>Transactions with owners, recognised directly in equity</i>						
Dividend	-	-	-	-	(61,756)	(61,756)
Share option expense	-	-	-	288	-	288
Total	-	-	-	288	(61,756)	(61,468)
Balance as at 31.12.2022	206,166	(1,843)	11,651	288	12,638	228,900



Condensed consolidated statement of cash flows for the second half and financial year ended 31 December 2023

	Group		Group	
	6 months ended 31 December		Financial year ended 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Operating activities				
Profit before income tax	72,689	30,312	123,733	80,730
Adjustments for:				
Depreciation of property, plant and equipment	4,607	4,196	8,747	8,610
Fair value (gain)/loss on derivative financial instruments	(1,738)	55,112	1,720	56,553
Fair value gain on investments, net	(431)	(29)	(702)	(29)
Share option expense	218	288	348	288
Gain on disposal of plant and equipment	(15)	(58)	(78)	(72)
Gain on cessation of business	-	(1,321)	-	(1,321)
Interest expense	558	712	1,078	931
Interest income	(4,011)	(1,550)	(7,468)	(2,004)
Lease modification	(15)	(32)	(15)	(32)
Loss allowance for trade receivables	6,543	371	6,538	662
Net unrealised foreign exchange loss	9,749	3,249	6,962	707
Plant and equipment written off	152	164	301	524
Provision for retirement benefit	36	(18)	36	(18)
Write-down for inventories obsolescence	83	1,349	95	2,204
Operating cash flows before movements in working capital	88,425	92,745	141,295	147,733
Trade receivables	(1,381)	25,498	(14,703)	14,847
Other receivables	1,778	3,310	981	1,514
Derivative financial instruments	(590)	(54,124)	(2,679)	(55,184)
Prepayments	80	540	(1,382)	356
Inventories	46,227	24,339	9,168	(19,513)
Trade payables	(49,962)	(35,181)	(17,081)	39,600
Other payables	(6,692)	(27,279)	(16,821)	(11,263)
Cash from operations	77,885	29,848	98,778	118,090
Income tax paid	(8,301)	(7,095)	(14,180)	(10,734)
Interest paid	(558)	(712)	(1,078)	(931)
Net cash from operating activities	69,026	22,041	83,520	106,425



Condensed interim consolidated statement of Cash Flows for the second half and financial year ended 31 December 2023 (Continued)

	Group		Group	
	6 months ended 31 December		Financial year ended 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investing activities				
Proceeds on disposal of plant and equipment	15	184	190	238
Purchases of plant and equipment*	(1,796)	(1,716)	(4,264)	(2,420)
Deposits paid for acquisition of a factory building	-	(2,115)	-	(2,115)
Acquisition of freehold land and building, net of cash acquired	-	(1,927)	-	(1,927)
Acquisition of other investments, net	(15,311)	(30,225)	(9,624)	(30,225)
Proceeds from changes in term deposits, net	33,922	-	-	-
Interest received	4,011	1,550	7,468	2,004
Net cash from/(used in) investing activities	20,841	(34,249)	(6,230)	(34,445)
Financing activities				
Repayment of obligations under lease liabilities	(971)	(1,009)	(1,761)	(1,857)
Proceeds from bank borrowings	541	57,916	16,511	65,554
Repayment of bank borrowings	(18,119)	(64,483)	(23,491)	(77,306)
Dividends paid	(23,159)	(23,158)	(34,738)	(61,756)
Net cash used in financing activities	(41,708)	(30,734)	(43,479)	(75,365)
Net change in cash and cash equivalents	48,159	(42,942)	33,811	(3,385)
Effects of exchange rate changes on the balance of cash held in foreign currencies	2,219	(2,740)	1,668	(2,164)
Cash and cash equivalents at beginning of the period/year	181,064	241,645	195,963	201,512
Cash and cash equivalents at end of the period/year (Note i)	231,442	195,963	231,442	195,963

*Please refer to NTA 8 for further information

(i) Cash and Cash equivalents comprise:

	Group	
	As at 31 December 2023 \$'000	As at 31 December 2022 \$'000
	Cash	1,388
Fixed deposits	230,054	167,587
Cash and cash equivalents at end of financial year	231,442	195,963



Notes to the condensed interim consolidated financial statements

1. General corporate information

Aztech Global Ltd (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of Singapore Exchange. These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2023 comprised the Company and its subsidiaries (the “Group”). The primary activity of the Company is investment holding.

The principal activities of the Group are manufacturing, marketing and trading of electronics products.

2. Basis of Preparation

The condensed interim financial statements for the financial year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *interim Financial Reporting* published by Accounting and Corporate Regulatory Authority in 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 financial statements for the financial year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with 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 Singapore dollar which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group

During the current financial period, the Group and the Company have adopted the amendments to SFRS(I)s which took effect from financial year beginning 1 January 2023. The adoption of these amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ended 31 December 2023. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumption of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual result 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 2022.

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

3. Seasonal operations

The Group does not experience any seasonality in particular. However, as with most businesses with a manufacturing base in the People's Republic of China, we experience lower production volume during the Chinese New Year holidays each year as many offices and factories are closed during this period. In addition, we generally experience higher sales volume in the second half of the year. The seasonal variations that we have experienced in the past may not be reflective of our sales trend in the future.

4. Trade receivables

	Group	
	31.12.2023	31.12.2022
	\$'000	\$'000
Third parties	209,949	200,351
Less: Loss allowance	(9,210)	(2,785)
	200,739	197,566

Trade receivables are non-interest bearing and generally on 30 to 90 days credit terms.

Movements in the loss allowance for trade receivables:

	Group	
	31.12.2023	31.12.2022
	\$'000	\$'000
Balance as at 1 January	2,785	2,142
Allowance during the reporting period	6,538	662
Exchange difference	(113)	(19)
Balance as at 31 December	9,210	2,785

Trade receivables were at \$200.7 million as at 31 December 2023, an increase of \$3.1 million (1.6%) from \$197.6 million as at 31 December 2022 primarily due to the higher revenue of \$224.3 million recognised in the fourth quarter of 2023 (Q4 2023).

Expected credit loss (ECL) assessment

The Group applies the simplified approach, using a provision matrix, to measure the expected credit losses for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the Group's historical credit losses experienced and then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customer.

5. Other receivables

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Current				
Other receivables				
- Third parties	399	432	304	334
- Subsidiary	-	-	-	10,342
Finance lease receivables ¹	-	-	464	488
Value added tax receivable	1,608	2,404	22	12
Deposits ²	627	2,299	12	11
Deposits for land use right	-	680	-	-
	2,634	5,815	802	11,187
Non-current				
Finance lease receivables ¹	-	-	946	-
	2,634	5,815	1,748	11,187

¹ Finance lease receivable from a subsidiary as a result of office sub-leasing.

² Reduction in deposits due to the reclassification of deposits to property, plant and equipment upon completion of the acquisition of the new plant in Malaysia.

6. Other investments

	Group and Company	
	31.12.2023	31.12.2022
	\$'000	\$'000
MAS bills	40,580	10,050
Structured deposits	-	20,212
	40,580	30,262

The MAS bills were acquired at discounted price from the face value and bear no coupon. The bills mature within 1 to 3 months from issuance date.

7. Inventories

	Group	
	31.12.2023	31.12.2022
	\$'000	\$'000
Finished goods	4,632	3,229
Work-in-progress ("WIP")	10,768	15,740
Raw materials	58,540	66,242
	73,940	85,211

The Group had purchased less raw material and components as compared to FY 2022 as supply chain pressure eased globally with shorter lead time post pandemic, to meet the production requirements for Q1 2024.

8. Property, plant and equipment

During the financial year ended 31 December 2023, the Group acquired assets amounting to \$27,273,000 (31 December 2022: \$9,417,000) and disposed of assets with carry amount of \$89,000 (31 December 2022: \$166,000). Included in the acquired assets in FY 2023 was the leasehold property at Pasir Gudang of \$21,438,000, of which \$19,323,000 was funded by the secured bank borrowing.

9. Borrowings

	Group	
	31.12.2023 \$'000	31.12.2022 \$'000
<u>Amount repayable within one year or on demand</u>		
Secured	3,531	1,347
<u>Amount repayable after one year</u>		
Secured	13,781	3,936
Total borrowing	17,312	5,283

10. Trade payables

	Group	
	31.12.2023 \$'000	31.12.2022 \$'000
Third parties	173,726	185,711

Trade payables were at \$173.7 million as at 31 December 2023, a decrease of \$12.0 million (6.5%) from \$185.7 million as at 31 December 2022 primarily due to better inventory management and shorter lead time post pandemic.

11. Other payables

	Group		Company	
	31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 \$'000	31.12.2022 \$'000
Other payables				
- Third parties	1,076	1,825	70	40
- Subsidiaries	-	-	24,960	13,945
Accrued expenses ¹	6,473	28,159	242	163
Profit sharing scheme ²	2,970	2,078	-	-
Customer deposit ³	20,528	15,396	-	-
	31,047	47,458	25,272	14,148

¹ The Group's accrued expenses related to inventories received from suppliers that had not been invoiced as at 31 December 2022 and 31 December 2023. Please refer to Note 7 for total inventories value.

² The Group's profit sharing for FY2022 was paid in FY2023 and the profit sharing scheme is allocated to key management under the respective subsidiaries.

³ The increase in customer deposit mainly due to advance payment from customer to reserve materials for production in 1H 2024.

12. Share capital

	Group and Company			
	31.12.2023		31.12.2022	
	'000	\$'000	'000	\$'000
As at 1 January and 31 December	773,826	206,166	773,826	206,166

The company holds treasury shares of \$1,843,000 (1,872,600 shares) as at 31 December 2023 (31 December 2022: \$1,843,000 (1,872,600 shares)). There was no sale, transfer, disposal, cancellation and use of treasury shares during the financial year ended 31 December 2023. The total number of issued shares excluding treasury shares as at 31 December 2023 was 771,952,945 shares.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

Employee share options

Movements in the number of unissued ordinary shares under the Aztech Employee Share Option Scheme and their exercise prices are as follows:

Group and Company	Number of unissued ordinary shares of the Company under option					Balance as at end of the financial year	Exercise Price	Exercise period
	Balance as at beginning of the financial year	Granted during the financial year	Exercised during the financial year	Forfeited during the financial year				
2021 Options	1,750,000	-	-	-	1,750,000	0.934	13.12.2022 - 12.12.2031	
2023 Options	-	2,250,000	-	-	2,250,000	0.806	29.9.2024 - 28.9.2033	

On 29 September 2023, the Company has made an announcement on the grant of employees' share options ("2023 Options") under the Aztech Employee Share Option Scheme on SGXNet in accordance to Rule 704(29) of the Listing Manual of Singapore Exchange Securities Trading Limited.

13. Revenue

2H 2023

	Group			
	6 months ended 31 December 2023			
	Distribution & trading		Manufacturing	Total
	Hong Kong \$'000	Singapore \$'000	China \$'000	\$'000
Types of goods:				
Sale of goods	41,696	465,786	221	507,703
Timing of revenue recognition:				
At a point in time	41,696	465,786	221	507,703
Geographical information:				
North America	7,199	412,306	-	419,505
China	7,518	-	186	7,704
Europe	26,182	51,046	-	77,228
Singapore	-	1,275	35	1,310
Others	797	1,159	-	1,956
Total revenue	41,696	465,786	221	507,703

2H 2022

	Group			
	6 months ended 31 December 2022			
	Distribution & trading		Manufacturing	Total
	Hong Kong \$'000	Singapore \$'000	China \$'000	\$'000
Types of goods:				
Sale of goods	46,774	408,168	708	455,650
Timing of revenue recognition:				
At a point in time	46,774	408,168	708	455,650
Geographical information:				
North America	22,598	363,501	-	386,099
China	6,381	33	660	7,074
Europe	16,714	42,416	-	59,130
Singapore	-	1,531	48	1,579
Others	1,081	687	-	1,768
Total revenue	46,774	408,168	708	455,650

13. Revenue (continued)

FY 2023

	Group			
	Financial year ended 31 December 2023			
	Distribution & trading		Manufacturing	Total
	Hong Kong \$'000	Singapore \$'000	China \$'000	\$'000
Types of goods:				
Sale of goods	76,735	818,912	639	896,286
Timing of revenue recognition:				
At a point in time	76,735	818,912	639	896,286
Geographical information:				
North America	14,365	707,917	-	722,282
China	13,859	33	604	14,496
Europe	46,826	105,185	-	152,011
Singapore	-	2,479	35	2,514
Others	1,685	3,298	-	4,983
Total revenue	76,735	818,912	639	896,286

FY 2022

	Group			
	Financial year ended 31 December 2022			
	Distribution & trading		Manufacturing	Total
	Hong Kong \$'000	Singapore \$'000	China \$'000	\$'000
Types of goods:				
Sale of goods	93,590	725,189	1,465	820,244
Timing of revenue recognition:				
At a point in time	93,590	725,189	1,465	820,244
Geographical information:				
North America	38,433	635,078	-	673,511
China	17,123	296	1,417	18,836
Europe	35,989	85,549	-	121,538
Singapore	-	2,920	48	2,968
Others	2,045	1,346	-	3,391
Total revenue	93,590	725,189	1,465	820,244

Revenue grew 9.3% in FY2023 driven mainly by higher sales volume of IoT and Data-communication products as a result of increased demand from customers.

14. Other income

	Group			
	6 months ended 31 December		Financial year ended 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Scrap sales	50	64	103	117
Government grants	251	295	702	561
Others	131	640	298	688
	432	999	1,103	1,366

15. Changes in finished goods, work in progress and raw materials used

The increase in changes in finished goods, work in progress and raw materials was due mainly to the higher revenue in FY2023.

16. Employee benefits expense

	Group			
	6 months ended 31 December		Financial year ended 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<i>Employee benefits expense (including Directors' remuneration)</i>				
Staff costs	24,874	22,047	49,994	46,170
Defined contributions plans	501	505	1,141	953
Share option expense	218	288	348	288
Other employee benefits	4,563	1,817	6,970	3,304
	30,156	24,657	58,453	50,715

More operators were hired arising from higher production activities during FY2023. Employee benefits expense as a percentage of revenue was 6.5% (FY2022: 6.2%). Higher other employee benefits for FY2023 are mainly due to higher staff accommodation for foreign workers for Malaysia plant and the reversal of profit sharing bonus in FY2022.

17. Other operating expense

Higher other operating expense mainly due to purchase of tools and equipment, recruitment expense, rental of equipment in FY 2023 and reversal of marketing expenses in FY2022.

18. Loss allowance of trade receivables

The Group had made loss allowance of \$6,538,000 for FY2023 (FY2022: \$662,000) mainly due to one of our customers, who is currently undergoing a preliminary insolvency proceeding under self-administration in Germany. Full provision for the trade receivables from this customer has been made. The customer had accounted for 3.1% (FY2022: 2.3%) of total revenue for FY2023.

19. Investment revenue

Increase in interest income resulted from more fixed deposits, structured deposits and treasury bills placed and higher interest rates during FY2023.

20. Other gains and losses

Other gains and losses reduced significantly to a loss of \$0.2 million (FY 2022: \$54.0 million) mainly relating to a loss of \$56.6 million resulting from foreign exchange contracts entered into by the Group last year.

21. Finance costs

Increase in the utilisation of banking facilities, additional secured term loan drawn for the acquisition of the Pasir Gudang facility, and higher interest rates led to the increase in finance costs.

22. Income tax expense

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 comprehensive income are:

	Group			
	6 months ended		Financial year ended	
	31 December		31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current income tax expense				
- Current financial year	7,980	7,411	16,138	14,981
- Under/(over) provision in prior financial years	493	(1,431)	493	(1,431)
Deferred income tax expense				
- Current financial year	7,125	(6)	7,090	(7)
	<u>15,598</u>	<u>5,974</u>	<u>23,721</u>	<u>13,543</u>

Tax expense increased due to higher profit achieved during the period.

In FY 2023, the Group made deferred tax expense provision of \$7.1million related to retained earnings from an overseas subsidiary.



23. Dividend

On 17 May 2023, the Company paid a final dividend of \$0.015 per ordinary share of the Company totalling \$11,579,294 by cash in respect of financial year ended 31 December 2022.

On 11 August 2023, the Company paid an interim dividend of \$0.03 per ordinary share of the Company totalling \$23,158,588 in respect of the financial year ended 31 December 2023.

24. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Singapore, Hong Kong, China and Malaysia. All these locations are engaged in the manufacturing, distribution and trading of electronic products.

The Group has two reportable segments being manufacturing segment and distribution and trading segment.

The manufacturing segment manufactures electronic products to its customers including related companies.

The distribution and trading segment sells the electronic products to other segment, whole-sale distributors and retailers.

“Other” segments include the Group’s remaining minor trading and investment holding activities which are not included within reportable segments as they are not separately reported to the chief operating decision maker and they contribute minor amounts of revenue to the Group.

24. Segment and revenue information (continued)

2H 2023	Distribution and trading		Manufacturing				Eliminations	Total
	Hong Kong	Singapore	China	Malaysia	Others			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
1.7.2023 to 31.12.2023								
Revenue								
Revenue from external customers	41,696	465,786	221	-	-	-	507,703	
Inter-segment revenue	192,935	9,042	342,365	216,161	-	(760,503)	-	
Total revenue	234,631	474,828	342,586	216,161	-	(760,503)	507,703	
Results								
Segment results	1,031	41,620	22,294	4,050	37,116	(32,864)	73,247	
Finance costs	(5)	(124)	(23)	(365)	(51)	10	(558)	
Profit before income tax	1,026	41,496	22,271	3,685	37,065	(32,854)	72,689	
Income tax expense							(15,598)	
Profit for the reporting period							57,091	
Significant non-cash items								
Depreciation expenses	174	483	1,724	2,179	227	(180)	4,607	
Other items of income and expense								
Interest income	181	138	100	90	3,503	(1)	4,011	
Expenditures for segment non-current assets								
- Additions to PPE	-	26	808	3,612	-	(1,079)	3,367	
Total segment assets*								
31.12.2023	119,849	225,906	246,665	165,152	289,886	(451,149)	596,309	
Total segment liabilities**								
31.12.2023	106,812	176,174	54,378	160,248	31,130	(300,786)	227,956	

24. Segment and revenue information (Continued)

2H 2022	Distribution and trading		Manufacturing			Eliminations	Total
	Hong Kong	Singapore	China	Malaysia	Others		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1.7.2022 to 31.12.2022							
Revenue							
Revenue from external customers	46,774	408,168	708	-	-	-	455,650
Inter-segment revenue	195,563	4,107	358,942	158,196	-	(716,808)	-
Total revenue	242,337	412,275	359,650	158,196	-	(716,808)	455,650
Results							
Segment results	19,895	35,707	18,083	2,344	29,138	(74,143)	31,024
Finance costs	(194)	(423)	(56)	(8)	(41)	10	(712)
Profit before income tax	19,701	35,284	18,027	2,336	29,097	(74,133)	30,312
Income tax expense							(5,974)
Profit for the reporting period							24,338
Significant non-cash items							
Depreciation expenses	171	698	2,648	730	13	(64)	4,196
Other items of income and expense							
Interest income	83	52	205	2	1,215	(7)	1,550
Expenditures for segment non-current assets							
- Additions to PPE	57	1,599	675	354	5,857	-	8,542
Total segment assets*							
31.12. 2022	154,970	220,145	273,225	201,396	251,545	(559,888)	541,393
Total segment liabilities**							
31.12.2022	139,586	177,740	114,384	197,825	20,364	(406,378)	243,521

*Total segment assets exclude deferred tax assets

**Total segment liabilities exclude current income tax payables and deferred tax liabilities

24. Segment and revenue information (Continued)

FY 2023	Distribution and trading		Manufacturing				Total
	<u>Hong Kong</u>	<u>Singapore</u>	<u>China</u>	<u>Malaysia</u>	<u>Others</u>	<u>Eliminations</u>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
1.1.2023 to 31.12.2023							
Revenue							
Revenue from external customers	76,735	818,912	639	-	-	-	896,286
Inter-segment revenue	409,184	17,307	638,446	409,892	-	(1,474,829)	-
Total revenue	485,919	836,219	639,085	409,892	-	(1,474,829)	896,286
Results							
Segment results	4,653	67,899	42,256	7,303	62,362	(59,662)	124,811
Finance costs	(9)	(294)	(53)	(634)	(107)	19	(1,078)
Profit before income tax	4,644	67,605	42,203	6,669	62,255	(59,643)	123,733
Income tax expense							(23,721)
Profit for the reporting period							100,012
Significant non-cash items							
Depreciation expenses	350	993	4,013	3,229	248	(86)	8,747
Other items of income and expense							
Interest income	261	461	196	105	6,451	(6)	7,468
Expenditures for segment non-current assets							
- Additions to PPE	20	1,369	31	28,982	-	(3,129)	27,273
Total segment assets*							
31.12.2023	119,849	225,906	246,665	165,152	289,886	(451,149)	596,309
Total segment liabilities**							
31.12.2023	106,812	176,174	54,378	160,248	31,130	(300,786)	227,956

24. Segment and revenue information (Continued)

FY 2022	Distribution and trading		Manufacturing				Total
	<u>Hong Kong</u>	<u>Singapore</u>	<u>China</u>	<u>Malaysia</u>	<u>Others</u>	<u>Eliminations</u>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
1.1.2022 to 31.12.2022							
Revenue							
Revenue from external customers	93,590	725,189	1,465	-	-	-	820,244
Inter-segment revenue	418,169	4,331	691,101	215,791	-	(1,329,392)	-
Total revenue	511,759	729,520	692,566	215,791	-	(1,329,392)	820,244
Results							
Segment results	25,818	54,607	49,117	2,617	38,315	(88,813)	81,661
Finance costs	(200)	(561)	(128)	(9)	(50)	17	(931)
Profit before income tax	25,618	54,046	48,989	2,608	38,265	(88,796)	80,730
Income tax expense							(13,543)
Profit for the reporting period							67,187
Significant non-cash items							
Depreciation expenses	339	1,094	5,896	1,433	13	(165)	8,610
Other items of income and expense							
Interest income	84	74	215	2	1,644	(15)	2,004
Expenditures for segment non-current assets							
- Additions to PPE	228	1,601	1,217	514	5,857	-	9,417
Total segment assets*							
31.12.2022	154,970	220,145	273,225	201,396	251,545	(559,888)	541,393
Total segment liabilities**							
31.12.2022	139,586	177,740	114,384	197,825	20,364	(406,378)	243,521

*Total segment assets exclude deferred tax assets

**Total segment liabilities exclude current income tax payables and deferred tax liabilities

24. Segment and revenue information (Continued)

2H 2023	The Group			
	Distribution & trading		Manufacturing	
	Hong Kong \$'000	Singapore \$'000	China \$'000	Total \$'000
1.7.2023 to 31.12.2023				
<u>Product types</u>				
IoT devices and Datacom products	36,991	464,437	126	501,554
LED products	4,655	1,198	-	5,853
Others ⁽¹⁾	50	151	95	296
	41,696	465,786	221	507,703
2H 2022				
1.7.2022 to 31.12.2022				
<u>Product types</u>				
IoT devices and Datacom products	42,729	403,963	149	446,841
LED products	3,839	4,097	-	7,936
Others ⁽¹⁾	206	108	559	873
	46,774	408,168	708	455,650

FY 2023	The Group			
	Distribution & trading		Manufacturing	
	Hong Kong \$'000	Singapore \$'000	China \$'000	Total \$'000
1.1.2023 to 31.12.2023				
<u>Product types</u>				
IoT devices and Datacom products	65,576	816,275	418	882,269
LED products	11,083	2,381	-	13,464
Others ⁽¹⁾	76	256	221	553
	76,735	818,912	639	896,286
FY 2022				
1.1.2022 to 31.12.2022				
<u>Product types</u>				
IoT devices and Datacom products	85,006	716,281	405	801,692
LED products	8,189	8,621	39	16,849
Others ⁽¹⁾	395	287	1,021	1,703
	93,590	725,189	1,465	820,244

⁽¹⁾ Others refer to other electrical products

25. Financial assets and financial liabilities

	Group		Company	
	31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 \$'000	31.12.2022 \$'000
Financial assets				
Trade receivables	200,739	197,566	-	-
Other receivables	2,634	5,815	1,748	11,187
Cash and cash equivalents	231,442	195,963	165,264	125,296
	434,815	399,344	167,012	136,483
Less: Value added tax receivables	(1,608)	(2,404)	(22)	(12)
Less: Deposits for land use right	-	(680)	-	-
Amortised cost	433,207	396,260	166,990	136,471
Short-term investments, representing financial assets measured at fair value through profit or loss	40,580	30,262	40,580	30,262
Financial liabilities				
Trade payables	173,726	185,711	-	-
Other payables	31,047	47,458	25,272	14,148
Borrowings	17,312	5,283	-	-
Lease liabilities	4,893	3,169	1,410	488
	226,978	241,621	26,682	14,636
Less: Customer deposits	(20,528)	(15,396)	-	-
Amortised cost	206,450	226,225	26,682	14,636
Derivative financial instruments, representing financial liabilities measured at fair value through profit or loss	30	988	30	988



26. Profit before taxation
a. Significant items

	Group			
	6 Months ended 31 December		Financial year end 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Depreciation expenses				
Depreciation of property, plant and equipment	4,607	4,196	8,747	8,610
Investment revenue				
Interest income	4,011	1,550	7,468	2,004
Other operating expenses				
Other factory costs	5,745	3,365	11,117	7,296

b. Related party transactions

There are no material related party transactions.

27. Net Asset Value

	Group		Company	
	31.12.2023 \$	31.12.2022 \$	31.12.2023 \$	31.12.2022 \$
Net asset value per ordinary share	0.45	0.37	0.33	0.30

For 31 December 2022 and 31 December 2023, NAV per Share is computed based on the issued share capital of 771,952,945 Shares.

28. Subsequent events

On 13 February 2024, the Group announced that it experienced a cybersecurity incident.

Based on the information available to date, the cybersecurity incident does not have any material impact to the Group's financials or its operations.



OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Aztech Global Ltd. and its subsidiaries as at 31 December 2023 and the related condensed consolidated statement of comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the financial year ended and certain explanatory notes have not been audited and reviewed.

2. Review of performance of the Group

The Group had reported 9.3% y-o-y increase in revenue to \$896.3 million for the financial year ended 31 December 2023 (“FY2023”). Revenue for the six months ended 31 December 2023 (“2H 2023”) improved by 11.4% y-o-y to \$507.7 million.

The Group recorded an increase in profit before tax (“PBT”) amounting to \$72.7 million for 2H 2023 as compared with \$30.3 million for 2H 2022. The Group recorded net profit of \$57.1 million (2H 2022: \$24.3 million), while its net profit margin was 11.2% (2H 2022: 5.3%) for 2H 2023.

The Group recorded an increase in PBT amounting to \$123.7 million for FY2023 as compared with \$80.7 million for FY2022. The Group recorded net profit of \$100.0 million (FY2022: \$67.2 million), while its net profit margin was 11.2% (FY2022: 8.2%) for FY2023.

FINANCIAL POSITION AND CASHFLOW

The Group’s cash generated from operations for FY2023 was \$83.5 million, a decrease of \$22.9 million compared with \$106.4 million in FY2022. The higher cash generated from operations in FY2022 was mainly due to higher inventory and trade payables towards end of FY2022, on the Group’s purchases of raw materials in anticipation of production needs in 1H 2023.

As at 31 December 2023, the Group’s financial position remained strong with \$231.4 million of cash and cash equivalents (31 December 2022: \$196.0 million).

As at 31 December 2023, equity attributable to owners of the Group was \$344.9 million (31 December 2022: \$284.0 million) and higher NAV per share at \$0.45 (31 December 2022: \$0.37), computed based on the share capital of 771,952,945 shares.

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

Not applicable.



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

The business prospects for the next six to twelve months is expected to be challenging¹. Geopolitical tensions and inflationary cost of business are also expected to persist into the year.

Order lead-time, meanwhile, has normalised from nine to twelve months during the pandemic to about two to three months with the abatement of the component shortage situation. As at 22 February 2024, the Group secured an order book of [\$333.1] million for completion during the year at its manufacturing facilities in Johor, Malaysia and Dongguan, China.

The Group remains committed to the disciplined management of its costs, foreign exchange risks and balance sheet to strengthen its financial position. It will also continue to adapt and innovate novel solutions to capture new markets and opportunities in the growing IoT market².

5. Dividend

a. Current financial Period Reported on

The board of directors recommended the following final dividends, subject to approval by the shareholders during annual general meeting:

Name of Dividend	Final (Proposed)
Dividend Type	Cash
Dividend Amount per Share (in \$)	0.05 per ordinary share*
Paid based on total number of ordinary shares	771,952,945
Tax Rate	One-tier tax-exempt

*Subject to shareholder's approval at the forthcoming AGM

During the financial year, the Company declared interim one-tier tax-exempt dividend of \$0.03 per ordinary share totalling \$23,158,588.35 in respect of the financial year ended 31 December 2023.

Name of Dividend	Interim (Paid)
Dividend Type	Cash
Dividend Amount per Share (in \$)	0.03 per ordinary share
Paid based on total number of ordinary shares	771,952,945
Tax Rate	One-tier tax-exempt

Total dividend for FY2023 is 8 cents per ordinary share.

¹ IMF World Economic Outlook Update: Moderating Inflation and Steady Growth Open Path to Soft Landing, January 2024.

² Verified Market Reports, May 2023: Global IoT devices market was valued at US\$102.35 billion in 2022 and is projected to reach US\$508.25 billion in 2030, growing at a 2023-2030 CAGR of 22.19%.

5. Dividend (Continued)

b. Corresponding Period of the Immediately Preceding Financial Year

During the preceding financial year, the Company paid a final one-tier tax-exempt dividend of \$0.015 per ordinary share totalling \$11,579,294 in respect of the financial year ended 31 December 2022.

Name of Dividend	Final (Paid)
Dividend Type	Cash
Dividend Amount per Share (in \$)	0.015 per ordinary share
Paid based on total number of ordinary shares	771,952,945
Tax Rate	One-tier tax-exempt

During the preceding financial year, the Company also paid interim one-tier tax-exempt dividend of \$0.03 per ordinary share totalling \$23,158,588.35 in respect of the financial year ended 31 December 2022.

Name of Dividend	Interim (Paid)
Dividend Type	Cash
Dividend Amount per Share (in \$)	0.03 per ordinary share
Paid based on total number of ordinary shares	771,952,945
Tax Rate	One-tier tax-exempt

Total dividend for FY2022 was 4.5 cents per ordinary share.

c. Date Payable

The final dividend payment, subject to approval by the shareholders at the upcoming annual general meeting on 16 April 2024 will be made on 30 April 2024.

d. Books closure date

The Transfer Book and Register of Members of Aztech Global Ltd. ("Company") will be closed at 5.00 p.m. (Singapore time) on 23 April 2024 for the purpose of determining its shareholders' entitlements to the proposed final dividend.

6. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not sought a general mandate from shareholders for Interest Person Transactions.

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

Pursuant to Listing Rule 720(1), the Company has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 of the SGX-ST Listing Manual.

8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. 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
Mr. Michael Mun	74	Mr. Michael Mun is the father of Mr. Jeremy Mun.	<p><u>Position</u> Executive Chairman and CEO (since May 2009)</p> <p><u>Duties</u> Responsible for identifying and implementing Group-wide business growth strategies and overseeing all aspects of our Group's growth and operating functions.</p>	Not applicable
Mr. Jeremy Mun	48	Mr. Jeremy Mun is the son of Mr. Michael Mun.	<p><u>Position</u> Executive Director and COO (since August 2017)</p> <p><u>Duties</u> Responsible for day-to-day operation and management of our business.</p>	Not applicable
Mr. Ivan Mun	42	Mr. Ivan Mun is the son of Mr. Michael Mun and the sibling of Mr. Jeremy Mun.	<p><u>Position</u> Vice President, Business Development (Since January 2024)</p> <p><u>Duties</u> Responsible for business development activities of our Group.</p>	Mr Ivan Mun was previously seconded to KEEP Labs Inc, a customer of the Group, as their Global Head of Operations and Manufacturing since 1 st February 2022. and re-join the Group as Vice President, Business Development on 2nd January 2024.
Ms. Huang Xiaolin	41	Ms. Huang Xiaolin is the spouse of Mr. Ivan Mun, daughter-in-law of Mr. Michael Mun, and sister-in-law of Mr Jeremy Mun.	<p><u>Position</u> Manager, Procurement and Logistics at Aztech Technologies Pte. Ltd (since October 2020).</p> <p><u>Duties</u> Responsible for managing the procurement and logistical activities.</p>	Not applicable



9. Use of IPO Proceeds

Pursuant to the Listing of the Company, the Company received gross proceeds of \$198.4 million from the issuance of the New Cornerstone Shares. As at the date of this announcement, the gross proceeds from the issuance of the New Cornerstone Shares have been utilised as follows:

	Amount allocated (as disclosed in the Prospectus) (\$'000)	Amount utilised as at the date of this announcement (\$'000)	Balance as at the date of this announcement (\$'000)
Expansion and enhancement of the Group's manufacturing facilities ¹	50,000	7,921	42,079
Expansion of the Group's business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaboration	50,000	5,857	44,143
Enhancement of the Group's R&D capabilities	15,000	-	15,000
Increase sales and marketing channels for overseas markets expansion	10,000	504	9,496
Expansion of the Group's ODM/JDM business to capitalise on opportunities in the growing IoT market	5,000	-	5,000
Working capital ²	58,600	58,600	-
Listing expenses ³	9,800	9,800	-
	198,400	82,682	115,718

¹ New equipment purchased to enhance manufacturing productivity.

² Usage of working capital purposes comprises the payment of salary related costs.

³ Being payment for underwriting commission and offering expenses.



Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the financial year ended 31 December 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Michael Mun Hong Yew
Director

Jeremy Mun Weng Hung
Director

Singapore

Date: 22 February 2024