

Aztech



Energising
VISION

Annual Report 2023

Aztech Global Ltd.



Energising
VISION

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Vision & Mission

**DELIGHTING
PEOPLE WITH
SMARTER
SOLUTIONS.**



Corporate Purpose

**THE KEY
TECHNOLOGY
ENABLER FOR THE
CONNECTED
WORLD OF
TOMORROW.**



Values

**VALUES THAT
ENCAPSULATE
THE CULTURE THAT
WE DESIRE TO BUILD
IN AZTECH:**

Integrity

Doing the right thing even when it is not easy.

Commitment

Commitment transforms a promise into a reality.

Excellence

The pursuit of excellence is a whole-hearted endeavour.

Financial Statements

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Aztech Ethos

At the core of Aztech ethos is our Vision and Mission of “Delighting people with smarter solutions” that directs the nurturing of our engineering creativity, manufacturing prowess, product offerings and problem-solving skills. In bringing joy to our key stakeholder groups, we are relentlessly pursuing to fortify our three sustainability pillars of economic, environmental and social wellness, energised by the spirit and substance of corporate governance.

Each member of the Aztech family is guided by our core values of Integrity, Commitment and Excellence that encapsulate the key enabling culture - of doing the right thing even when it is not easy, and committing to transform a promise into a reality while embracing excellence - to impacting lives with smarter solutions at each of their sphere of influence.

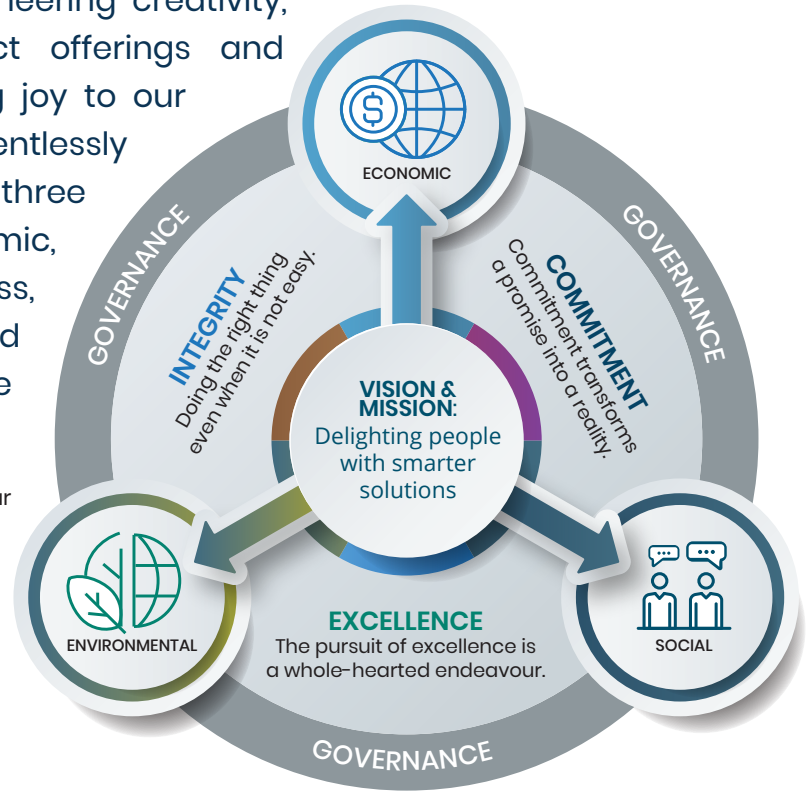


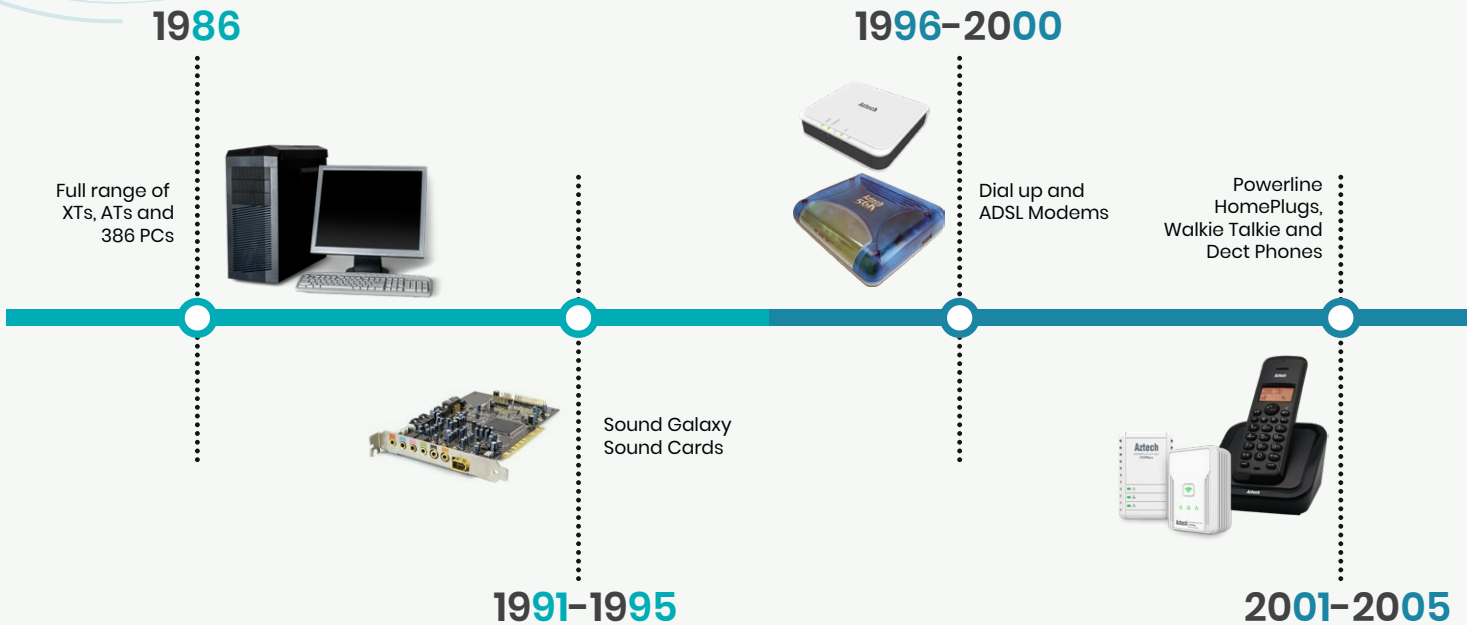
Diagram 1: The Aztech Ethos



Diagram 2: Key Stakeholder Groups

Corporate Profile

Listed on the Mainboard of the SGX-ST on 12 March 2021, Aztech Global Ltd. and its group of subsidiaries (“the Group”) is a full-fledged electronics design, engineering and manufacturing solutions provider for Internet-of-Things (“IoT”) devices and electronics products.



The Group counts more than 38 years of operating track record in the electronics industry, and over 28 years of accumulated knowledge and expertise in the communications and networking technology¹.

Diagram 3: Growth & Innovation Journey of Aztech

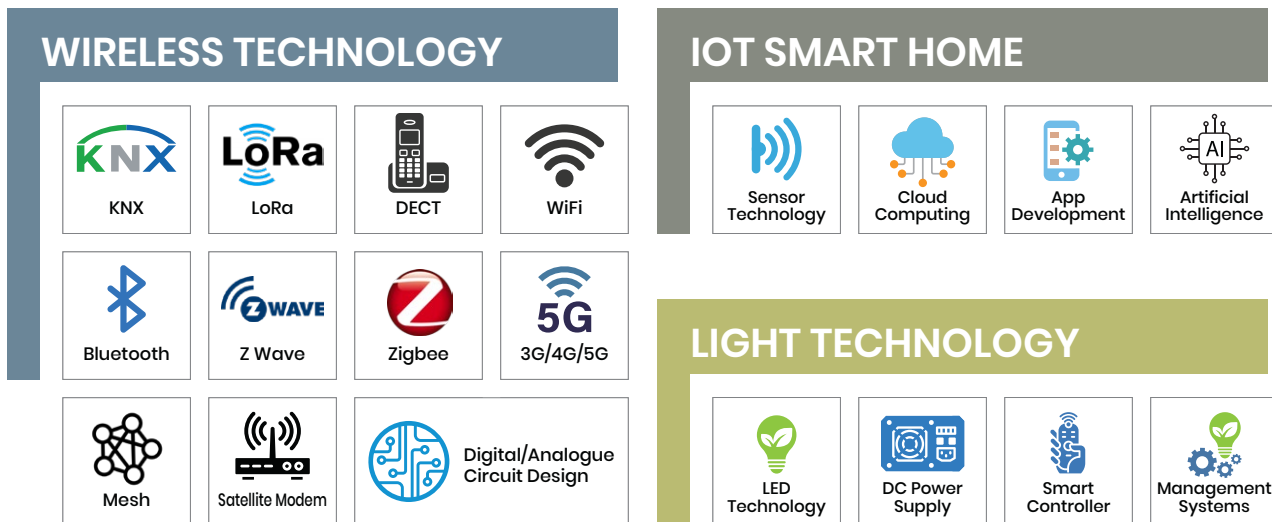


Diagram 4: Technological solutions

¹ Number of years is updated as at date of publication of the annual report.

2006–2009



ADSL+2 / Fibre Gateways

2016–2020

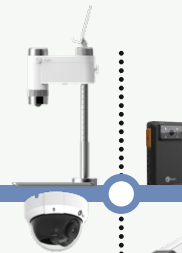


WiFi Mesh Router, IOT Smart Home and smart lighting solutions



LED Luminaires

2010–2015



Security Cameras, Digital Microscope

2022–Beyond



Diagram 5: Design & engineering offerings

Through the years, Aztech has deepened its portfolio of design, engineering and manufacturing offerings and technological solutions to blue chip customers, technology start-ups and other companies with innovative products across various market segments in over 20 countries since its establishment in 1986.

Aztech Value Chain

Aztech is primarily involved in the research and development (“R&D”), design and engineering to the manufacturing, testing and packaging of the electronics value chain, in which it operates through four models namely Original Equipment Manufacturing (“OEM”), Original Design Manufacturing (“ODM”), Joint Development Manufacturing (“JDM”) and Contract Manufacturing Services (“CMS”) to cater to the manufacturing & sustainability needs of its customers.



As a testament of our commitment to our customers to deliver product quality and safety, the Group has secured various certifications including ISO 9001, ISO 13485, ISO 14001, IATF-16949, TL9000, ISO 45001 and ISO 27001 to put in place the infrastructure, systems and talents to ensure our delivery of solutions that delights customers and end-consumers of the value chain.

Being a vertically integrated design, engineering and manufacturing services provider, Aztech responsibly and sustainably sources raw materials, electronics components and electrical parts from a well-diversified and extensive network of suppliers for its various value-added processes that it participates in as highlighted in the green boxes in diagram 6.

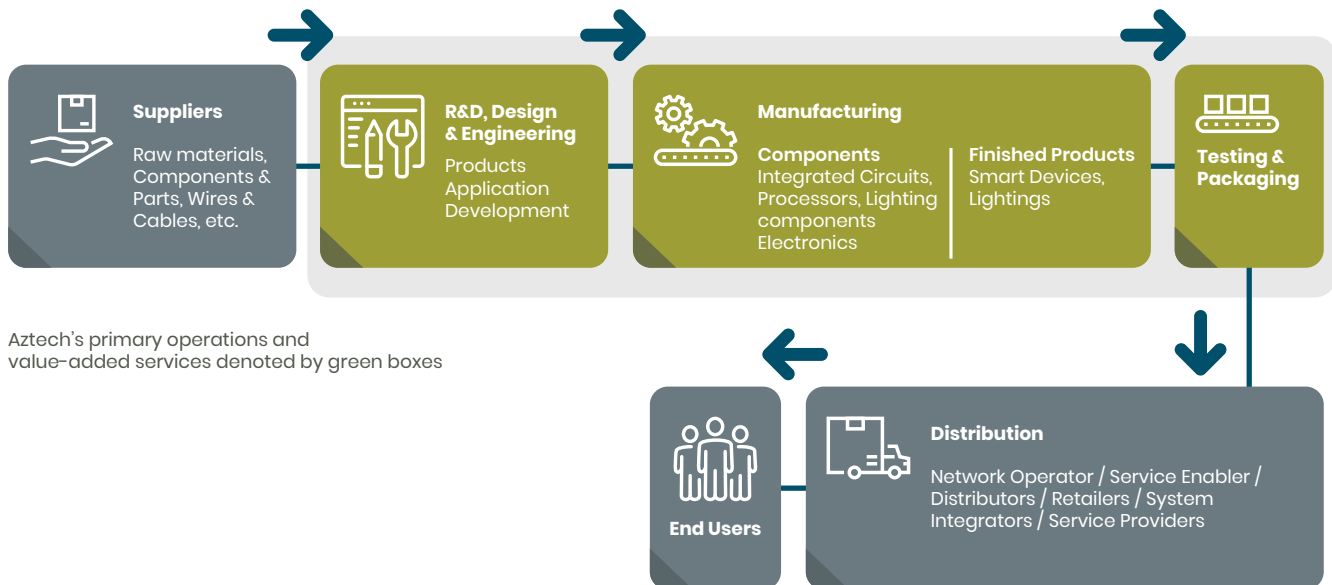


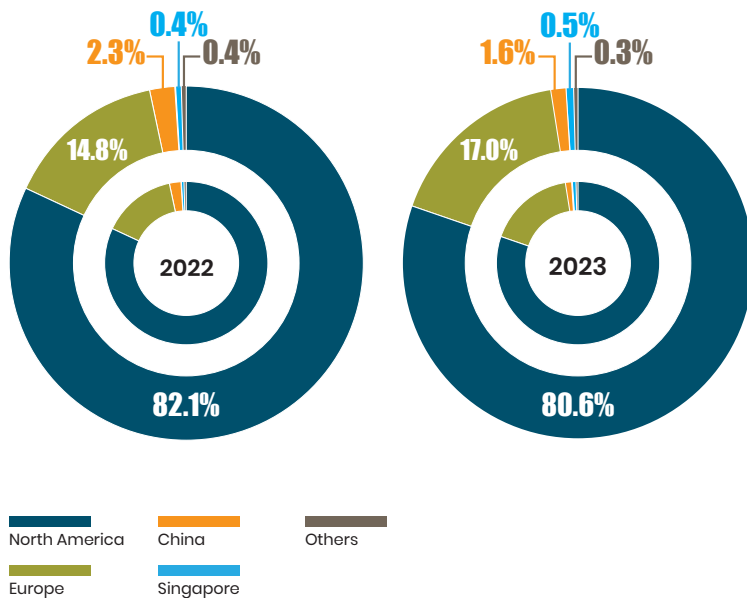
Diagram 6: Value Chain of Aztech

Geographical Presence

Headquartered in Singapore, the Group has four R&D centres situated in Singapore, China and Hong Kong and three manufacturing facilities, totalling 846,000 sq. ft. of built-up area, in China and Malaysia.



Revenue by Geographical Region



Established Since **1986**

Headquarters **SINGAPORE**

3 Manufacturing Facilities






4 R&D Centres

5 Offices Worldwide

4000²
Global Workforce


² Global workforce as at 31 December 2023, and includes part-time and temporary workers from employment agency.

ESG Metrics

	Metrics (Units)	2021	2022	2023 ³
	ENVIRONMENTAL			
	GHG EMISSIONS			
	Greenhouse Gas Emissions "GHG" (tCO ₂ e)			
	- Scope 1	834.4	713.4	986.3
	- Scope 2	10,327.1	10,205.9	13,273.1
	Emission intensity ratio (tCO ₂ e/\$M Revenue)			
- Scope 1	1.34	0.87	1.10	
- Scope 2	16.54	12.44	14.81	
	ENERGY CONSUMPTION			
	Diesel and Petrol Consumption (MWh)	358	146	179
	Electricity Consumption (MWh)	16,551	16,027	21,050
	Total energy consumption (MWh)	16,909	16,173	21,229
	Energy consumption intensity ratio (MWh/\$M Revenue)	27.08	19.72	23.69
	WATER CONSUMPTION			
	Total water consumption ('000 m ³)	135	145	168
	Water consumption intensity ratio (m ³ /\$M Revenue)	216.3	176.6	187.6
	WASTE GENERATION			
	- Total waste generated (Tonnes) ⁴	-	376.0	335.3
	• Hazardous (%)	-	3.5	5.3
	• Non-hazardous (%)	-	96.5	94.7
	• Recycled (%)	-	96.5	70.3
	• Non-recycled (%)	-	3.5	29.7
	- Waste intensity ratio (Tonnes/\$M Revenue)	-	0.458	0.374
	SOCIAL			
	Gender Diversity			
	- Current Employees by gender (%)			
	• Male	51	53	59
	• Female	49	47	41
	Age-Based Diversity			
	- Current employees by age groups (%)			
	• <30 years old	41	43	51
• 30-50 years old	57	55	45	
• >50 years old	2	2	4	

³ The ESG metrics take into account data from all three manufacturing facilities, including the four months period of preparation to getting the Pasir Gudang plant, which was acquired in April 2023, fully operational in the third quarter of 2023.

⁴ Statistics were reported from FY2022 onwards.

	Metrics (Units)	2021	2022	2023 ³
	Employment			
	-New hires mix by gender (%)			
	• Male	53	52	63
	• Female	47	48	37
	-Turnover mix by gender (%)			
	• Male	53	58	52
	• Female	47	42	48
	-Average number of employees (number) ⁵	1,178	1,307	1,727
	Development & Training			
	-Average training hours per employee (Hours/Employees)	12	13	18
	Occupational Health & Safety (number of cases)			
	-Fatalities	0	0	0
	-High-consequence injuries	0	1	0
	-Recordable injuries	3	5	0
	-Recordable work-related ill health cases	3	6	0
	GOVERNANCE			
	Board Composition			
	-Board independence (%)	60	67	67
	-Women on the board (%)	0	17	17
	Management Diversity			
	-Women in the management team (%) ⁶	42	45	41
	-Management personnel hired from the local community (%) ⁷	97	97	97
	Certifications			
		CNAS ISO 17025 IATF 16949 TL9000 ISO 9001 ISO 13485 ISO 14001 ISO 45001 bizSAFE -	CNAS ISO 17025 IATF 16949 TL9000 ISO 9001 ISO 13485 ISO 14001 ISO 45001 bizSAFE -	CNAS ISO 17025 IATF 16949 TL9000 ISO 9001 ISO 13485 ISO 14001 ISO 45001 bizSAFE ISO 27001

⁵ Employees exclude part-time and temporary workers from employment agency.

⁶ Percentage has been recalculated to take into consideration management personnel across the various jurisdictions in which the Group operates.

⁷ Management personnel comprises individuals who are managers and above in the locations of the Group's operations.

Financial Highlights

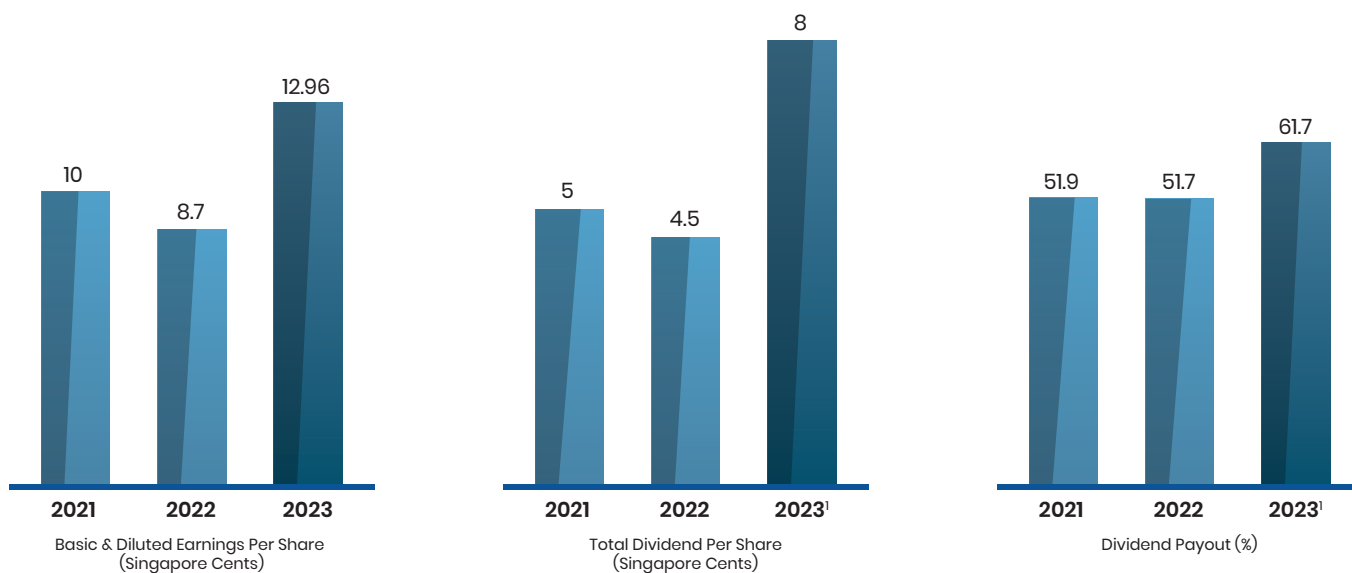
Financial Year ended 31 December	2019 \$'000	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000
Revenue	428,825	484,273	624,364	820,244	896,286
EBITDA	64,302	76,313	95,845	90,271	133,558
Profit Before Tax	54,786	66,517	84,962	80,730	123,733
Net Profit	47,172	55,727	74,380	67,187	100,012
Net current assets	663	17,962	271,271	264,352	324,301
Total assets	160,711	300,248	518,201	541,393	597,275
Total liabilities	138,012	258,625	225,233	257,390	252,332
Total borrowings	15,584	37,371	18,033	8,452	22,205
Shareholders' equity	22,699	41,623	292,968	284,003	344,943
Per Share Basis (in Singapore Cents)					
Earnings – Basic & Diluted	2.34	9.01	10.00	8.70	12.96
Net asset value	3.67	6.73	38.00	37.00	45.00
Key Financial Ratios					
Net profit margin (%)	11.0	11.5	11.9	8.2	11.2
Return on equity (%)	n.m.	n.m.	25.4	23.7	29.0
Return on total assets (%)	29.4	18.6	14.4	12.4	16.7
Current ratio (Number of times)	1.00	1.07	2.23	2.05	2.43
Gross debt to equity (Number of times)	0.69	0.90	0.06	0.03	0.06
Inventory turnover (days)	23	52	65	59	64
AR turnover (days)	88	83	80	87	84
AP turnover (days)	112	100	100	113	110

1. Basic EPS for FY2023 and FY2022 were computed based on the profit attributable to equity holders of the Company divided by weighted average number of issued ordinary share of 771,952,945 shares. Diluted EPS for FY2023 and FY2022 were computed based on the profit attributable to equity holders of the Company divided by weighted average number of issued ordinary share of 771,954,364 and 771,952,945, respectively.
2. NAV per share as at 31 December 2023 and 31 December 2022 were computed based on net assets of the Company and number of ordinary shares of 771,952,945 (excluding Treasury Shares).
3. Gross debt to equity was calculated as total borrowings divided by shareholders' funds. Total borrowings were computed as bank borrowings and lease liabilities.

n.m. denotes not meaningful

Dividends & Cash Flow Statistics

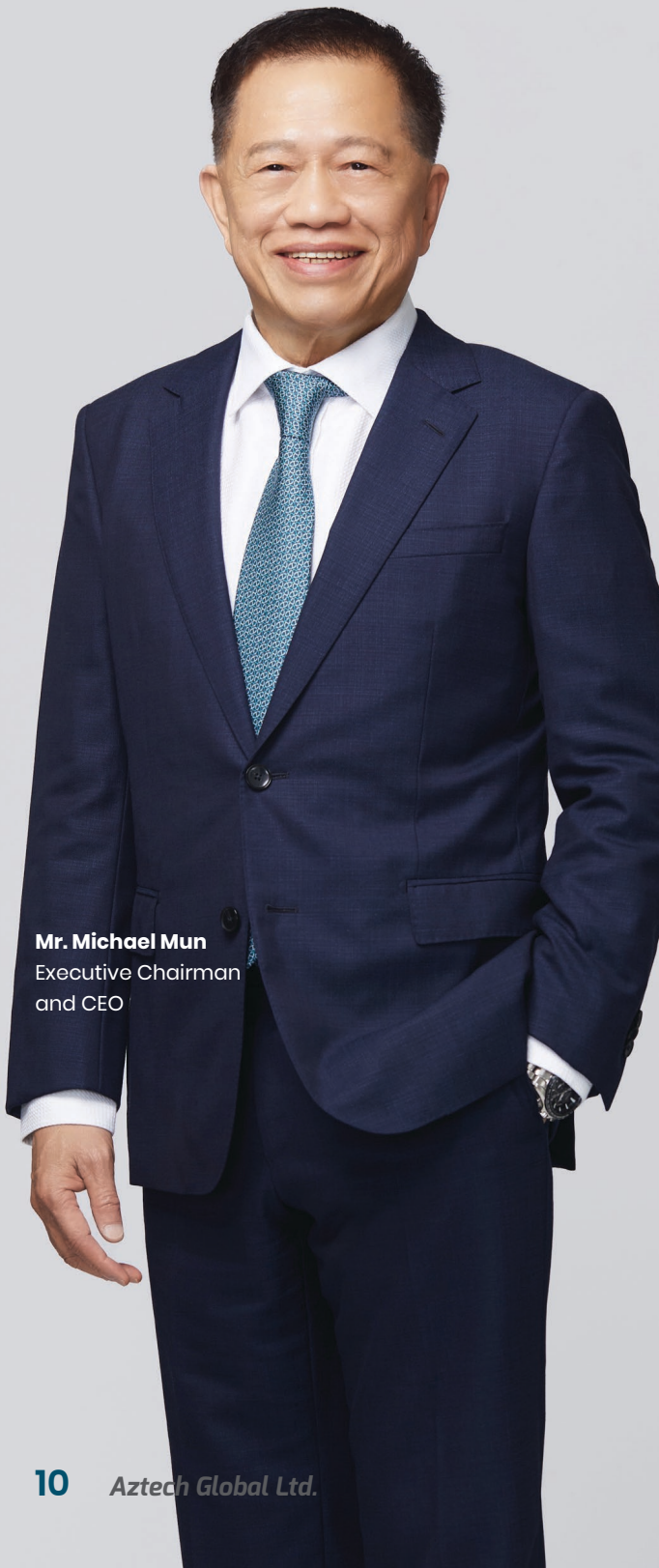
For Financial Year ended 31 December	2021	2022	2023
Dividends			
Interim dividend per share (Singapore Cents)	-	3.0	3.0
Final dividend per share (Singapore Cents)	5.0	1.5	5.0 ¹
Total dividend per share (Singapore Cents)	5.0	4.5	8.0
Dividend payout (%)	51.9	51.7	61.7
Cash flow			
Free Cash Flow (S\$'000)	37,108	104,005	79,256
Net Cash (S\$'000)	183,479	187,511	209,237



Notes:

1. Second and final dividend for FY2023 is subject to shareholders' approval at the forthcoming Annual General Meeting.
2. Dividend payout is calculated by dividing total dividend by profit attributable to owners of the Company.
3. Free cash flow comprises cash flow from operating activities less capital expenditure.
4. Net cash is calculated as cash and cash equivalents (excluding short-term investments) less total borrowings.

Letter to Shareholders



Mr. Michael Mun
Executive Chairman
and CEO

“Amidst persistent inflationary cost pressure, macroeconomic uncertainties and geopolitical tensions, the Group persevered with its unwavering commitment to build and deliver quality products to its customers. The strong collaborative partnerships with customers and suppliers had also enabled the team to meet production schedule and strengthened revenue.”

Dear Shareholders,

On behalf of the Board of Directors (the “Board”), I am delighted to present our Annual Report for the financial year ended 31 December 2023 (“FY2023”).

Aztech Global Ltd. (“Aztech” or “the Company”) and its group of subsidiaries (“the Group”) delivered record FY2023 performance.

The Group is proud to be recognised - for the second consecutive year - amongst “Singapore’s Fastest-Growing Companies in 2024” by the Straits Times⁸. The ranking reaffirmed our successful transformation - six years ago - and continuous innovation to become a full-fledged electronics design, engineering and manufacturing solutions provider that sets the stage for exciting growth ahead.

⁸ Singapore’s Fastest Growing Companies 2024 is a list of 100 local businesses that achieved high revenue growth between 2019 and 2022. The ranking was compiled by The Straits Times and Germany-based global research firm Statista since 2018 to celebrate innovation and honour corporate successes.

Record Financial Results

Amidst persistent inflationary cost pressure, macroeconomic uncertainties and geopolitical tensions, the Group persevered with its unwavering commitment to build and deliver quality products to its customers. The strong collaborative partnerships with customers and suppliers had also enabled the team to meet production schedule and strengthened revenue.

Revenue grew 9.3% year-on-year (“y-o-y”) from \$820.2 million to a new high of \$896.3 million in FY2023, translating to a strong compounded annual growth rate of 20.9% from 2018 to 2023. The improvement was driven primarily by IoT devices and data-communication products, which grew 10.1% y-o-y to \$882.3 million. The segment accounted for 98.4% of the FY2023 total revenue, and lifted contribution from the core markets of North America and Europe to 97.6% of the Group’s overall revenue compared with 96.9% a year ago.

Earnings before interest, taxation, depreciation and amortisation (“EBITDA”) surged 48% y-o-y to \$133.6 million, while EBITDA margins added 390 bps to 14.9% in FY2023. Higher investment revenue and a significant reduction in net fair value loss on foreign exchange contracts also lifted pre-tax profit by 53.3% y-o-y to \$123.7 million to achieve 400 bps increase in profit before tax margins to 13.8%.

As a result of the improvement in profits and deferred tax provision of \$7.1 million relating to undistributed retained earnings from an overseas subsidiary, the Group incurred a higher taxation. Overall, the Group’s net profit surged by 48.9% to cross \$100 million and net profit margin recorded 300 bps improvement in net margin to 11.2%. Basic and diluted EPS increased by 49% y-o-y from 8.70 cents in FY2022 to 12.96 cents in FY2023.

Strong Financial Position

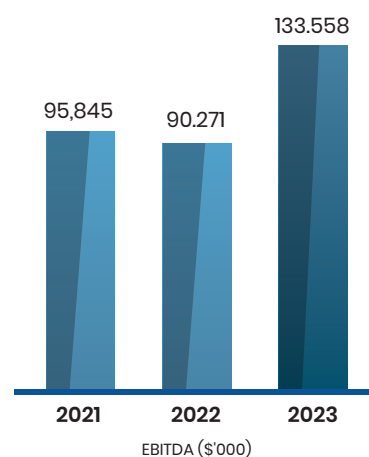
The stellar set of results was accompanied by positive free cash flow and a healthy balance sheet underpinned by the Group’s disciplined cost and prudent balance sheet management.

The Group generated positive cash flow of \$83.5 million from its operating activities and free cash flow of \$79.3 million for the year.

As at 31 December 2023, the Group’s cash and bank balances (including short-term investments) stood at \$272 million, while lease liabilities and bank borrowings totalled \$22.2 million. The increase in bank borrowings was mainly due to a term loan taken to partly fund the acquisition of the Pasir Gudang manufacturing plant.

Despite higher bank borrowings, the gross debt to equity ratio remained negligible at 0.06 times and net cash increased from \$187.5 million a year ago to \$209.2 million as at 31 December 2023 brought about by disciplined cost and prudent management of the Group’s balance sheet.

Accumulated profits of the Group reported an improvement of 67.5% y-o-y to \$162 million as at 31 December 2023, while the Group’s NAV per share was 45 cents compared with 37 cents as at 31 December 2022.



“The stellar set of results was accompanied by positive free cash flow and a healthy balance sheet underpinned by the Group’s disciplined cost and prudent balance sheet management.”

Letter to Shareholders

Strategic Growth Opportunities

The strategic acquisition of the 300,000 sq ft manufacturing facility in Pasir Gudang, Johor, Malaysia was made in November 2022 and completed in April 2023.

Within a span of few months, the Pasir Gudang facility has successfully commenced full-scale production in 3Q 2023 that effectively about doubled the Group's manufacturing built-up area to 846,000 sq ft and more than tripled its manufacturing footprint in Malaysia. It has also secured its ISO 9001, 14001 and 45001 certifications in March 2024.

With an enlarged manufacturing capacity in Malaysia, the Group is now well poised to capitalise on the growth of the IoT market and seize new electronics manufacturing services opportunities in the rapidly evolving technology terrain. Strategically, the plant plays a pivotal role in supporting the Group's growth, business continuing needs as well as the production diversification requirements of its customers.

Sustainable Growth

The Group believes its long-term success hinges on sustainable business strategy, processes, practices and policies that safeguard its long-term value creation ability, and is committed to manage, monitor and disclose its material Economic, Environmental, Social and Governance ("EESG") factors, in particular greenhouse gas emissions ("GHG"), over the short, medium and long term.

During the year, the Group has also identified, quantified and disclosed its Scope 1 and 2 GHG emissions that aligns with the Global Reporting Initiative ("GRI") standards, the Task Force on Climate-related Financial Disclosure ("TCFD") framework and GHG Protocol as part of its commitment to proactively manage climate-related risk and opportunities.

In addition, the Group has established its Sustainable Packaging Materials team to explore, recommend and implement the use of responsibly sourced and environment friendly materials to mitigate impact from packaging waste. It is also committed to equipping and developing employees with green skills and exploring technical solutions critical to its transitioning to being a sustainable, lower carbon and resource efficient electronics manufacturing services provider.

Under the guidance of our Board, the Group remains steadfast in integrating sustainability principles throughout its business operations to decarbonise to achieve net-zero GHG emissions target by 2040.

Outlook

The Group aims to grow its business while navigating the uncertain macroeconomic trend in major markets it participates in, and as geopolitical tensions and inflationary cost of business continued into 2024⁹. In view of the business conditions, the Group remains committed to the disciplined management of its costs and balance sheet.

Having secured several new customers during the year, the business development team will continue building on new customer acquisition momentum to drive growth, while growing our business with existing customers.

The Group will also continue to adapt and innovate novel solutions to capture new markets and opportunities in the growing IoT market, where the longer-term prospects remain bright – driven by rising smart city initiatives, growth of wireless networking technologies, growing need for digitalisation and advances in machine learning and Artificial Intelligence ("A.I.") technologies, to name a few¹⁰.

“ Having secured several new customers during the year, the business development team will continue building on new customer acquisition momentum to drive growth, while growing our business with existing customers. ”

⁹ IMF World Economic Outlook Update: Moderating Inflation and Steady Growth Open Path to Soft Landing, January 2024.

¹⁰ Verified Market Reports, May 2023: Global IoT devices market is valued at US\$102.35 billion in 2022, and is projected to grow at a 2023-2030 CAGR of 22.19% to reach US\$508.25 billion in 2030.

Proposed Final Dividend

Having achieved a new profit milestone in FY2023, the Board recommends a final cash dividend of 5 cents a share on a one-tier tax-exempt basis for shareholders' approval at the forthcoming Annual General Meeting.

Including the interim dividend paid in August 2023, the total dividend declared for FY2023 will be at a high of 8 cents a share since its listing. This represents a distribution of 61.7% of the Group's attributable profit and an increase of 77.8% from 4.5 cents a share a year ago. The final dividend, if approved, will be paid on 30 April 2024.

Though it does not have a fixed dividend policy, the Group is committed to paying at least 30% of its profit before exceptional items following considerations of its financial performance, distributable reserves and cash flow, funding needs for operations, expansion, acquisition and the general economic conditions.

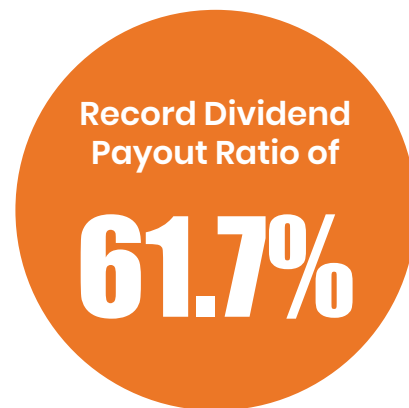
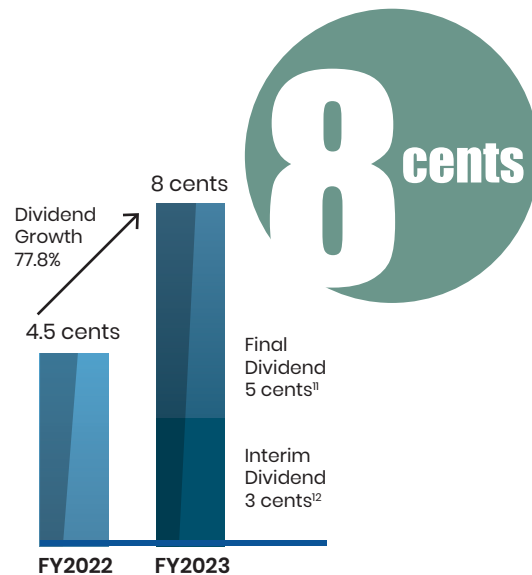
Appreciation

On behalf of the Group, I extend my sincere gratitude to fellow Board members whose invaluable counsel and foresight has been instrumental in directing the Group to continued growth amidst global uncertainties.

I would also like to acknowledge Aztech team's commitment and drive in manoeuvring the various challenges, and getting the Pasir Gudang plant fully operational on-time.

On behalf of the Board, our heartfelt appreciation to our shareholders, customers, suppliers, business partners, bankers and business associates for your support and confidence in us. We look forward to your continued support and fruitful collaborations to energising new vision of growth ahead.

Michael Mun
Group Executive Chairman & CEO



¹¹ Subject to shareholders' approval at the forthcoming AGM
¹² Dividend was paid on 11 August 2023

Board of Directors



Christopher Huang

Tan Teik Seng

Jeremy Mun

Michael Mun

Jeann Low

Larry Tan

Michael Mun Hong Yew | Age: 74

Executive Chairman And Chief Executive Officer

Date of first appointment as a Director | 27 May 2009

Date of last re-election as a Director | 28 April 2022

Board Committee memberships: -

Number of directorships in other listed companies as at 31 December 2023: -

Mr Michael Mun Hong Yew is the Executive Chairman and Chief Executive Officer of Aztech Global Ltd. A veteran of more than 45 years in the electronics industry, Mr Mun is responsible for steering the strategic growth of the Group. He has successfully transformed the Group from a PC manufacturer to a multi-disciplinary business that designs, engineers, manufactures and sells IoT devices, data-communication, niche LED lighting and other electronics products today. In addition to identifying and implementing business growth strategies, Mr Mun oversees the operating functions and growth platforms of the Group. Mr Mun began his career with the Singapore office of Rank O'Connors, a British consumer electronics distributor, in 1975 prior to his founding of Aztech in 1986.

Jeremy Mun Weng Hung | Age: 48

Executive Director And Chief Operating Officer

Date of first appointment as a Director | 8 August 2017

Date of last re-election as a Director | 30 April 2021

Board Committee memberships: -

Number of directorships in other listed companies as at 31 December 2023: -

Mr Jeremy Mun Weng Hung is the Executive Director and Chief Operating Officer of the Group. Jeremy is responsible for the day-to-day operations and management of the Group's businesses, in particular the manufacturing facilities in China and Malaysia. He is also responsible for directing the Group's manufacturing network and growth. In addition, Jeremy heads the Sustainability Committee, and is responsible for the development, formalisation and implementation of sustainability policies, objectives and strategies. Jeremy has been with the Group since 2002, and was previously involved in the product development and sales of LED lighting business prior appointment to the current role.

Jeremy holds a Bachelor of Science in Management from the University of London and completed the Advanced Management Program by Harvard Business School.

Larry Tan Jwee Meng | Age: 66

Lead Independent Director

Date of first appointment as a Director | 19 February 2021

Date of last re-election as a Director | 28 April 2023

Board Committee memberships:

- Member, Audit Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Number of directorships in other listed companies as at 31 December 2023: -

Mr Larry Tan Jwee Meng was appointed the Lead Independent Director with effect from 1 May 2023. Mr Tan is also member of the Company's Audit, Nominating and Remuneration committees. He joined the Board on 19 February 2021. Mr Tan was previously the Asia President of Texas Instruments Singapore Private Limited from July 2007 till his retirement in July 2018. Mr Tan started his career as a process engineer at the memory product division of Texas Instruments Singapore Private Limited in 1979 before taking on few other portfolios as engineering manager, manufacturing manager as well as site quality and reliability manager. Subsequently, he rose to assume the role of vice president of marketing in the Asia Pacific sales and marketing division in 1991 and progressed to become the vice president of sales from 1993.

Mr Tan holds a Bachelor of Science with Honours Class 1 (Mechanical Engineering) from the University of Birmingham and a Master of Business Administration from Brunel University.

Board of Directors

Tan Teik Seng | Age: 69

Independent Director

Date of first appointment as a Director | 19 February 2021

Date of last re-election as a Director | 28 April 2023

Board Committee memberships:

- Chairman, Nominating Committee
- Member, Audit Committee
- Member, Remuneration Committee

Number of directorships in other listed companies as at 31 December 2023: -

Mr Tan Teik Seng is the Independent Director and Chairman of the Company's Nominating Committee following his re-appointment from 1 May 2023. Mr Tan, who was first appointed to the board on 19 February 2021, is the Executive Director of Teleios SC Pte Ltd, a boutique executive search firm. Mr Tan possesses over 30 years of experience in the electronics industry, and he was previously the senior managing director at Advanced Micro Devices (Singapore) Pte Ltd overseeing its Singapore and regional operations.

In addition, Mr Tan held directorships in Nasdaq-listed O2Micro International Ltd from 2010 to 2022 and in non-profit organisations. From 2015 to 2019, he was the vice-chairman of the board of directors at The Helping Hand, a halfway house for the rehabilitation of ex-drug addicts. At Bizlink Centre Singapore Ltd, a non-profit organisation that provides sheltered workshop and employment placement services for the disadvantaged and disabled, Mr Tan was a non-executive director from 1999 to 2013, and was the chairman of its board from 2001 to 2010.

Mr Tan holds a Bachelor in Electrical Engineering and a Master of Science in Industrial Engineering from the National University of Singapore. He is a Fellow of the Singapore Human Resource Institute and a member of the Singapore Institute of Directors.

Christopher Huang Junli | Age: 38

Independent Director

Date of first appointment as a Director | 19 February 2021

Date of last re-election as a Director | 28 April 2022

Board Committee memberships:

- Chairman, Remuneration Committee
- Member, Audit Committee
- Member, Nominating Committee

Number of directorships in other listed companies as at 31 December 2023: 1

Mr Christopher Huang Junli is the Independent Director and was appointed Chairman of the Company's Remuneration Committee with effect from 1 May 2023. Mr Huang was first appointed to the board on 19 February 2021. In addition, Mr Huang is the independent non-executive Chairman of the

Mainboard listed Fu Yu Corporation Limited, and chairs the remuneration committee. He is also the managing director of CHP Law LLC and advises on various areas of law, with a focus on the legal and tax aspects of cross border commercial transactions, including transfer pricing. Prior to his founding of CHP Law LLC in April 2019, Mr Huang headed CNP Tax and Advisory Pte Ltd and the tax practice group of Colin Ng & Partners LLP. He joined Colin Ng & Partners LLP (now known as CNPLaw LLP) in April 2015 and became a partner in 2018. He started his career in Australia as an accountant at Hastings Deering Australia Limited, and has worked as business manager at Adcomp Technology Pte Ltd, as a tax associate in the transfer pricing department of PricewaterhouseCoopers, and as a tax lawyer at VoskampLawyers.

Mr Huang holds a dual degree in law (LL.B.) and commerce (B.Com) from the University of Queensland (Australia).

Jeann Low Ngiap Jong | Age: 63

Independent Director

Date of first appointment as a Director | 1 August 2022

Date of last re-election as a Director | 28 April 2023

Board Committee memberships:

- Chairman, Audit Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Number of directorships in other listed companies as at 31 December 2023: 4

Ms Jeann Low Ngiap Jong was appointed to the Board as Independent Director on 1 August 2022, and was appointed Chairman of the Company's Audit Committee with effect from 1 May 2023. Ms Low is also the Independent Director and member of the Audit Committee at CapitaLand Integrated Commercial Trust Management Limited (the Manager of Mainboard listed CapitaLand Integrated Commercial Trust) and Hong Leong Finance Limited, Non-Executive Director and member of Nomination and Compensation Committee of Advanced Info Service Public Company Limited¹³, and Non-executive Director of Intouch Holdings Public Company Limited¹³. Prior to her current role as Senior Advisor to Singapore Telecommunications Limited ("Singtel"), Ms Low was the Group Chief Corporate Officer of Singtel from April 2015 until April 2021. As the Group Chief Corporate Officer, Ms Low was responsible for Singtel's corporate functions including mergers and acquisitions, corporate communications, legal, regulatory, risk management and procurement. She was previously Singtel's Group Chief Financial Officer for seven (7) years. Ms Low joined Singtel in October 1998 as Group Financial Controller and held several management roles including Executive Vice President of Strategic Investments and CFO of Optus.

Ms Low holds an Honours Degree in Accountancy from the National University of Singapore and is a Fellow Member of the Institute of Singapore Chartered Accountants.

Senior Management



Pavani Nagarajah

*Senior Vice President –
Legal And Corporate Affairs
Company Secretary*

Pavani Nagarajah is the Senior Vice President of Legal and Corporate Affairs as well as the Company Secretary. She is responsible for overseeing all legal and corporate matters of the Group, and ensuring compliance with statutory and regulatory requirements. Pavani oversees all of the Group's legal functions and works with management team to identify, assess and mitigate legal risk exposures from the Group's business contracts and transactions. In addition to the legal portfolio, she heads the Group's investor relations function. Pavani has been with the Group for more than 26 years. She was previously a Senior Manager, Legal at Yamaha Music (Asia) Pte Ltd in Singapore.

Pavani holds a Bachelor of Laws from the National University of Singapore.



Daniel Oh

*Senior Vice President –
Sales And Business Development*

Daniel Oh is the Senior Vice President of Sales and Business Development. He oversees and drives the business development activities of the Group's OEM/ODM/JDM/CMS services for IoT devices and Data-communication products division. Daniel has been with the Group for more than 28 years and has accumulated more than 30 years of experience and knowledge in international sales for advanced and inter-connected devices. Prior to joining the Group in 1996, he was a Sales and Production Manager at Trio-Tech International Pte Ltd.

Daniel holds a Diploma in Electrical Engineering from Singapore Polytechnic and an Advance Diploma in Management Studies from the Singapore Institute of Management.



Annie Qian

Financial Controller

Annie Qian is the Financial Controller. She oversees the Group's accounting and regulatory compliance requirements including financial budgeting, forecasting, variance analysis, regulatory reporting, tax filings and internal controls to ensure quality control over financial transactions and financial reporting. Annie joined the Group in July 2016 as finance manager, and was subsequently promoted to the current position in November 2017. She was formerly a Senior Accountant at Dealguru Holdings Pte. Ltd. from May 2014 to June 2016, and was an Accountant at MindChamps Singapore Pte. Limited from January 2012 to October 2013 and at Sheffield Offshore Services Pte Ltd from November 2013 to April 2014.

Annie holds a Bachelor of Science in Applied Accounting (Honors) from Oxford Brookes University, and is a member of the Institute of Singapore Chartered Accountants.

Senior Management



Terence Kwong

*Vice President –
Research And Development*

Terence Kwong is the Vice President of Research and Development. He oversees the R&D activities of the Group and is responsible for charting the Group's technological roadmap. Possessing over 27 years of professional experience in electronics and product development, Terence has been instrumental in leading the Group's product development and technologies research teams for IoT, Data-communication, smart LED lighting and vision line of technological products. Being with the Group for more than 19 years, Terence has developed expertise in electronics and mechanical engineering integration critical to delivering strong concept-to-product realisation for customers.

Terence holds a Bachelor of Engineering in Electronic Engineering from the City University of Hong Kong.



Ivan Mun

*Vice President –
Business Development*

Ivan Mun is the Vice President of Business Development. He oversees the international business development activities and expansion of the Group's products in the international markets. He re-joined the Group on 2 January 2024 following the completion of secondment to KEEP Labs Inc as the Global Head of Operations and Manufacturing from 1 February 2022. Ivan was involved in managing the production roll out and expansion of KEEP's business in the North American markets. Prior to the secondment, Ivan was with the Group for 15 years and was most recently the Vice President of Sales and Marketing responsible for the business development activities of the Group's IoT Devices and LED lighting products for Singapore market. Previously, he was involved in sales activities for electronics products in Hong Kong and the PRC. Currently, Ivan is also a director at Aztech Innovation Pte. Ltd. and AVS Investments Pte. Ltd.

Ivan holds a Master of Business Administration from Murdoch University.

Operations Review



Visit to Pasir Gudang Manufacturing Facility by our Independent Directors

The Group delivered encouraging FY2023 revenue growth to a new high of \$896.3 million despite the ongoing macroeconomic uncertainties, geopolitical tensions and inflationary cost pressures.

Revenue growth was driven primarily by the IoT devices and data-communication products segment that contributed 98.4% of the Group's total revenue in FY2023.

IoT Devices and Data-communication products segment generated a revenue of \$882.3 million, which was an increase of 10.1% y-o-y from \$801.7 million in the preceding year. The improvement led to the achievement of a strong CAGR of 37.8% from \$177.8 million since its transformation in FY2018 to \$882.3 million in FY2023.

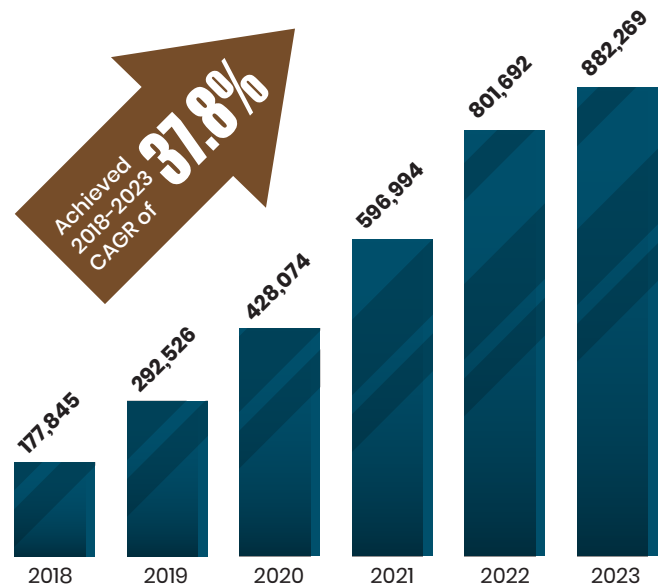


Figure 1: 2018-2023 Revenue Trend of IoT Devices & Data-communication Products (in \$'000)

Operations Review

Enhanced Manufacturing Footprint

As part of the Group's strategy to expand its manufacturing capacity to support growth, business continuity needs and production diversification requirements of its customers, the acquisition of the 300,000 sq ft manufacturing facility at Pasir Gudang, Johor, Malaysia ("Pasir Gudang facility") was made in November 2022 and completed on 1 April 2023. The Pasir Gudang facility has successfully began its full-scale operations during the third quarter of 2023, and lifted the Group's total manufacturing built-up area to approximately 846,000 sq ft.

With an enlarged manufacturing footprint in Malaysia, the Pasir Gudang facility plays a pivotal role in enhancing the Group's design and manufacturing capabilities, and enabling sustainable manufacturing of IoT devices and electronics products, thus, positioning the Group in seizing greater value orders from existing customers and capturing new growth opportunities.

Manufacturing Excellence

Following its transformation as a full-fledged electronics design, engineering and manufacturing solutions provider in 2018, the Group has been relentless in its pursuit of manufacturing excellence to entrench its position as a manufacturing partner of choice.

In demonstration of its commitment to customers on excellent manufacturing process, product quality and safety, the Group has maintained and secured relevant certifications such as ISO9001, ISO13485, ISO14001, TL9000, IATF-16949, CNAS and ISO45001. Our Pasir Gudang facility has secured the following ISO certificates in March 2024:



Sustainable Manufacturing

The Group seeks to be a responsible partner to its suppliers and customers. In addition to ethical sourcing, it has taken a proactive and deliberate approach to integrating sustainability principles to develop a responsible and climate-resilient business strategy to future-proof its key technology enabling capabilities to create long-term value for its stakeholders.

During the year, several core qualified suppliers were assessed to ensure their compliance with the Group's policies, regulatory requirements and best practices including conflict-free minerals sourcing, respect for human rights, including workplace health and safety to develop resilient supply chain to uphold integrity and security of the Group's procurement and manufacturing operations.

To drive decarbonisation of its operations, the Group has embarked on developing its GHG inventory starting with the identification, quantification and disclosure of its Scope 1 and 2 GHG emissions. It has also established Sustainable Packaging Materials team to explore, recommend and implement the use of responsibly sourced and environment friendly materials to mitigate impact arising from and to minimise packaging waste.

The Group reported higher carbon emissions, energy and water consumption in FY2023 mainly due to the addition of the Pasir Gudang plant and higher business activities post-pandemic. To mitigate the impact on the environment, efforts are ongoing to identify sustainable packaging, energy

and water savings potentials to improve consumption efficiency and reduce carbon emissions. The Group’s waste management efforts has, however, bore fruits with its manufacturing facilities reporting reduction in the amount of waste generated in 2023.

More training hours were provided for employees in 2023 to improve work productivity and reduce lost work hours from work injuries. The Group achieved zero work accidents in FY2023 and is committed to equipping and developing employees with right skills, including green skills & talents, and exploring technical solutions critical to its transitioning to becoming a lower carbon and more resource efficient electronics manufacturing services provider towards its net-zero carbon emissions target by 2040.



Diagram 7: Market Segments Aztech Serves



Kyla Indoor/ Outdoor Bullet & Dome IP Camera and Network Video Recorder

Realignment of IoT and Electronics Manufacturing Services Portfolio

Leveraging its core strengths in electronics design and manufacturing, and its entrenched position with customers in the IoT space, the Group has been pursuing synergistic development opportunities with business partners through the ODM, JDM and CMS models and has reaped meaningful progress.

The Group has secured several new customers during the year. These include US-based solutions providers spanning from smart baby monitoring, health-tech wearables to kitchen scrap management and a Singapore-based health-tech company in respiratory monitoring. The business development team, meanwhile, will continue its collaboration with R&D and engineering teams to expand the Group’s IoT and electronics manufacturing services, to build smarter, simpler and greener products to deepen its penetration with existing customers, while engaging with new customers and business partners to build on its new customer acquisition momentum to drive growth.

Riding on the growth trend powered by AI. and edge computing, the Group has realigned its IoT and electronics manufacturing services portfolio to focus on capitalising opportunities in automotive, communications, consumer, health-tech, industrial and security segments.

The Group has, for instance, launched its new Vision Technology line of product, namely IP (“Internet Protocol”) Cameras under “Kyla” brand in August 2023. The IP camera has been making steady progress at the preschool education market segment with the onboarding of preschool chain operators. With the mandatory installation of surveillance cameras in preschools and government-funded early intervention centres in Singapore by the Early Childhood Development Agency from 1 July 2024, the IP camera is expected to continue its growth.

With innovation being part of the Group’s DNA – a catalyst that shapes its growth – the Group is energising its Vision Technology product line with innovative technology including AI. to simultaneously empower meaningful business applications and efficiently manage scarce resources to drive impact that matters.

Energising Sustainability

Aztech understands the critical role of sustainability in driving long-term value creation for our shareholders, fostering positive relationships with our stakeholders, and contributing to the well-being of the communities in which we operate.

The commitment to sustainability is ingrained in Aztech's culture and business strategy. We have incorporated five key sustainability thrusts - Aztech Ethos, Smarter Product, Ethical Sourcing, Waste Minimisation and Decarbonisation - into our sustainability strategy to direct the conduct of our business in a responsible and sustainable manner to impact lives positively and meaningfully as a key technology enabler for the connected world of tomorrow.

As an electronics manufacturer, we understand the environmental impact of our operations and are committed to minimising our carbon footprint, reducing energy consumption and promoting resource efficiency to mitigate environmental risks and contribute to a greener future.

Having built our operations on the foundation of respect for human rights, labour standards, and community engagement, we prioritise health, safety and well-being of our employees, ensuring equitable compensation, safe working conditions and opportunities for professional development. In addition, we actively engage with local communities to address their needs, and promote social inclusion and diversity.



Singapore, May 2023: Project Refresh - Cleaning Homes, Moving Hearts. Donated portable blenders and joined 500 volunteers to refurbish homes of 75 seniors in the Tampines community.

Our Prized Community Engagements

Singapore: Project Refresh

Aztech takes pride in our commitment to community welfare through our Corporate Social Responsibility ("CSR") initiatives. Incorporating our key sustainability thrusts, we have proactively engaged organisers to gain insights into the specific needs of the beneficiaries to ensure that the donations are beneficial to those we seek to assist. In line with our environmental responsibility, we strive to minimise our carbon footprint by consolidating distribution efforts. To uphold privacy standards, we adhere strictly to the Personal Data Protection Act and obtain the necessary permissions for image usage from event organisers. We maintain continuous communication with the aim of serving our local communities better. In addition, our hands-on approach has allowed us to provide personalised assistance and support where it is needed most. We measure our success not only by the number of items distributed but also by the satisfaction levels of our beneficiaries and the feedback received from our event organisers. Empathy and understanding are integral not only to our CSR endeavours but also to our business ethos. By prioritising the well-being of others, we strengthen our connections within the community and reaffirm our commitment to making positive difference.



Participated in support activities for poor households in Jiujiang Shui Village



Sponsored Jiujiang Shui Village Sports



Participated in environmental sanitation and cleaning activities



Organised employees to participate in voluntary blood donation

Dongguan: Actively Responding to Calls for Community Engagement

Aztech's operations in Dongguan, China extends beyond the call for manufacturing. To drive its impact to the local community in sustainable manner, our team in Dongguan has been paying consistent attention and actively responding to calls for community engagement from various charities and NGOs ("Non-Government Organisations").

For more information on the Group's sustainability initiatives, progress and targets, please refer to our Sustainability Report 2023 at

<https://aztechglobal.com/sustainability/index.html>

Investor Relations

Guided by the Company's Investor Relations ("IR") Policy, Aztech is committed to engaging shareholders and the investment community through regular, effective and fair communication to provide timely and accurate information necessary to make well-informed investment decisions. Timely announcements including financial results, press releases, annual and sustainability reports are posted on SGXNet as well as in the IR section of our corporate website to facilitate fair, equal and timely access to information.

The IR programme seeks to balance disclosure that is in compliance with the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), Singapore Code of Corporate Governance 2018 and current best practices with the need to safeguard commercial sensitivities.

The IR team works closely with Senior Management to proactively carry out its IR programme, and feedback gathered was reported to Senior Management and the Board of Directors.

During the year, the IR team held virtual and in-person meetings with analysts, investors as well as participated in virtual non-deal roadshows. It also organised virtual results briefings and Q&A sessions for sell- and buy-side analysts, and addressed queries from analysts, shareholders and investors through emails and telephone calls.

Following the easing of travel restrictions to China, the team organised site visits to our manufacturing facilities in Dongguan and Pasir Gudang and our R&D centre in Shenzhen to proactively engage and actively work with sell-side analysts in a bid to help the investment community better understand Aztech's business and growth opportunities. Four sell-side research houses currently provide coverage on Aztech Global and a total of 19 reports, site visit notes and updates were published during the year.



Dongguan Site Tour



Pasir Gudang Site Tour



Investor Relations

In 2023, we held our Annual General Meeting (AGM) physically and provided our shareholders the opportunity to interact with the Board and Senior Management. Several new products were displayed for shareholders' examination and to facilitate their understanding of our business at the meeting. Shareholders were also provided opportunities to submit questions relating to the proposed resolutions prior to as well as during the AGM. The responses to pre-submitted substantial and relevant questions were addressed and released on SGXNet and our corporate website before the meeting. All questions raised by shareholders during the meeting were addressed by the Board. Presentation materials, voting results and meeting minutes were also released on SGXNet and our website.

The IR section of our corporate website serves as a repository of the Company's information including announcements, half-yearly results and voluntary business updates, annual reports, stocks and dividend information. The link as below: <https://www.aztechglobal.com/investor-relations/index.html>

The Sustainability section of our corporate website provides access to our sustainability reports and our ESG policies. The links are as below:

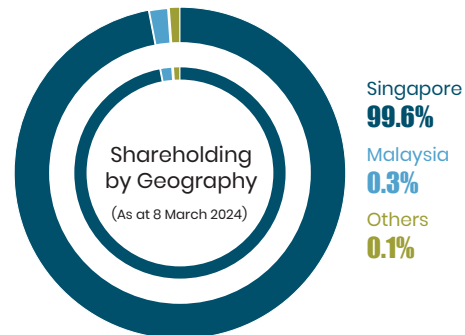
<https://aztechglobal.com/sustainability/index.html>

<https://aztechglobal.com/sustainability/policies.html>

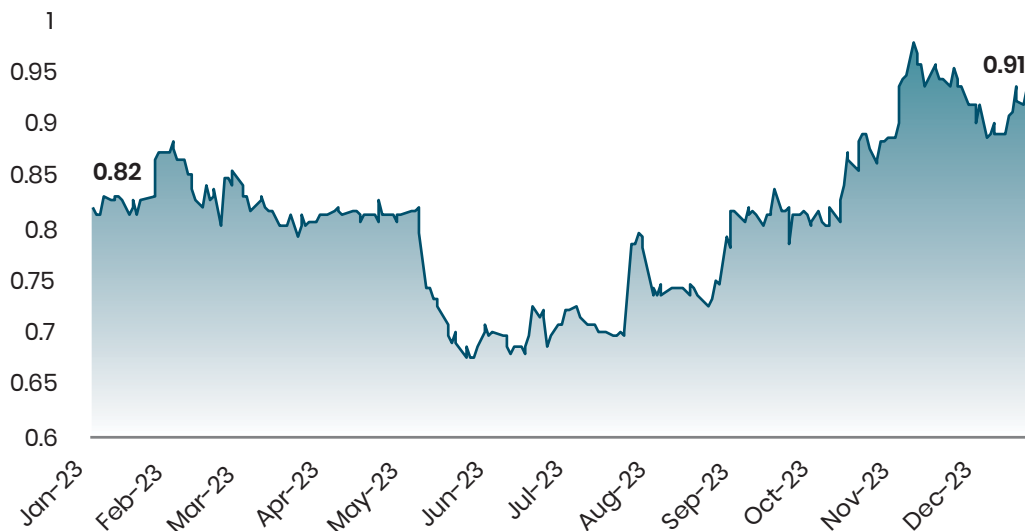
Shareholders and investors can reach out to IR contact via the dedicated email address (IR@aztech.com).

The Group believes in and is committed to growing its long-term shareholder value through:

- continual nurturing of new customers;
- maintaining its lean and cost-efficient culture;
- making decisions that generate long-term shareholder value;
- building engineering strength to address evolving complexity demands of the industry; and
- embracing the discipline to make meaningful environment and social impact as a key technology enabler for the connected world of tomorrow.



Jan - Dec 2023 Share Price Movement



Corporate Governance Report

Aztech Global Ltd. (“**Aztech**”, the “**Group**” or the “**Company**”) is fully committed to upholding the highest standards of corporate governance and has in place a robust governance framework with well-defined policies, internal controls and business practices to maintain integrity and accountability in all its activities and to protect the interests of its shareholders. The Group has complied in all material respects with the principles and provisions of the Singapore Code of Corporate Governance 2018 (the “**Code**”).

This report sets out the Group’s corporate governance practices with reference to the Code. Any deviations from the provisions of the Code are appropriately explained to demonstrate that the Company’s practices are consistent with the intent of the Code.

BOARD MATTERS

PRINCIPLE 1- THE BOARD’S CONDUCT OF AFFAIRS PRINCIPLE 2- BOARD COMPOSITION AND GUIDANCE

The Board’s Role

The Board of Directors (“**Board**”) oversees the business affairs and performance of the Group and sets the strategic direction of the Group, with a focus on creating value for its shareholders and ensuring the long-term success of the Group through innovation and sustainability. The directors of the Company (“**the Directors**”) are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance.

The Board’s principal functions include providing guidance to Management on the Group’s strategy, reviewing Management’s performance, overseeing the corporate governance of the Group and setting the tone for the Group in relation to values and ethical standards of conduct.

The Board is also responsible for establishing and overseeing the implementation of a sound risk management framework to identify, manage and mitigate risks, ensuring compliance with the applicable legislative and regulatory requirements, reviewing and approving budgets and financial plans, monitoring the Group’s financial performance, approving the remuneration policies and guidelines for the Board and Management, reviewing the performance of senior Management and overseeing succession planning.

The term “Management” is used interchangeably with “Key Management Personnel” in this Annual Report.

Matters Requiring Board Approval

The key matters requiring board approval include:

- (a) Annual budgets and business plans;
- (b) Announcement of half-yearly and full-year results and release of annual reports as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”);
- (c) Any alteration to the share capital of the Company or the issuance of shares;
- (d) Declaration of interim dividends and proposal of final dividends;
- (e) Any investment, divestment, material acquisition or disposal of assets or capital expenditure exceeding threshold limits as approved by the Board from time to time;
- (f) Any borrowings, lending of funds or incurring of financial liabilities or commitment related to grant of guarantees, securities and collateral guarantees by the Group;
- (g) The entering into of any profit-sharing arrangement with any other person;
- (h) Interested person transactions;
- (i) The creation of any mortgage over any of the Group’s immovable property or any lien or charges created; and
- (j) Any amendments to the constitution of the Company (“**Constitution**”).

Corporate Governance Report

All matters which are not specifically reserved for the Board and are necessary for the day-to-day management of the Company and the implementation of corporate objectives are delegated to the Management.

Board Size and Composition

The Board comprises the following Directors:

Name of Director	Age	Position held on the Board	Nature of Appointment
Michael Mun	74	Executive Chairman and CEO	Executive/ Non-Independent
Jeremy Mun	48	Executive Director and COO	Executive/ Non-Independent
Larry Tan	66	Lead Independent Director	Non-Executive/ Independent
TS Tan	69	Independent Director	Non-Executive/ Independent
Jeann Low	63	Independent Director	Non-Executive/ Independent
Christopher Huang	38	Independent Director	Non-Executive/ Independent

*Mr Jeremy Mun is the son of Mr Michael Mun.

Further key information of the Directors is disclosed in pages 15 and 16 of this Annual Report.

The size and composition of the Board are reviewed from time to time by the Nominating Committee. The Nominating Committee seeks to ensure that the size of the Board is conducive for effective discussion and decision-making and that the Board has an appropriate balance of executive, independent and non-independent Directors and diversity in expertise, skills and attributes among the Directors.

The Board comprises two (2) Executive Directors and four (4) independent Directors who are independent from Management, the Company's substantial shareholders and the Company's wholly-owned subsidiaries. The Board has appointed a Lead Independent Director. A description of the role of the Lead Independent Director is set out on page 32.

Board Committees

The Board has established the following three (3) committees to assist the Board in discharging its responsibilities:

- (a) Audit Committee (“**AC**”)
- (b) Nominating Committee (“**NC**”)
- (c) Remuneration Committee (“**RC**”)

Each Board Committee has written terms of reference which set out its composition and responsibilities. These terms of reference are regularly reviewed to ensure their continued relevance and to reflect any changes in corporate governance or legal practices. Any changes to the terms of reference of any Board Committee will require Board approval. Each Board Committee comprises only Independent Directors.

The Board Committees report their decisions and/or recommendations to the Board. Notwithstanding the delegation of authority to the Board Committees on specified matters, the ultimate responsibility for all matters lies with the Board. The key responsibilities of the respective Board Committees are as follows:

Corporate Governance Report

Key Responsibilities of the Board Committees		
AC	NC	RC
<ul style="list-style-type: none"> Monitoring financial performance Identifying and managing significant risks 	<ul style="list-style-type: none"> Overseeing Management's performance Succession planning 	<ul style="list-style-type: none"> Determining and reviewing compensation levels

Board and Board Committee Meetings

The Board of Directors and Board Committees meet regularly to discuss corporate governance, strategy and operational matters. Ad hoc meetings may be held as and when warranted by circumstances.

Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors to enable the Directors to plan ahead for their attendance at these meetings.

The Board of Directors and Board Committees are provided with the agenda, board papers and any other relevant materials prior to each Board and Board Committee Meeting to enable them to be properly informed of matters to be discussed and/or approved at such meetings. Attendance at Board and Board Committee meetings via electronic means is permitted under the Company's Constitution. Directors who are unable to attend a Board or Board Committee meeting can discuss issues relating to the matters to be raised at the meeting with the other Board or Board Committee members.

A record of the Directors' attendance at Board and Board Committee meetings during the financial year ended 31 December 2023 ("FY2023") is set out below.

Directors' attendance at Board/ general meetings during FY2023

Name of Director	Board Meetings	Independent Directors' Meeting	Annual General Meeting on 28 April 2023
Michael Mun	8 of 8	N/A	✓
Jeremy Mun	7 of 8	N/A	✓
Larry Tan	8 of 8	✓	✓
Jeann Low	8 of 8	✓	✓
TS Tan	8 of 8	✓	✓
Christopher Huang	8 of 8	✓	✓

Directors' attendance at Board Committee meetings during FY2023

Name of Director	AC	NC	RC
Michael Mun	9 of 9 (by invitation)	4 of 4 (by invitation)	3 of 3 (by invitation)
Jeremy Mun	8 of 9 (by invitation)	3 of 3 (by invitation)	Not applicable
Larry Tan	9 of 9	4 of 4	3 of 3
Jeann Low	9 of 9	3 of 3 meetings held since Ms Jeann Low became a member of the NC on 1 May 2023	2 of 2 meetings held since Ms Jeann Low became a member of the RC on 1 May 2023
TS Tan	9 of 9	4 of 4	3 of 3
Christopher Huang	9 of 9	4 of 4	3 of 3

Corporate Governance Report

Independent Directors

A Director is considered independent if he or she has no relationship with the company, its related corporations, substantial shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company. The Board considers the existence of relationships or circumstances, including those identified by the Listing Manual of the SGX-ST ("**Listing Manual**") and the Practice Guidance to the 2018 Code ("**Practice Guidance**"), that are relevant in its determination as to whether a Director is independent.

The responsibilities of the Independent Directors include:

- (a) assisting with developing and reviewing plans and strategies proposed by the Executive Directors and Management;
- (b) reviewing the performance of Management in achieving goals and objectives; and
- (c) evaluating Board processes, succession planning, corporate governance initiatives and the Group's performance.

The Independent Directors, led by the Lead Independent Director, meet at least once a year without Management to review Management's performance in meeting goals and objectives, or to discuss any other relevant matters. Such meetings allow the Independent Directors to provide objective and independent checks on Management. Feedback is also provided by each Director in a formal Board Evaluation Questionnaire annually. The feedback provided is consolidated in a report which is presented to the NC and the Board for review. All Directors have demonstrated objectivity in their deliberations in the best interests of the Company.

The NC reviews the independence of Directors annually, and as and when circumstances require, pursuant to guidelines set out in the Code and Rule 210(5)(d) of the Listing Manual and presents its recommendations to the Board. Directors are required to disclose any relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise. Each Independent Director completes an annual declaration form confirming his or her independence which is then reviewed by the NC.

Based on the declarations provided by the Directors and taking into account the guidance in the Code, the Listing Manual and the Practice Guidance, the Board, with the input of the NC, has determined that Mr Larry Tan, Ms Jeann Low, Mr TS Tan and Mr Christopher Huang are each independent. Each such Director had abstained from the review and determination of their independence status by the NC and the Board.

Conflicts of Interest

Each Director is required to disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as practicable after he or she becomes aware of the relevant facts. Each Director is also required to submit, annually, the details of his or her other directorships and interests in other entities for the purpose of monitoring interested person transactions. In the event a Director has a conflict of interest in relation to a matter, the Director will recuse himself or herself from all discussions involving the issues of conflict, unless the Board is of the opinion that the Director's presence and participation is necessary, but shall in any event recuse himself or herself from any decision-making in relation to such issues of conflict.

Access to Management

Prior to each Board and Board Committee meeting, the agenda, and any reports and documents pertaining to the agenda items are circulated to the Board or the Board Committee members. This ensures that the Board and Board Committee members are allowed sufficient time to review the information and seek clarification if required.

Management regularly provides the Board with updates on the Group's operational and financial performance and the operational challenges for the Group. Budgets are discussed annually and any material variances between the projections and actual results are explained comprehensively by the finance team. The finance team presents the financial highlights and a detailed analysis of each quarter's performance and also addresses any queries that the Board may have. The Board has separate and independent access to Management.

Corporate Governance Report

Company Secretary

In addition to the above, the Board of Directors has separate and independent access to the Company Secretary, and external independent professional advice where necessary, at all times at the Company's expense. The Company Secretary assists in the coordination and liaison between the Board, the Board Committees and Management, attends the Board and Board Committee meetings and prepares minutes of these proceedings and assists with the proper functioning of the Board, including compliance with the Code, the Company's Constitution, the Listing Manual and applicable legislation.

The Company Secretary is legally trained and experienced in company secretarial matters. The appointment and removal of the Company Secretary is subject to approval by the Board.

Induction, Training and Development

The Board values ongoing professional development and recognises that it is important for all Directors to receive regular training to enable them to serve effectively on the Board.

Newly appointed Directors are briefed by Management on the Group's business activities, strategy, governance practices and their duties and responsibilities as Directors.

Directors who do not have any prior experience as a director of an issuer listed on the SGX are provided training on the roles and responsibilities of a listed issuer in accordance with the Listing Manual. These training costs are borne by the Group.

Directors are encouraged to undergo continual training and professional development during their term of appointment. The training attended by the Directors during FY2023 are as follows:

Training	Michael Mun	Jeremy Mun	Larry Tan	Jeann Low	TS Tan	Christopher Huang
Case Study on Directors' Duties and Corporate Governance Requirements - conducted by CNP Law LLP	✓	✓	✓	✓	✓	✓
Update on Conduct of General Meetings and Corporate Governance - conducted by Rajah & Tann Singapore LLP	✓	✓	✓	✓	✓	✓
Advanced Management Program conducted by Harvard Business School, USA	–	✓	–	–	–	–

Skills and Diversity

The Company has adopted a Board diversity policy which recognises that a diverse Board comprising Directors with a balance and mix of skills, professional experience, knowledge (particularly across different geographical jurisdictions), educational background, gender, age and length of service will enhance the effectiveness of the Board. In determining the optimum composition and size of the Board and each Board committee relative to the Group's business needs, the Board and NC consider business acumen, management expertise, engineering and technology expertise, as well as professional experience relating to audit, accounting, finance and legal to be key skills and knowledge directors should possess in order to carry out their duties and serve effectively on the Board and Board committees. The current Board is made up of members with diverse backgrounds, skill sets and experience (including extensive and in-depth corporate experience involving listed companies), ranging from accounting, finance, regulatory and legal expertise, industry knowledge to entrepreneurial business skills and experience in regional investment and strategic matters, which, in the Board's opinion, are essential and valuable for decision-making in the best interests of the Company. A breakdown of the knowledge and experience of the existing Directors is set out below based on the key skills identified by the Board / NC as preferred for the Group's business needs:

Corporate Governance Report

Directors' Skills Matrix	
Audit, Accounting and Finance	4 Directors
Legal	1 Director
Executive Leadership	6 Directors
Engineering and technology	4 Directors
Entrepreneurship	6 Directors
Environment, Social and Governance	6 Directors

Directors' Expertise and Experience by Geography	
Singapore	6 Directors
Asia Pacific	6 Directors
United States	4 Directors
Europe	2 Directors

Directors' Length of Service	
Less than 3 years	1 Director
3 to 5 years	3 Directors
More than 5 years	2 Directors

The NC is satisfied that the Board and Board Committees currently comprise Directors who as a group provide an appropriate balance and diversity of skills, knowledge, experience, age, gender, and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates.

The NC will review the Group's board diversity policy annually to ensure its continued effectiveness and will recommend any revisions, if required, to the Board for approval. In relation to gender diversity, the Board recognises gender as a key aspect of diversity and will strive to ensure that female candidates are included for consideration when the NC seeks to identify new Director(s) to be appointed to the Board and that there is appropriate female representation on the Board, acknowledging that the Board's needs may change from time to time depending on the Group's business strategy and the skills, experience and composition of the Board.

As stated in the Company's Annual Report for FY2021, the Board aimed to have at least one (1) female Director on the Board within a three (3) year timeframe. The Board has since achieved this target with Ms Jeann Low's appointment as an Independent Director on 1 August 2022. The Group will work towards achieving the target of having at least 25% of Board seats held by females. Suitable candidates will be identified, including through external search firms if required. The NC will shortlist suitable candidates and make its recommendations to the Board.

Corporate Governance Report

The NC has also recommended that the Chairman for the Board committees be rotated every two (2) years to bring a fresh and diverse perspective to each committee. In view of this, the following appointments were made on 1 May 2023:

- Lead Independent Director - Mr Larry Tan
- Audit Committee Chairman - Ms Jeann Low
- Nominating Committee - Mr TS Tan
- Remuneration Committee - Mr Christopher Huang

PRINCIPLE 3- CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Michael Mun presently serves as both the Chief Executive Officer (“**CEO**”) of the Company and Executive Chairman (“**Chairman**”) of the Board. The combining of the roles of CEO and Chairman enables Mr Michael Mun to draw upon his extensive knowledge, skills and experience in leading and expanding the Group’s business.

In compliance with Provision 3.2 of the Code, Mr Michael Mun’s roles as CEO and Chairman are clearly defined in the Company’s Corporate Governance Code, which has been formally approved by the Board.

As Chairman, Mr Michael Mun is responsible for leading the Board and ensuring its effectiveness, including:

- (a) creating the conditions for overall effectiveness of the Board, the Board Committees and individual directors;
- (b) promoting high standards of corporate governance with the full support of the Directors, the internal Company Secretary and Management;
- (c) approving the agenda for Board meetings and ensuring the allocation of sufficient time for thorough discussion of agenda items;
- (d) promoting an open environment for debates and ensuring that Non-Executive Directors are able to speak freely and contribute effectively;
- (e) encouraging cordial and constructive relations between the Executive Directors and Non-Executive Directors;
- (f) exercising control over the quality, quantity and timeliness of information flow between the Board and Management including ensuring that Directors receive accurate, timely and clear information;
- (g) providing close oversight, guidance, advice and leadership to Management; and
- (h) fostering constructive dialogue and relations between shareholders, the Board and Management at AGMs and other shareholder meetings.

As the CEO, Mr Michael Mun is responsible for:

- (a) running the overall business and operations of the Group within the authority delegated to him by the Board;
- (b) ensuring the implementation of policies and strategies across the Group as set by the Board;
- (c) managing the executive and senior management team and reporting to the Board;
- (d) leading the development of senior management within the Group for future director roles; and
- (e) leading the development and execution of long-term strategies, with the goal of increasing shareholders’ value.

Corporate Governance Report

The Board is of the view that there are sufficient safeguards in place to prevent the concentration of power and authority in any one individual and Mr Michael Mun's accountability and responsibility for each role has not been compromised as the majority of the Board comprises Independent Directors. This ensures an appropriate balance of power, sufficient accountability and independent decision-making on the Board.

Further, as recommended by Provision 3.3 of the Code, a Lead Independent Director has been appointed, which strengthens the independent element to the Board and ensures an appropriate balance of power is maintained on the Board. In addition, the AC, NC and RC comprise only Independent Directors. The Board is of the view that the Independent Directors have demonstrated a high level of commitment in their roles as Directors and ensured that there is a good balance of power and authority on the Board.

Given the strong independent element on the Board enabling the Board to exercise independent and objective judgment in relation to the Group's corporate affairs, the Board is of the view that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is based on collective decisions by the Directors without any excessive or unrestricted concentration of power or influence residing in any one individual.

In view of the above, the Board believes that despite deviating from Provision 3.1 of the Code, the Company's practices and safeguards are consistent with the intent of Principle 3 of the Code as there exists a clear division of responsibilities between the leadership of the Board and Management and no one individual of the Board has unfettered powers of decision-making.

The NC will conduct an annual review of the performance of Mr Michael Mun and his ability to carry out his duties as the Group's Executive Chairman and CEO and make recommendations to the Board as appropriate.

Lead Independent Director

Mr Larry Tan was appointed the Lead Independent Director ("LID") on 1 May 2023. As the Lead Independent Director, he leads and co-ordinates the activities of the independent Directors where the Chairman is conflicted. The LID is available to address shareholders who may have concerns in relation to matters which have not been able to be resolved through contact with the Chairman or Management or where such contact is not appropriate.

The LID may be contacted via corporate@aztech.com, as stated in the "Investor Relations" link <https://www.aztechglobal.com/investor-relations/investor-relations-contact.html>.

PRINCIPLE 4- BOARD MEMBERSHIP

NC Members

The members of the NC are Mr TS Tan (Chairman), Mr Larry Tan (who is also the LID), Ms Jeann Low and Mr Christopher Huang. All members of the NC are Independent Directors.

The key responsibilities of the NC include reviewing the structure, size, composition and independence of the Board and its Board Committees, reviewing the training and professional development programmes for the Directors and ensuring that the new Directors are aware of their duties and obligations, identifying the balance of skills, qualifications, experience and diversity required for the Board to effectively discharge its responsibilities and developing a process for evaluating the performance of the Board, the Board Committees and the contribution of each Director. The NC also nominates candidates to meet the needs and requirements of the Group and reviews and makes recommendations to the Board on the succession plans for the Directors, the Board Chairman and Key Management Personnel.

Selection, Appointment and Re-appointment of Directors

The NC's responsibilities include making recommendations to the Board in relation to the appointment and re-election of Directors and determining the independence of the Directors. In making these recommendations, the NC reviews and evaluates the skills, knowledge and experience of the Directors on the Board and the needs of the Board, taking into consideration the Group's business strategy and plans, diversity criteria and the contribution and commitment of each Board member.

Corporate Governance Report

The NC has a formal process for the selection of new Directors, including alternate directors, to increase transparency of the nomination process in identifying and evaluating nominees for Directors. The NC evaluates the balance of qualifications, skills, knowledge, experience, gender and age of the existing Board with the requirements of the Group. In light of such evaluation, the NC determines the roles and the key attributes that an incoming Director should have. After endorsement by the Board of the key attributes, the NC goes through a short-listing process. If candidates identified from this process are not suitable, the NC will consult other resources and appoint executive recruitment agencies in the search process.

Regulation 97 of the Company's Constitution provides that at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Further, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. In addition, Director(s) appointed by the Board during the financial year shall hold office until the next annual general meeting and thereafter be eligible for re-election at that annual general meeting. Mr Jeremy Mun and Mr Christopher Huang shall each be retiring pursuant to Regulation 97 of the Constitution, and being eligible, are offering themselves for re-election at the Company's forthcoming annual general meeting on 16 April 2024 ("**2024 AGM**").

The Board has accepted the NC's recommendation to seek shareholders' approval to re-elect each of Mr Jeremy Mun and Mr Christopher Huang at the 2024 AGM. In making this recommendation, the NC has considered the respective Director's overall performance and contributions. Each of the aforementioned Directors had abstained from the NC's deliberation in respect of their respective performance assessment and re-nomination as a Director of the Company.

As required under Rule 720(6) of the Listing Manual, the information relating to Mr Jeremy Mun and Mr Christopher Huang, each of whom is standing for re-election as a Director at the 2024 AGM, has been set out in the section titled "Additional Information on Directors Seeking Re-election".

Independence

The NC reviews the independence of Directors annually, and as and when circumstances require, and presents its recommendations to the Board. Directors are required to disclose any relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise. In particular, the independent Directors complete an annual independence declaration form which is then reviewed by the NC.

Based on the declarations provided by the Directors and taking into account the guidance in the Code, the Listing Manual and the Practice Guidance, the Board has determined that Mr Larry Tan, Ms Jeann Low, Mr TS Tan and Mr Christopher Huang are independent. Mr Michael Mun and Mr Jeremy Mun are the only non-independent Directors. Each Director abstained from the review and determination of their independence status by the NC and the Board.

Annual Evaluation of the Board and Directors

The NC evaluates the performance of the Board and Board Committees as a whole, and the contribution of each Director to the effectiveness of the Board, annually.

The NC also determines annually whether Directors who hold multiple board representations and other principal commitments are able to, and have been able to, allocate sufficient time and attention to discharging their responsibilities.

Name of Director	Date of appointment	Date of Re-appointment
Michael Mun	27 May 2009	28 April 2022
Jeremy Mun	8 August 2017	30 April 2021
Larry Tan	19 February 2021	28 April 2023
Jeann Low	1 August 2022	28 April 2023
TS Tan	19 February 2021	28 April 2023
Christopher Huang	19 February 2021	28 April 2022

Please refer to **Appendix A** for further information on the listed company directorships and principal commitments of all the Directors as at the date of this Annual Report.

Corporate Governance Report

The Company has adopted guidelines which address the competing time commitments which may arise should Directors hold multiple board appointments. These guidelines provide that each Director should not hold more than six (6) directorships in listed companies. In determining whether each Director is able to devote sufficient time to discharging his or her duties as a director of the Company, the NC considers each Director's attendance at meetings, the contributions by him or her during meetings, their personal capabilities and any other time commitments.

Having reviewed each Director's attendance and participation at meetings during the year, the NC is of the view that all Directors were able to effectively discharge their duties as Directors of the Company and the Directors who held other board appointments were nevertheless able to effectively discharge their duties as Directors of the Company.

There are no alternate Directors on the Board.

PRINCIPLE 5- BOARD PERFORMANCE

Evaluation of the Board, Board Committee and Individual Directors

The Board, with the assistance of the NC, has approved the objective performance criteria and implemented a formal process for the annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The Board, with the assistance of the NC, undertakes a process for evaluating the performance and effectiveness of the Board, the Board Committees, the Chairman and each Director. As part of this process, each Director completes evaluation questionnaires in relation to the Board, the Board Committees and the performance of the Directors and the Chairman of the Board, the results of which are consolidated, reviewed and reported to the NC and thereafter, the Board.

The objective performance criteria in the Board and Board Committees evaluation questionnaires relate to their composition, their effectiveness in discharging their responsibilities and, in relation to the Board Committees, their independence. Directors may also provide feedback on any matters which do not fall under any of these aforementioned categories and suggest specific areas for improvement.

The questionnaire for individual Directors aims to assess each Director's contributions to the Board according to criteria such as attendance, commitment, participation, knowledge and abilities, teamwork and overall contribution to the Board.

The Board has not engaged any external facilitator in assessing the Board's performance.

The NC is of the view that the Board and the Board Committees operate effectively and each Director is able to contribute to the overall effectiveness of the Board.

REMUNERATION MATTERS

PRINCIPLE 6- PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

RC Members and Responsibilities

The members of the RC are Mr Christopher Huang (Chairman), Mr Larry Tan, Ms Jeann Low and Mr TS Tan. All members of the RC are Independent Directors.

The RC meets at least annually and plays a key role in ensuring that the Group is able to attract, recruit, motivate and retain the best talent through competitive remuneration. RC members abstain from decisions regarding their own remuneration.

The main role of the RC is to assist the Board in establishing a remuneration framework for the Board and Key Management Personnel and specific remuneration packages for each Director and each Key Management Personnel. The remuneration framework includes, but is not limited to, Directors' fees, salaries, allowances, bonuses, grant of shares and share options and benefits in kind and sets out the various performance criteria for evaluating the performance of Directors and Key Management Personnel.

Corporate Governance Report

Other key responsibilities of the RC include:

- (a) reviewing, annually, the mix of remuneration and benefits, and the remuneration policies and practices of the Company;
- (b) reviewing the performance of Key Management Personnel in accordance with the Company's leadership competencies framework and formulating plans for their continued growth within the Company;
- (c) reviewing the Company's obligations in the event of termination of the service agreements of the Executive Chairman and CEO, Executive Directors and Management to ensure that the termination clauses in these agreements are fair and reasonable and are not overly generous; and
- (d) administering the Group's Employee Share Option Scheme ("**Aztech ESOS**"), Performance Share Plan ("**Aztech PSP**") and Long-Term Retirement Incentive Plan ("**LTRP**") in accordance with their terms and conditions and the Listing Manual rules, and recommends to the Board any modifications, if required.

Engagement of Remuneration Consultants

The RC may, from time to time, as required, engage external consultants to advise on remuneration matters. In the event that external consultants are engaged, the RC shall ensure that the Company's relationships with these external consultants will not affect the independence and objectivity of these external consultants. The RC has not engaged external remuneration consultants in FY2023.

PRINCIPLE 7- LEVEL AND MIX OF REMUNERATION

Remuneration of Executive Directors and Management

The RC reviews the remuneration of the Executive Directors and Key Management Personnel annually and benchmarks the remuneration and employment conditions with those in the industry and in comparable companies and takes into consideration the prevailing market conditions. The RC seeks to ensure that the remuneration of Executive Directors and Key Management Personnel links rewards with performance and is competitive and appropriate to attract, motivate and retain the best talents to continually grow the Company's business, and that the remuneration framework, as approved by the Board, supports the Group's business strategies and long-term growth and enhances shareholder value.

The remuneration framework is tailored to the specific role and circumstances of each Director and Key Management Personnel to ensure an appropriate remuneration level and mix that recognises the responsibilities and performance of these individuals.

Remuneration Policy

For FY2023, the RC has reviewed the remuneration framework and specific remuneration packages for the Board and Management to ensure that a significant proportion of remuneration is linked to performance on an annual and long-term basis, with targets appropriately set for threshold and payment for stretch and exceptional performance levels. The RC has also benchmarked the Company's remuneration packages against those in similar companies and evaluated their competitiveness in attracting and retaining highly experienced and talented individuals. Finally, the RC has also ensured that the remuneration packages are commensurate with the experience and responsibilities of the respective Key Management Personnel, are aligned with the interests of both the Key Management Personnel and shareholders, and will enable the Company to remain competitive.

The RC will review the remuneration framework and remuneration packages from time to time to ensure their continued competitiveness and relevance amidst changing market conditions.

The Executive Directors' and Management's remuneration shall be subject to review by the Board and the RC annually and adjusted, taking into account, *inter alia*, their individual contributions, the Group's performance and benchmarking against market rates.

The Executive Directors and Management may, if the RC in its absolute discretion deems fit and approvals are obtained from regulatory authorities where necessary, be entitled to participate in the Aztech ESOS and/or Aztech PSP.

Corporate Governance Report

The Executive Directors and Management shall also be entitled to participate in the Company's LTRP, subject to any limits as determined by the Board from time to time.

Remuneration of Executive Directors and Management

The total remuneration provides an appropriate balance between fixed and performance-related components. The remuneration structure reflects the responsibilities of the Executive Director and Management and their impact on business performance. The average pay mix average ratio of Executive Directors and Management consists of approximately 61% fixed components and 39% variable components.

The service contracts with the Executive Directors have been renewed effective on and from 1 January 2024 for a term of three (3) years. Each service contract contains a clawback of incentive component clause to safeguard the Group's interest in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss or fraud by the respective executive director. Incentive components refers to (1) the amount of, or payment or value received with respect to, the Executive Director's annual incentive awards under the Company's profit pool and any discretionary bonus as may be awarded from time to time; (2) share options and/or awards granted to the Executive Director pursuant to any share option or awards schemes as may be administered by the Company (or any amount attributable to such awards); and (3) any other incentive-based compensation in respect of any Company plan or agreement.

The key remuneration components for Executive Directors and Management are set out below:

Total Remuneration	
A. Fixed Components	B. Performance-related Components
<ul style="list-style-type: none">• Base Salary• Variable Bonuses• Benefits & Provident	<ul style="list-style-type: none">• Variable Bonuses• Long-term Incentives

A. Fixed Components

(i) Base Salary:

The base salary reflects the particular job's market value while taking into account each employee's responsibilities, competencies and experience and is linked to his or her long-term performance.

(ii) Benefits & Provident:

Benefits and provident are consistent with local market practices and legislative requirements and are not directly linked to performance. The Company contributes towards the Singapore Central Provident Fund or the Hong Kong Mandatory Provident Fund, as applicable. The benefits provided by the Company include a medical scheme, employee discounts and allowances.

The base salary and fixed allowances for each Key Management Personnel are reviewed annually by the RC and approved by the Board.

B. Performance-related Components

(i) Variable bonuses comprise:

Performance bonuses: bonuses aimed at rewarding achievements of annual targets set for each Key Management Personnel and are paid in cash. The quantum of these bonuses varies according to the achievement of performance targets set for each Key Management Personnel, his or her business unit, and the Group more generally.

Profit Sharing: an annual cash award conditional upon the Group achieving certain profit after tax targets and is calculated based on the Group's audited consolidated profit after tax for the relevant financial year, which is subject to review from time to time by the RC and requires the approval of the Board.

Corporate Governance Report

(ii) Long-term Incentives aimed at retaining key talent, cultivating loyalty, contributing to the growth of the Company include:

- Aztech ESOS, which recognises employees and Directors based on Company's performance and profitability. The Aztech ESOS is discussed in further detail on pages 40, 64, 65, 106 and 107;
- Aztech PSP, which provides employees and Directors who have contributed significantly to the growth and performance of the Group an opportunity to participate in the equity of the Company so as to motivate them, cultivate loyalty, encourage higher standards of performance, and recognise their contributions and service to the Company. No shares have been granted pursuant to the Aztech PSP. The Aztech PSP is discussed in further detail on pages 41 and 66; and
- LTRP, which provides certain employees with a one-time cash pay-out when they reach the minimum retirement age prescribed by law and is an integral component of the Company's compensation plan. The LTRP has been in place since the financial year ended 31 December 2019. Further details can be found on pages 64 and 105.

Remuneration of Independent Directors

The RC reviews the Independent Directors' fees annually and makes recommendations to the Board. The Independent Directors' fees are subject to the approval of the shareholders at the annual general meeting. No RC member is involved in deliberating on and making decisions in respect of any remuneration, compensation or any form of benefits to be granted to themselves.

The Board concurred with the RC that the proposed Directors' fees for the financial year ending 31 December 2024 ("FY2024") is appropriate to the levels of contributions by the Directors, their responsibilities, and their effort and time spent serving on the Board and Board Committees.

PRINCIPLE 8- DISCLOSURE ON REMUNERATION

The Company's disclosure on remuneration has been made in compliance with Provision 8.1 and the intent of Principle 8 of the Code.

Directors' Fees

The fees for each Director reflect their contributions, experience, qualifications, responsibilities and time commitments.

Structure of Directors' Fees - FY2023

	Fee for FY2023	Executive Director	Executive Director	Independent Director 1	Independent Director 2	Independent Director 3	Independent Director 4
Board Member	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
AC Chairman	\$30,000.00	–	–	\$30,000.00	–	–	–
AC Member	\$10,000.00	–	–	–	\$10,000.00	\$10,000.00	\$10,000.00
RC Chairman	\$20,000.00	–	–	–	\$20,000.00	–	–
RC Member	\$5,000.00	–	–	\$5,000.00	–	\$5,000.00	\$5,000.00
NC Chairman	\$20,000.00	–	–	–	–	\$20,000.00	–
NC Member	\$5,000.00	–	–	\$5,000.00	\$5,000.00	–	\$5,000.00
Lead Independent Director	\$20,000.00	–	–	–	–	–	\$20,000.00
TOTAL		\$50,000.00	\$50,000.00	\$90,000.00	\$85,000.00	\$85,000.00	\$90,000.00

Corporate Governance Report

The aggregate Directors' fees paid to the Directors for FY2023 were \$446,666.60. The fees for each director were calculated based on the actual number of days the director held the position in the respective committees.

The remuneration of the Independent Directors paid for FY2023 was as follows:

	Director's Fees	Variable Bonus and Profit Sharing	*Others-Fixed	Total
Larry Tan	\$88,333.32	–	–	\$88,333.32
Jeann Low*	\$79,999.99	–	–	\$79,999.99
TS Tan	\$93,333.31	–	–	\$93,333.31
Christopher Huang	\$84,999.98	–	–	\$84,999.98

* In 2023, in addition to the \$79,999.99, Ms Jeann Low was also paid Directors' fees of \$16,767.12 for the financial year ended 31 December 2022.

Structure of Directors' Fees- FY2024

The structure of Directors' Fees for FY2024 will be similar as per FY2023. The aggregate Directors' fees to be paid to the Directors in FY2024 is \$450,000.00.

Aside from Directors' fees stated above, the Independent Directors will not receive any other remuneration including any benefits in kind, share options or share-based incentives or awards, or other long-term incentives.

Remuneration of CEO and Executive Directors

The remuneration of the CEO (who is also an Executive Director) paid in FY2023 is set out below:

Salary	Salary	Director's Fees	Variable Bonus and Profit Sharing	Others-Fixed ⁽¹⁾	Total ⁽²⁾
Michael Mun	\$1,000,000.00	\$50,000.00	\$2,111,828.37	\$ 81,426.50	\$ 3,243,254.87

The remuneration of the Executive Directors (other than the CEO) paid in FY2023 is set out below:

Executive Directors (other than the CEO)	Salary	Director's Fees	Variable Bonus and Profit Sharing	Others-Fixed ⁽¹⁾	Total ⁽²⁾⁽³⁾
Jeremy Mun	\$246,175.00	\$50,000.00	\$264,213.01	\$ 31,430.74	\$ 591,818.75

Notes:

- Contributions to the Central Provident Fund, allowances and car costs (if any) are included in the "Others – Fixed" column above.
- There were no options granted under the Aztech ESOS to Michael Mun or Jeremy Mun.

Corporate Governance Report

Remuneration of Management

The Company's Key Management Personnel (who are not Directors or the CEO) in FY2023 were as follows:

1. Daniel Oh Yong Boon – Senior Vice President, Sales/ Business Development
2. Pavani Nagarajah – Senior Vice President, Legal and Corporate Affairs
3. Terence Kwong Man Hong – Vice President, Research and Development
4. Annie Qian Junmin – Financial Controller (“FC”)
5. Leslie Tan Chee Yong – Chief Financial Officer (“CFO”)*
6. Ivan Mun Weng Kai – Vice President, Sales and Marketing**

* Mr Leslie Tan Chee Yong resigned on 29 February 2024 and his last day of service was 28 March 2024.

** Mr Ivan Mun Weng Kai was seconded to KEEP Labs Inc, a Canada-based company and a customer of the Group, as their Global Head of Operations and Manufacturing on 1 February 2022. Mr Ivan Mun Weng Kai has since completed his secondment to KEEP Labs Inc and re-joined the Group as Vice President, Business Development, from 2 January 2024.

Given the confidential and commercially sensitive nature of remuneration matters in the industry, the Board is of the view that it would be in the best interests of the Company to disclose the remuneration of Management in bands of \$250,000 and provide a percentage breakdown of various components rather than disclosing the exact remuneration of Management.

Remuneration of Key Management Personnel

The percentage breakdown of the remuneration of the KMP in FY2023 is set out below:

Management	Salary (%)	Variable Bonus and Profit Sharing (%)	*Others-Fixed (%)	Total (%)	Aztech ESOS (no. of options granted in FY2021)	Aztech ESOS (no. of options granted in FY2023)	Aztech PSP
Between \$250,001 and \$500,000							
Daniel Oh Yong Boon	51	40	9	100	200,000	200,000	Nil
Pavani Nagarajah	52	42	6	100	200,000	200,000	Nil
Up to \$250,000							
Terence Kwong Man Hong	70	29	1	100	200,000	200,000	Nil
Annie Qian Junmin	58	35	7	100	200,000	200,000	Nil
Leslie Tan Chee Yong	77	15	8	100	–	200,000	Nil
Ivan Mun Weng Kai	Nil						

* Contributions to the Central Provident Fund, Hong Kong Mandatory Provident Fund allowances and car costs (if any) are included in the “Others – Fixed (%)” column above.

The total aggregate remuneration of the abovementioned Management for FY2023 is **\$1,523,478.51**.

No termination, retirement and post-employment benefits were granted to Directors and Management in FY2023.

Corporate Governance Report

Remuneration of Employees who are Related Family Member of a Director or CEO or Substantial Shareholder

Ms Huang Xiaolin, who holds the position of Manager, Procurement and Logistics, at Aztech Technologies Pte. Ltd., is the spouse of Mr Ivan Mun Weng Kai, the son of Mr Michael Mun and brother of Mr Jeremy Mun.

The breakdown of the remuneration of Ms. Huang Xiaolin in FY2023 in bands of \$100,000 with a percentage breakdown of various components is as follows:

Management	Salary (%)	Variable Bonus and Profit Sharing (%)	*Others-Fixed (%)	Total (%)	Aztech ESOS (no. of options granted in FY2021)	Aztech ESOS (no. of options granted in FY2023)	Aztech PSP
Between \$50,000 and \$100,000							
Huang Xiaolin	68	18	14	100	40,000	50,000	Nil

* Contributions to the Central Provident Fund and allowances are included in the "Others – Fixed (%)" column above.

Save as disclosed, there are no employees who are immediate family members of a Director or the CEO or a Substantial Shareholder of the Company and whose remuneration exceeded \$100,000 during FY2023.

The RC reviews the remuneration of employees who are related to the Group's Directors, CEO or Substantial Shareholders annually to ensure that their remuneration packages are in line with the Group's remuneration guidelines and are commensurate with their respective job scopes and responsibilities. The RC also reviews and approves any bonuses, pay increments and/or promotions for these related employees. Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of the NC. Any member of the RC or NC who is related to the employee whose remuneration or terms of employment are under review shall abstain from the review.

Disclosure of Other Benefits

Aztech ESOS

On 13 December 2021, pursuant to the Aztech ESOS, selected employees were granted an aggregate of 2,110,000 options to subscribe for a specified number of Ordinary Shares in the Company at the price of \$0.934 per Share.

On 29 September 2023, pursuant to the Aztech ESOS, selected employees were granted an aggregate of 2,250,000 options to subscribe for a specified number of Ordinary Shares in the Company at the price of \$0.806 per Share.

The exercise price of the options was determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five (5) market days immediately preceding the date of the grant. No options were granted at a discount to the prevailing market price of the shares. The vesting of the options is conditional on the selected employees completing another two (2) years of service to the Group, with fifty percent of the options being exercisable at the end of each year of service. Once vested, the options are exercisable for a period of ten (10) years. The options may be exercised in full or in part in respect of 1,000 ordinary shares or a multiple thereof, on payment of the exercise price. Since the adoption of the Aztech ESOS, no options have been granted to a Director or controlling shareholder of the Company and its associates.

As at 31 December 2023, the total number of options remaining unexercised are as follows:

- (a) 1,750,000 options as granted on 13 December 2021; and
- (b) 2,250,000 options as granted on 29 September 2023.

The directors and employees of the parent company and its related corporations are not eligible to participate in the Aztech ESOS. It is to be noted that effective 16 June 2023, Azventure Investments Pte. Ltd. ("AZI") ceased to be the parent company. No options under the Aztech ESOS were granted to directors and employees of AZI in FY2023.

Corporate Governance Report

Aztech PSP

The Company has implemented the Aztech PSP, which was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 18 February 2021. No shares have been granted pursuant to the Aztech PSP since its adoption.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9- RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management

The Board has overall responsibility for the governance of risk.

The Board, through the AC, regularly reviews the effectiveness of the Group's risk management framework for the identification, assessment, monitoring and reporting of significant risks.

At the Management level, the CFO/FC is responsible for directing and monitoring the development, implementation and practice of enterprise risk management (“ERM”) across the Group and reports to the Board.

The Group has engaged CLA Global TS Risk Advisory Pte. Ltd. (“**CLA Global TS**”) to provide ERM services, including (i) assessing risk parameters and assisting Management with setting the Group's risk appetite and tolerance level, and (ii) assisting Management with identifying risks and compiling a risk register setting out a risk analysis, significance of risks, the key strategic, financial, operational and compliance risks, risk response and relevant mitigation strategies in place.

Details of the Group's ERM framework, key risks and mitigation measures are set out on pages 56 to 61 of the Annual Report.

Risk Management Framework

1. Identifying, Assessing and Managing Risks

The business and corporate executive heads have the primary responsibility for regularly identifying and evaluating risks and material economic, environmental, social and governance (“**EESG**”) factors and formulating risk mitigation strategies.

2. Evaluating Risk Management Strategies

The business and corporate executive heads regularly review the effectiveness of the risk mitigation strategies adopted.

3. Reviewing the Risk Management Framework and any breaches

As part of the ERM framework, Management undertakes a Group-wide risk assessment annually to identify material risks and the appropriate mitigating measures.

The Group's internal audit function also prepares an audit plan annually, taking into consideration risks identified and assessed from the risk management framework. This risk-based audit plan is approved by the AC and audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, information technology and compliance risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditors in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditors are reported to the AC and significant findings are discussed at the AC meetings. The Group's internal audit function follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the AC every half-yearly. Any material non-compliance or lapses in internal controls are reported to the AC, including any remedial measures recommended for addressing the risks identified.

Corporate Governance Report

4. Risk Reporting

The AC reviews and reports to the Board, at least annually, the risk profile of the Group, the effectiveness and adequacy of its internal control and risk management procedures in addressing financial, operational, information technology and compliance risks, and discusses any issues and concerns which may arise from the internal audits.

The Group's risk management framework is continually reviewed to ensure that the Group's risk governance approach and practices remain relevant and effective and are in line with the applicable corporate governance requirements. In addition to implementing a risk management framework, the Group also seeks to inculcate amongst its employees a strong risk awareness and a proactive approach towards mitigating risks. Employees are informed, through training sessions and regular communication, of likely risks, the measures in place for addressing them and avenues for escalating matters where necessary.

Assurance Regarding Financial Records and Risk Management Systems

The Board has received assurance from the Group CEO, CFO and FC that (i) the Group's financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances and assurance; and (ii) the Group's risk management and internal control systems are adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operation, information technology and compliance risks.

CLA Global TS has also been engaged to undertake the internal audit of the Group. The Group also has an internal auditor who is responsible for the internal audit function at the plant operations level and is stationed at its plant in China.

Based on the ERM framework implemented by the Group, the assurances from the CEO, CFO and FC as well as the reviews undertaken by the internal auditors and external auditors, the Board, with the AC in concurrence, is of the view that the Group's risk management systems and internal controls, including operational, financial, information technology and compliance controls, are adequate and effective in mitigating the operational, financial, information technology and compliance risks which may adversely affect the Group's operations. However, the Board also notes that no risk management system and internal controls can provide absolute assurance against the Group being adversely affected by such risks or against human error, fraud or other irregularities.

PRINCIPLE 10- AUDIT COMMITTEE

AC Members

The members of the AC are Ms Jeann Low (Chairman), Mr Larry Tan, Mr TS Tan and Mr Christopher Huang. All members of the AC are Independent Directors.

The Board is of the view that the members and Chairman of the AC are suitably qualified given their relevant accounting and financial management expertise or experience and that their wealth of relevant experience enables them to discharge their responsibilities effectively. The AC does not comprise former partners or directors of the Group's existing External Auditors: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC is responsible for assisting the Board with maintaining high standards of corporate governance, compliance, risk management, internal controls and financial and accounting matters.

The key responsibilities of the AC include reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance, assisting the Board with discharging its responsibilities relating to internal controls, compliance, risk management and financial and accounting matters, facilitating co-ordination between the external and internal auditors and Management, evaluating the independence and objectivity of the internal and external auditors and making recommendations to the Board on their appointment or re-appointment as well as terms of engagement. The AC also reviews any actual or potential conflicts of interest as well as the procedures by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that appropriate arrangements are in place for such concerns raised to be properly and independently investigated.

Corporate Governance Report

To discharge its responsibilities and duties, the AC has full access to, and the co-operation of, Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings, and has been given adequate resources to discharge its functions.

The AC met nine (9) times during FY2023. The AC also met with the internal auditors and external auditors, each separately, and without the presence of Management, during FY2023.

Internal Audit

The AC is responsible for the appointment, termination and remuneration of the internal audit function.

The internal audit function, which reports directly to the AC, assists Management with assessing the adequacy of the Group's internal control systems and procedures, conducting regular internal audits on the Group's business operations, operational compliance and financial risks, and identifying and recommending improvements to internal control systems.

The internal audit function also reports to the AC on any material non-compliances or lapses in internal controls and the measures taken to address them. The AC subsequently reviews the actions taken by Management in response to the internal auditor's recommendations.

The Company's internal audit function is outsourced to CLA Global TS, an accounting and consulting firm staffed with suitably qualified professionals with extensive relevant experience. The AC is of the view that outsourcing the Company's internal audit function enhances the independence and quality of the audit.

The AC reviews the independence, adequacy and effectiveness of the internal audit function yearly. The AC is satisfied that the internal audit function is independent, effective, adequately resourced to perform its functions and has unfettered access to all company documents, records, properties and personnel, including the AC.

Whistle-blowing Policy

The Group has implemented a whistle-blowing policy which sets out the mechanism for reporting suspected wrongdoing or misconduct and how the Group addresses any reports received. The whistle-blowing policy is communicated to all staff.

All employees are responsible for reporting any suspected wrongdoing. Upon receipt of any such reports, the Head of Legal or the AC Chairman shall, in consultation with the other AC members, arrange a meeting with the employee as soon as possible to discuss the concerns, exercise discretion on how to proceed with the investigation, and thereafter recommend any remedial of legal action to be taken, where necessary.

All whistle-blowing matters are reviewed by the AC periodically to ensure compliance with the Listing Rules. Matters requiring immediate or urgent attention are reported immediately to the AC Chairman.

The Group is committed to ensuring that all employees who have reported incidents in good faith are protected against any form of detrimental or unfair treatment. All information reported to the Group are treated as confidential to protect the identity of the whistle-blowers. The whistle-blowing policy makes provision for whistle-blowers to report matters anonymously.

There have been no reported whistle-blowing incidents for FY2023.

External Auditors

The AC has full access to the External Auditors, BDO LLP, and Internal Auditors and meets them at least annually without the presence of Management.

The AC makes recommendations on the appointment and re-appointment of the External Auditors and reviews the independence and performance of the External Auditors annually. During FY2023, the AC reviewed the adequacy, effectiveness, scope and results of the audit by BDO LLP. In assessing the independence of BDO LLP, the AC reviewed the aggregate fees paid to BDO LLP, including the fees paid for all non-audit services during the year. The AC is of the opinion that BDO LLP's independence and objectivity has not been compromised and BDO LLP was able to meet the applicable audit requirements and statutory obligations of the Group. The AC is also satisfied with the aggregate audit fees paid to BDO LLP.

Corporate Governance Report

The AC has considered, and is satisfied, that the resources and experience of BDO LLP, the audit partner-in-charge and the team assigned to the audit of the Group, taking into account the firm's other audit engagements, the size and complexity of the Group, and the number of supervisory and professional staff assigned to the audit, are adequate for BDO LLP to meet their audit obligations.

The AC has recommended the re-appointment of BDO LLP at the 2024 AGM.

The Group has complied with rules 712 and 715 of the Listing Manual which, respectively, require that a suitable auditing firm be appointed by the Company, taking into consideration the factors set out the said rule, and that the same firm auditing the Group also audit the Group's Singapore-incorporated subsidiaries and a suitable auditing firm be engaged for the Group's significant foreign incorporated subsidiaries.

The aggregate amount of fees paid to the External Auditors for FY2023 and a breakdown of the fees paid in total for audit and non-audit services respectively are stated below:

External Auditor Fees for FY2023	\$'000
Audit fee paid/payable	
- Statutory Audit	
- auditors of the Company	149
- other auditors - other network firms	142
Non-audit fees paid/payable to auditors	
<i>Audit-related services</i>	
- auditors of the Company	12
- other auditors - other network firms	–
<i>Non audit-related services</i>	
- auditors of the Company	12
- other auditors - other network firms	52
Total Fees Paid	367

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11- SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

PRINCIPLE 12- ENGAGEMENT WITH SHAREHOLDERS

Communication with Shareholders

The Group is committed to strengthening its relationship with the investing community and ensures it makes timely and accurate disclosure of material information to the SGX, its shareholders, analysts and the public. The Company announces its financial results and updates on the Company and its business operations on both its corporate website at <https://www.aztechglobal.com> and SGXNET.

The Company does not practice selective disclosure. In the event of any inadvertent disclosure to a select group, the Company shall make the same disclosure publicly as soon as practicable. All price-sensitive information is released publicly prior to the Company's meetings with investors or analysts.

Shareholder Meetings

The Company encourages active shareholders' participation at general meetings. Shareholders are informed of meetings and the voting procedures through notices published on SGXNET. Shareholders are provided opportunities to participate effectively and vote for resolutions to be passed at these meetings and are informed of the rules and voting procedures which govern these meetings.

There are separate resolutions for each substantially separate issue at the Company's general meeting. In the event any resolutions are bundled as they are interdependent and linked so as to form one significant proposal, the Company will provide the reasons and explain the material implications in its notice of the general meeting.

Corporate Governance Report

The Directors and Management attend the Company's general meetings to address shareholders' queries about the Company. The Company's external auditors are also in attendance to address shareholders' queries regarding the conduct of the audit, the auditor's reports and any other related queries. The minutes of the general meetings disclose the names of the Directors and external auditors who attended these meetings, the details of these meetings, the questions raised by shareholders and the responses provided by the Board/Management. The minutes are published on the Company's website and SGXNET.

The Company's 2023 Annual General Meeting ("**2023 AGM**") was held in a wholly physical format. The Company's shareholders participated in the 2023 AGM by attending the physical meeting, submitting questions prior to or during the meeting, and/or appointing the Chairman of the 2023 AGM as a proxy to attend and vote on their behalf at the meeting. The Company responded to questions received from shareholders at the 2023 AGM and published its responses to these questions, together with the Minutes of the 2023 AGM, on its website and SGXNET.

The forthcoming AGM will be held, in a wholly physical format, at Raffles City Convention Centre, Bras Basah Room (Level 4), 80 Bras Basah Road, Singapore 189560, on 16 April 2024 ("**2024 AGM**"). There will not be an option for shareholders to participate virtually. The Company will upload the answers to substantial and relevant queries received prior to 10.00 a.m. on 9 April 2024 on the Company's website at <https://www.aztechglobal.com/agm> and SGXNET by 10.00 a.m. on 11 April 2024. Questions received after the deadline will be addressed at the 2024 AGM.

The Company's Constitution allows for each shareholder to appoint up to two (2) proxies to attend and vote on his or her behalf at the Company's general meetings. Shareholders who are relevant intermediaries are allowed to appoint more than two (2) proxies to attend and vote at the Company's general meetings.

Subject to the Company's Constitution and relevant statutes, the Directors may at their sole discretion approve and implement measures allowing shareholders to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

Dividend Policy

The Company does not have a fixed dividend policy at present. The Directors may, at their discretion and upon consideration of factors including but not limited to the level of the Company's cash and reserves, the Group's actual and projected financial performance, the projected levels of capital expenditure, working capital requirements and investment plans, financial, regulatory or general economic conditions declaration and payment of future dividends, recommend the declaration and payment of dividends.

The Board has recommended a final cash dividend of \$0.05 per ordinary share for FY2023. The Company announced its adoption of the Aztech Scrip Dividend Scheme on 30 March 2021. If applied, this scheme will provide eligible shareholders with the opportunity to elect to receive the dividend in the form of new ordinary shares in the Company credited as fully paid, instead of cash. For the avoidance of doubt, the Scrip Dividend Scheme is not applicable to the final one-tier tax exempt dividend of \$0.05 per ordinary share for the financial year ended 31 December 2023, as proposed in Ordinary Resolution 2.

For FY2023, the Directors have recommended total dividend amounting to 61.8% of the Group's net profit after tax ("**NPAT**"). The Directors intend to recommend dividends of at least 30.0% of the Group's NPAT generated in FY2024, as the Group wishes to reward its Shareholders for participating in its growth.

Investor Relations

The Company's dedicated Investor Relations ("**IR**") team, headed by the Company Secretary and supported by an Investor Relations Manager, engages in regular dialogue with analysts and investors. The IR team is guided by the Company's investor relations policy, which sets out the principles and practices the Company has adopted to enhance its engagement with shareholders and prospective investors.

The Company's corporate website features a dedicated "Investor Relations" link <https://www.aztechglobal.com/investor-relations/index.html>, which contains the Company's latest and past financial results, annual reports, updates on the Company and its business operations, as well as the contact details of the Company's Corporate Communications Manager and the Lead Independent Director.

Corporate Governance Report

MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13- ENGAGEMENT WITH STAKEHOLDERS

The Group strives to build strong relationships with its material stakeholders, such as shareholders, customers and investors, and has arrangements in place to identify, engage with, and manage its relationship with its material stakeholder groups.

The Group maintains a corporate website, <https://www.aztechglobal.com>, through which stakeholders may access information about the Group, its business activities and any updates by the Group.

The Group also engages with its material stakeholder groups to gather feedback on sustainability issues, which are in turn considered by the Group in its identification of material EESG factors and development of its sustainability strategy. The Group's management approach, policies, practices and performance relating to the EESG factors that are material to its business and stakeholders have been addressed in its Sustainability Report. The key EESG metrics and sustainability overview can be found on pages 6 and 7 of this Annual Report. The full copy of the Sustainability Report is available on the Group's corporate website <https://www.aztechglobal.com/sustainability/index.html> and on SGXNET.

INTERESTED PERSON TRANSACTIONS (“IPT”)

Under Chapter 9 of the Listing Manual, an IPT means a transaction between an entity at risk (the listed company, its subsidiaries or associated companies) and an interested person (director, chief executive officer or controlling shareholder or any of their associate(s)).

In the light of the provisions of the Listing Manual, the Company has established the following procedures to ensure that all interested person transactions are reported to the AC in a timely manner and that these transactions are conducted on an arm's length basis and are not prejudicial to the interests of the Company or its minority shareholders.

1. All proposed significant IPTs are reviewed by the finance team and the AC.
2. The finance team also prepares the list of IPTs every quarter and submits the list to the Company's CFO/FC for review.
3. The CFO/FC will report to the AC on all IPTs quarterly.
4. The AC reviews all IPTs to ensure compliance with Chapter 9 of the Listing Manual.

There is currently no shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

Corporate Governance Report

The IPTs during FY2023 are as follows:

Name of interested person	Nature of relationship	Nature of the transaction	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
AVS Printing Pte. Ltd. (" AVS Printing ")	An associate of Mr Michael Mun, being a wholly-owned subsidiary of AVS Electronics Pte Ltd, which Mr Michael Mun together with his immediate family, have a	Rental billed from Aztech Global Ltd to AVS Printing	\$66,850
		Sale of packaging material to AVS Printing	\$35,723
		Printing services provided by AVS Printing	\$339
AZ Marine Offshore Services Pte. Ltd.	A wholly-owned subsidiary of AZI, which was a parent company of Aztech Global Ltd until 15 June 2023. Mr Michael Mun is the beneficial owner of AZI.	Payment of dormitory rental for the months of January to March 2023. The rental contract was terminated in April 2023.	\$1,350
AZ Marine Pte. Ltd.	A wholly-owned subsidiary of AZI	Purchase of motor vehicle from AZ Marine Pte. Ltd.	\$5,096
Total			\$109,358

MATERIAL CONTRACTS

Save as disclosed on SGXNET or herein, there were no material contracts entered into by the Group involving the interests of Directors, CEO or shareholders either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.

DEALINGS IN SECURITIES

The Company has adopted a Best Practice Code ("**BPC**") relating to dealings in securities by its Directors and relevant employees. The BPC is based on the best practices outlined in Rule 1207(19) of the Listing Manual. All Directors and relevant employees have been provided a copy of the BPC and are required to acknowledge receipt of the BPC. The Company Secretary conducts briefing sessions to explain the key points of the BPC to the relevant employees who are new to the Group.

The BPC provides that the Directors and relevant employees are only allowed to deal in the Company's securities in the "window period", which is closed at least two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year and at least one (1) month for the half year or financial year results and ending on the date of announcement of the relevant results.

The BPC also prohibits the Company's Directors and relevant employees from dealing in the Company's securities on short term considerations when they are in possession of unpublished price sensitive information. The Company's Directors and relevant employees are required to abide by the insider trading provisions under the Securities and Futures Act 2001 of Singapore and any other relevant laws in the course of their securities transactions.

The Directors and relevant employees are required to provide written confirmation of their compliance with the BPC annually.

Corporate Governance Report

ADDITIONAL MEASURES TO ENHANCE CORPORATE GOVERNANCE

The Company has also adopted additional measures to enhance corporate governance as follows:

CODE OF BUSINESS CONDUCT AND ETHICS

The Company has adopted a Code of Business Conduct and Ethics with the key objective of providing clear guidelines on ethics and relationships in order to safeguard the reputation and interests of the Company and its stakeholders. The Code of Business Conduct and Ethics, published on the Company's website, sets out the policies and procedures dealing with various issues such as conflicts of interests, dealings with government officials, the maintenance of records and reports, equal employment opportunities and sexual harassment.

Anti-Bribery and Anti-Corruption Policy

This Company has also adopted an Anti-Bribery and Anti-Corruption Policy which sets out the Company's zero-tolerance stance against bribery and corruption and the framework for how the Company manages the detection, reporting and prevention of instances of bribery and corruption which may arise. The Company's strong stance against bribery and corruption is communicated to all third parties via the abovementioned Code of Business Conduct and Ethics published on its website. All new employees are introduced to this policy as part of their induction and all existing employees receive regular training how to comply with this policy. The CEO, Key Management Personnel, Heads of Departments, Managers and all procurement, purchasing and logistics staff have confirmed their compliance with this policy and the Code of Business Conduct and Ethics for FY 2023.

USE OF IPO PROCEEDS

As at 31 December 2023, the status of the use of IPO Proceeds is as follows:

Intended use as stated in the Company's prospectus dated 4 March 2021 (the "Prospectus")	Amount allocated (as disclosed in the Prospectus) (\$'000)	Amount utilised (\$'000)	Balance (\$'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.

Corporate Governance Report

Additional Information on Directors Seeking Re-Election

	JEREMY MUN	CHRISTOPHER HUANG
Date of Appointment	8 August 2017	19 February 2021
Age	48	38
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for the re-nomination of directors to the Board, is set out in pages 32 and 33 of this annual report	The process for the re-nomination of directors to the Board, is set out in pages 32 and 33 of this annual report
Whether appointment is executive, and if so, the area of responsibility	Executive Jeremy Mun is responsible for the day-to-day operation and management of the Group's business.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director Chief Operating Officer	Independent Director RC Chairman Member of AC, NC and RC
Professional qualifications	Bachelor of Science in Management from the University of London, in 2000 Advanced Management Program by Harvard Business School, USA, in 2023	Bachelor of Laws (LL.B.) and Commerce (B. Com) from the University of Queensland, Australia in 2011
Working experience and occupation(s) during the past 10 years	Jeremy Mun Weng Hung is the Executive Director and Chief Operating Officer of the Group. Jeremy is responsible for the day-to-day operation and management of the Group's businesses, in particular the manufacturing facilities in China and Malaysia. He is also responsible for directing the Group's manufacturing network and growth. In addition, Jeremy heads the Sustainability Committee and is responsible for the development, formalisation and implementation of sustainability policies, objectives and strategies. Jeremy has been with the Group since 2002, and was previously involved in the product development and sales of LED lighting business prior appointment to the current role.	Christopher Huang is an Independent Director and Chairman of the Company's Remuneration Committee. Mr Huang was first appointed to the board on 19 February 2021. In addition, Mr Huang is the independent non-executive Chairman of the Mainboard listed Fu Yu Corporation Limited, and chairs the remuneration committee. He is also the managing director of CHP Law LLC and advises on various areas of law, with a focus on the legal and tax aspects of cross border commercial transactions, including transfer pricing. Prior to his founding of CHP Law LLC in April 2019, Mr Huang headed CNP Tax and Advisory Pte Ltd and the tax practice group of Colin Ng & Partners LLP. He joined Colin Ng & Partners LLP (now known as CNPLaw LLP) in April 2015 and became a partner in 2018. He started his career as an accountant at Hastings Deering Australia Limited, and has worked as business manager at Adcomp Technology Pte Ltd, as a tax associate in the transfer pricing department of PricewaterhouseCoopers, and as a tax lawyer at VoskampLawyers.

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	JEREMY MUN	CHRISTOPHER HUANG
Shareholding interest in the listed issuer and its subsidiaries	200,000 Shares	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Jeremy Mun is the son of Michael Mun, the Group's Executive Chairman and CEO, and the sibling of Ivan Mun, the Group's Vice President, Business Development.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720 ⁽¹⁾ has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships – Past (for the last 5 years)	<p>Executive Director of:</p> <p>AZ E-Lite JJS Ltd (liquidated)</p> <p>Aztech Group Ltd.</p> <p>AVS Projects Pte. Ltd. (struck off)</p> <p>AZ Marine Logistics Pte. Ltd.</p> <p>Kay Lee Pte. Ltd.</p> <p>AZ Evergreen Pte. Ltd.</p> <p>AVS Holding Pte. Ltd.</p> <p>AZ Carnation Pte. Ltd.</p> <p>AZ Ivy Pte. Ltd.</p> <p>AZ Iris Pte. Ltd.</p> <p>AZ Lavender Pte. Ltd.</p> <p>AZ Lily Pte. Ltd.</p> <p>AZ Marigold Pte. Ltd.</p> <p>AZ Marine Pte. Ltd.</p> <p>AZ Materials Pte. Ltd.</p> <p>AZ Orchid Pte. Ltd.</p> <p>AZ Peony Pte. Ltd.</p> <p>AZ Rose Pte. Ltd.</p> <p>AZ Sakura Pte. Ltd.</p> <p>AZ Sunflower Pte. Ltd.</p> <p>AZ Tulip Pte. Ltd.</p> <p>AZ United Pte. Ltd.</p> <p>Azfin Semiconductors Pte. Ltd.</p> <p>Biden Marine Pte. Ltd.</p> <p>Hitemco Pte. Ltd.</p> <p>Shiro Corporation (HK) Limited (struck off)</p> <p>Shiro Corporation Pte. Ltd.</p>	<p>Colin Ng & Partners LLP (April 2015 – April 2019; Partner from 2018-2019)</p> <p>Directorships:</p> <p>Digital Crest Global Pte Ltd (struck off)</p> <p>Fund Asia Pte. Ltd.</p> <p>Fund Singapore Pte. Ltd.</p> <p>Van Ameyde APAC Holding Pte. Ltd</p>
Other Principal Commitments including Directorships – Present	Please refer to Appendix A.	Please refer to Appendix A.

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	JEREMY MUN	CHRISTOPHER HUANG
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Corporate Governance Report

	JEREMY MUN	CHRISTOPHER HUANG
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

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	JEREMY MUN	CHRISTOPHER HUANG
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Corporate Governance Report

Appendix A

Current Directorships in Listed Companies and Principal Commitments

Director	Directorships in Listed Companies	Principal Commitments
Michael Mun	Nil	Director of: <ul style="list-style-type: none"> ● AZ E-Lite (HK) Limited ● AZ E-Lite Pte. Ltd. ● Aztech Communication Device (DG) Ltd ● Aztech Innovation Pte. Ltd. ● Aztech Systems (Hong Kong) Limited ● Aztech Technologies Pte. Ltd. ● IOT Manufacturing Sdn. Bhd. ● Huuve Sdn. Bhd. ● AVS Investments Pte. Ltd. ● Azventure Investments Pte. Ltd. ● Hitemco Pte. Ltd. ● AZ United Pte. Ltd. ● Shiro Corporation Pte. Ltd. ● AZ Evergreen Pte. Ltd. ● AVS Printing Pte. Ltd. ● AVS Technologies Pte. Ltd. ● Mun Siew Capital Pte. Ltd. ● Oakmun Asset Management Pte. Ltd. ● Clova Investments Ltd
Jeremy Mun	Nil	Director of: <ul style="list-style-type: none"> ● AZ E-Lite (HK) Limited ● AZ E-Lite Pte. Ltd. ● Aztech Communication Device (DG) Ltd ● Aztech Systems (Hong Kong) Limited ● Aztech Technologies Pte. Ltd. ● IOT Manufacturing Sdn. Bhd. ● AVS Investments Pte. Ltd. ● AVS Printing Pte. Ltd. ● AVS Technologies Pte. Ltd. ● AVS Solutions Sdn Bhd ● Mun Siew Capital Pte. Ltd. ● Oakmun Asset Management Pte. Ltd. ● AVS Electronics Pte. Ltd.
Larry Tan	Nil	<ul style="list-style-type: none"> ● WT Microelectronics Limited, Taiwan, Advisor to CEO

Corporate Governance Report

Jeann Low	<ul style="list-style-type: none"> • Advanced Info Service Public Company Limited, Non-Executive Director • Intouch Holdings Public Company Limited, Non-Executive Director • CapitaLand Integrated Commercial Trust Management Limited (manager of CICT, listed REIT), Non-Executive Director • Hong Leong Finance Limited, Non-Executive Director 	<ul style="list-style-type: none"> • Singapore Telecommunications Limited, Senior Advisor • Advanced Wireless Network Co., Ltd., Non- Executive Director • Singtel Asian Investments Pte Ltd, Non-Executive Director • Singtel Strategic Investments Pte Ltd, Non-Executive Director • Lee Kong Chian School of Medicine, Member, Governing Board • Prison Fellowship Singapore Limited, Non-Executive Director • Seventy Times Seven, Member, Management Committee • The Turning Point, Member, Executive Committee
TS Tan	Nil	<ul style="list-style-type: none"> • Teleios SC Pte. Ltd., Executive Director
Christopher Huang	<ul style="list-style-type: none"> • Fu Yu Corporation Limited, Non-Executive Director 	<ul style="list-style-type: none"> • CHP Law LLC, Director • DEVL Pte. Ltd., Director

Risk Management

Risk Management

Risk management forms an integral part of the Group's business management. The Group's risk management framework is designed to provide reasonable assurance that business objectives are met by embedding management control in daily operations to achieve efficiency and effectiveness, safeguarding assets, ensuring compliance with legal and regulatory requirements, and ensuring the integrity of the Group's financial reporting and its related disclosure. Under the risk management framework, management is responsible for identifying critical business risks, reviewing the development and implementation of appropriate risk management procedures and updating these procedures regularly to reflect changes in market conditions and the activities of the Group.

The Group takes a balanced approach towards risk management and recognises that not all risks can be eliminated. The Group is committed to enhancing shareholder value through growth that is sustainable and profitable while taking measured, appropriate and well-considered risks.

The Group's risk management process consists of identifying risks, assessing risks, formulating mitigation measures as well as communicating, implementing, and monitoring the implementation of such mitigation measures. Monitoring the implementation of mitigation measures then enables the Group to identify any risks which still remain and address them accordingly. The Group models its risk management practices based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM framework and the process takes into consideration both the likelihood and impact of the risks identified.



Strategic Risk

Strategic risk is risk arising from the pursuit of ineffective business plan and/or strategy, and poor business decisions. The Group continually reviews its business strategy to ensure that it remains competitive in the industry in which it operates.

Talent attraction, development and retention risk

Our ability to design and produce quality products relevant to the needs of our customers as well as plans for expansion depend heavily on the expertise and ability of our existing skilled personnel to create, design and customise our products. It may also depend on our ability to hire more of such specialised personnel in the future. We also rely on skilled and experienced personnel for our business operations and the operation of the production lines at our manufacturing facilities. Demand for such experienced staff and skilled personnel is high.

Risk Management

The Group strives to create open communication between employees and management to foster good working relationships. Both formal and on-the-job training are provided to upskill employees. In terms of recruitment, the Group works with higher education institutions to build pipelines of candidates, including interns, fresh graduates and alumnus. We also hire from our competitors in the industry and leverage on the experience of these newly hired staff. All staff have performance driven targets and the remuneration packages to reward them accordingly.

Geo-political risk

The Group's operations and major customers are mainly located in Singapore, Malaysia, Hong Kong and China, USA and Europe. This makes us sensitive to, *inter alia*, regulatory, social, political, economic and competitive conditions and changes thereof that are beyond our control. Any changes in these conditions may have a material and adverse effect on our business operations, financial position, results of operations and prospects. The Group conducts scenario planning exercises to anticipate potential geopolitical events and their impact. We also stay informed about the political and economic trends, regulatory changes, and security situations where we operate. The acquisition of the Pasir Gudang facility in Malaysia helps to diversify our manufacturing capacities and also takes advantage of opportunities that may arise.

Customer concentration risk

The Group generated a significant portion of our revenue from our major customers. There is no assurance that we will be able to retain these major customers or that they will maintain their business relationships with us. If there is a reduction or cessation of orders from these major customers and we are unable to obtain suitable orders of a comparable size and terms in replacement, our business, results of operations, financial position and cash flow may be materially and adversely affected.

The Group's sales division has a client servicing team who works closely with all our existing customers to grow their accounts through the Group's Joint Development Manufacturing and Original Design Manufacturing model. The sales division's business development team work closely with the various departments to discuss and organise on-going activities, arrange tradeshows to promote awareness of its products and market them to a wider range of new customers. The acquisition of the Pasir Gudang facility in Malaysia will springboard the expansion of the Group's manufacturing capacity and will enable the Group to boost its manufacturing efficiency, and in turn offer better value to its existing and new customers.

Financial Risk

Financial risk is risk associated with operating and capital funds, and budgets that could result in financial loss. The Group has established internal control systems to safeguard its assets and regularly reviews the effectiveness of these controls to improve and fortify financial discipline. All procedures, approval limits and authority limits are clearly defined in the Group's policies. Authority limits are delegated based on the organisational hierarchy from the Board, which has the highest authority, followed by the CEO and the Heads of Business/Departments. Any expenditure exceeding the highest authority limit is referred to the Board for approval.

Foreign exchange risk

The Group operates in different countries and its revenue and expenses are denominated in different currencies such as USD, SGD, MYR and RMB. Our sales are predominantly in USD and RMB while our purchases and expenses are predominantly in USD, RMB and MYR. The various currency exchange rates are subject to fluctuations which could be arise from international political and economic conditions, changes in the relevant government's economic and monetary policies as well as supply and demand across the jurisdictions in which we operate. We are also exposed to currency exchange fluctuations arising from the differences in timing between our receipt and payment of funds. These fluctuations may result in exchange losses or gains and may have an adverse effect on our results of operations and financial position. The Group's foreign exchange risk management policy sets out the type of currencies, quantum, duration, product type and counterparty that the Group can hedge against our foreign exchange exposure. The currency fluctuations are monitored on an ongoing basis and rolling cashflow is prepared to anticipate the Group's foreign exchange requirements.

Risk Management

Credit risk

Our sales to customers are usually made on credit terms of between 30 to 90 days for the products which we manufacture. There is no guarantee that our customers will pay payment in full as it falls due. In the event our customers are unable to settle trade amounts due to us on a timely basis, this will have an adverse impact on our operations, cash flows and financial position. Before accepting any new customers, the Group uses both internal and external credit review systems to assess the potential customers' credit quality and defines credit limits specific to each customer. All credit application or credit review must be approved by the FC/CFO and/or CEO. Credit terms granted are reviewed regularly and at least on an annual basis.

Financial reporting and disclosures

Financial statements of the Group may contain material misstatements, omissions, or inaccuracies that can adversely impact the understanding and interpretation of its financial performance and position. The Group's financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) and audited by the Group's external auditors, BDO LLP. The financial closing and reporting process is closely monitored by the FC and CFO and professional training are provided to the staff.

Tax regulatory risks

Tax regulation changes in countries that we operate in will affect operations and our financial performance. The Group monitors the changes in tax regulations regularly and has engaged a third -party tax agent to advise us on tax matters and ensure compliance with applicable tax regulations.

Operational Risk

Operational risk is the prospect of loss resulting from inadequate or faulty work practices, procedures, systems or policies, employee errors, system failures or fraud. Any event that disrupts business processes is termed operational risk. The Group has put in place operating manuals, standard operating procedures, authority guidelines and a rigorous reporting framework to manage these risks.

Production risk

Production risks encompass uncertainties and potential disruptions that can impact various facets of manufacturing operations. Production risks may include:

- (i) interruptions in supply chain, such as raw material shortages, delayed deliveries or supplier issues, which could lead to production delays and potential customer dissatisfaction;
- (ii) production machinery breakdowns, defects or inconsistencies in manufacturing processes; and
- (iii) inaccuracies in demand forecasting and manufacturing planning which may lead to over/under production, excess inventory and potential financial losses.

The Group performs production planning and capacity control with periodic analysis to ensure we meet customers' order requirements. Regular meeting and ongoing coordination between the various departments and customers ensure we meet customers' requirements and deadline. The Group forges strong relationships with suppliers through open communication and collaboration and sources locally for commodities and packaging materials where possible to minimise the impact of commodity shortages or supply chain disruptions while reducing the lead time and improving the Group's cashflow.

Risk Management

Environmental and sustainability risk

The Group is committed to being a socially responsible organisation through minimising the impact of our business activities on the environment. Our manufacturing operations are subject to various laws, rules and regulations imposed by the governments in the jurisdictions in which we operate. These law, rules and regulations relate to environmental matters, such as prevention of pollution of the air, earth and water, the treatment and discharge of hazardous wastes and materials and environmental rehabilitation. Our manufacturing operations are also subject to environmental risks and hazards which may occur in connection with our manufacturing operations as a result of human negligence, force majeure or otherwise, and may delay production, increase production costs, cause personal injuries and/or property damage, result in liabilities incurred by our Group, damage our Group's reputation and/or result in a breach of the conditions of our Group's environmental approvals, consents and/or other applicable approvals or authorisations. which may then result in fines, penalties, or and/or the revocation of the permits, licences and rights granted to us, which will adversely affect our business, results of operations and financial position. The Group has formed a sustainability committee to provide direction and report on our sustainability efforts and has published an annual sustainability report since 2021. As part of the global community committed to combating climate change, Aztech has pledged to achieve net-zero carbon emissions by 2040. The Group regularly reviews any updates to the ESG requirements and engages and works with stakeholders on their sustainability requirements.

Key management personnel and succession planning risk

Our continued success is largely dependent on our ability to retain our key management personnel and Executive Directors who are responsible for formulating and implementing our growth, corporate development and overall business strategies. In particular, we rely on the expertise, experience, leadership and contributions of our founder, Executive Chairman and CEO, Mr. Michael Mun and Executive Director and COO, Mr. Jeremy Mun, given their combined expertise in the electronics industry is instrumental in driving our Group's business and who would be difficult to replace. We also rely on the expertise of our Executive Officers and other skilled employees, including personnel in our finance, accounts and operations functions, R&D function, engineers, and sales and marketing staff as we continue to focus on the development and expansion of our business. The demand for such experienced personnel is intense and the search for personnel with the relevant expertise and calibre can be time consuming. Consequently, the loss of the service of any of our key personnel without timely replacement, or the inability to attract and retain such qualified personnel, will have a material and adverse effect on business, results of operations, financial position and prospects.

The nominating committee nominates candidates to meet the needs and requirements of the Group and reviews and makes recommendations to the Board on the succession plans for the Directors, the Board Chairman and Key Management Personnel. The remuneration committee of the Group meets at least annually and plays a key role in ensuring the Group is able to attract, recruit and retain the best talent through competitive remuneration. The remuneration framework includes, but is not limited to, Directors' fees, salaries, allowances, bonuses, grant of shares/share options and benefits in kind. Other key efforts in succession planning by the Group include planning the career paths for key management personnel, performs annual appraisals and encourages the mentoring of staff through working in teams.

Health and safety risk

A health and safety risk which relates to occupational health and safety ("OSH") can be defined as the likelihood that a person may suffer harm or an adverse health effect if/when exposed to a hazard. As we develop new products, product categories and services in a rapidly changing industry, not all of the products and services we develop fall under a defined legal or regulatory regime. Our products and services may be subject to unexpected and unforeseen regulatory regimes such as regulations related to, but not limited to, health and safety, hazardous materials usage, product-related energy consumption, packaging, manufacturing methods, sustainability matters, recycling and environmental matters. In addition, some of our untested products may carry with them unknown or unforeseen risks to consumers' health and safety, which could expose us to future litigation. Should any of these events occur, our business, results of operations and financial performance could be materially and adversely affected.

The Group is ISO 45001 OSH management systems certified, and has in place OSH manuals and processes. There is an OHS officer present at each of the Group's business locations. Staff in each business location are also trained in first aid, fire drills are conducted at least twice per location and safety equipment are checked periodically.

Risk Management

Cybersecurity risk

Our business and operations, particularly in the segment of IoT Devices and Data-communication products, rely heavily on information technology. As such, our business is exposed to risks of cyber security threats, data privacy breaches as well as other network security and stability risks. The scale and level of sophistication of cyber security threats have increased especially in recent times. Computer viruses, malware, ransomware, worms, or trojans may harm our systems or our products or cause the loss or alteration of data and the transmission of computer viruses or malware via our technology could expose us to litigation and a loss of confidence in the security of our technology, as well as regulatory investigations and penalties. Disruptions to our Group's information technology systems caused by cyber attacks or otherwise could therefore have a material adverse effect on our business, financial position, results of operations and prospects.

The Group has also attained ISO 27001 certification, which provides companies of any size and from all sectors of activity with guidance for establishing, implementing, maintaining and continually improving an information security management system. The Group also has in place a Bring-Your-Own-Device and end point protection policy, performs annual penetration tests to test applications' security and uses VPN and clouds with encryption. The IT department also conducts cybersecurity training and phishing awareness campaigns to educate staff.

The Group announced on 13 February 2024 via SGXNET that the Group experienced a cybersecurity incident where cyber criminals gained unauthorised access to its IT network and deployed a ransomware attack. The Group also stated that the incident did not have any material impact to the Group's financials or its operations. The incident served as a reminder that the Group needs to remain vigilant at all times. Even with ISO 27001 practices in place, we need to be constantly reviewing and updating our policies as and when new threats arise.

As the Group expands, we need to constantly ensure that Group's network is properly secured. As such, on top of the ISO27001 certification, the Group is also engaging cybersecurity experts to review and update the cybersecurity posture, keeping the threats at bay and monitoring the network 24/7.

Crisis management risk

Our Group's business and operations may be materially and adversely affected by events beyond the control of our Group, including but not limited to natural catastrophes, political unrest, war and terrorist attacks. Natural catastrophes such as the outbreak of fire, flood and earthquake may materially and adversely affect the economy, infrastructure and livelihood of the geographical locations in which our Group may operate. There can be no assurance that any war, terrorist attack, political unrest, or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have a material and adverse effect on our Group's business, results of operations, financial position and cash flow.

The Group has established a Business Continuity Plan and manual to ensure the Group is able to continue and maintain its core services, functions and operations in the event of a business disruption in the different operating facilities. In relation to cybersecurity, the Company is ISO 27001 certified and has processes in place for cybersecurity protection. The Operations team will work closely with the legal and corporate affairs team in the event of a legal claim and make announcements on SGXNET if required.

Compliance Risk

Compliance risk include exposure to legal penalties, financial forfeiture, and material impact when an entity fails to act in accordance with industry laws and regulations, local statutes, internal policies, procedures and contracts. The Group keeps abreast of and complies with all laws and regulations governing the conduct of business in jurisdictions that we operate in.

Sustainability reporting

Sustainability reporting is a form of non-financial performance reporting/disclosure that enables companies to convey their progress towards goals on a variety of sustainability parameters, including environmental, social and governance metrics, as well as risks and impacts they may face, at the moment or in the future. The primary objective of sustainability reporting is to drive concrete actions toward efforts. Sustainability reporting helps companies communicate both positive and negative impacts of their actions on the environment, society as well as economy, and accordingly set priorities and communicate the progress. As a listed company on the SGX-ST Mainboard, the Group has been publishing an annual sustainability report since 2021 (FY2020).

Risk Management

The Group has performed gap analysis, benchmarked against best practices, onboarded a new ESG software to improve accuracy, ownership and quality of the data of the sustainability reporting. The scope of the sustainability report is defined annually and the key sustainability metrics, indicators and KPIs are aligned with established frameworks such as the Global Reporting Initiative. The Group also regularly reviews and updates data, information and KPIs to reflect changes in operations or improvements made. Relevant staff attended training to enhance their ESG competency and understanding of sustainability reporting requirements.

Intellectual property risk

In the course of our business, we rely on certain intellectual property rights such as patents and trademarks. Our success depends, in part, on our ability to obtain, maintain and defend our intellectual property rights, which we believe are critical to our business. The lack of intellectual property management and innovation may lead to a loss of competitive intelligence and the inability to protect our core competencies and research and development activities. The technologies and processes covered by our patents may be found to be obvious or substantially similar to prior work, which could render these patents unenforceable. Other companies may also be able to copy our hardware or software by reverse engineering or otherwise copying the results of our R&D at a lower cost than what it cost us to design and develop. The making and selling of counterfeit copies of our hardware and software at a lower price may adversely affect our sales, harm our business and reputation, negatively impact our brand and image and consequently result in a loss of consumer confidence in our brand.

The Group monitors its intellectual property rights closely, and when a competitor infringes our patent or other intellectual property rights, we shall enforce such intellectual property rights when we determine that a successful outcome is probable and may lead to an increase in or protect the value of the intellectual property. Critical information, including design, technical specifications, pricing and user interface are saved on the Group's internal portal and are password protected. Access to the relevant folders containing confidential data is restricted to researchers/ developers on the relevant project team. The Group's IT department manages the access rights of these folders. We rely on confidentiality agreements with all our employees and subcontractors, which provide that all confidential information developed by or made known to the individual during the individual's relationship with us is to be kept confidential and not disclosed to third parties before it becomes public. The Group has in place a policy for the management of intellectual property rights and maintains a register of patents, trademarks and rights which includes validity and status of renewal. Patents, trademarks and any other rights in the register will be renewed on a timely basis. The Group engages experienced agents to review applications for patent registrations and attend to the registration process.

Directors' Statement

The Directors of Aztech Global Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2023, and the statement of financial position of the Company as at 31 December 2023 and statement of changes in equity of the Company for the financial year ended 31 December 2023.

1. Opinion of the Directors

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are:

Michael Mun Hong Yew
Jeremy Mun Weng Hung
Larry Tan Jwee Meng
Jeann Low Ngiap Jong
Tan Teik Seng
Christopher Huang Junli

3. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Statement

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interest in the shares or debentures of the Company or its related corporations, either at beginning or end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967 (the "Act"), except as follows:

Name of Directors and companies in which interests are held	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
<u>Interest in the Company</u>				
Aztech Global Ltd.				
(Number of ordinary shares)				
Michael Mun Hong Yew (See Notes a to d)	–	6,250,000	See Note a	536,447,600
Jeremy Mun Weng Hung (See Note e)	–	–	200,000	200,000
Jeann Low Ngiap Jong (See Note e)	–	–	150,000	150,000

Notes on the Company's shares ("Shares") held by Azventure Investments Pte. Ltd. ("AZI") and Mr Michael Mun Hong Yew ("Mr Mun"):

- a. As at the beginning of the financial year ended 31 December 2023, AZI held 542,197,600 Shares. AVS Investments Pte Ltd ("AVSI") held 100% of the issued and paid-up share capital of AZI. Accordingly, for the purposes of Section 4 of the Securities and Futures Act 2001 of Singapore, AVSI was deemed to have an interest in the 542,197,600 Shares held by AZI. Mr Mun, as the sole shareholder of AVSI, is thus deemed to have an interest in the 542,197,600 Shares held by AZI.
- b. On 16 May 2023, Mr Mun acquired 500,000 Shares, held by Raffles Nominees (Pte) Limited, a nominee account jointly held by Mr Mun and his spouse, Mdm Siew Yoke Ping ("Mdm Siew"). Including the deemed interest in the Shares set out in (a) above, Mr Mun had a deemed interest in 542,697,600 Shares as at 16 May 2023.
- c. On 16 June 2023, as part of an internal restructuring to rationalise Mr Mun's existing holding structure of the 542,197,600 Shares held by AZI, AZI transferred all of its Shares to Mr Mun.

Accordingly, as at 16 June 2023:

- (i) AZI ceased holding any Shares and Mr Mun held the 542,197,600 Shares, previously held by AZI, directly in his name; and
 - (ii) AZI ceased being the immediate holding company of the Company.
- d. As at 31 December 2023:
- (i) Mr Mun had 6,250,000 Shares directly in his CDP account; and
 - (ii) Mr Mun had a deemed interest in 536,447,600 Shares held in nominee accounts jointly by Mr Mun and Mdm Siew as well as nominee accounts of Mun Siew Capital Pte Ltd. Mun Siew Capital Pte Ltd is wholly owned by Clova Investments Ltd, which is in turn wholly owned by Mr Mun.

Directors' Statement

4. Directors' interests in shares or debentures (Continued)

Note on the Shares held by Mr Jeremy Mun Weng Hung and Ms Jeann Low Ngiap Jong:

- e. Mr Jeremy Mun Weng Hung and Ms Jeann Low Ngiap Jong are deemed to be interested in 200,000 and 150,000 ordinary Shares respectively, held by their nominee, DBS Nominees Pte Ltd.

By virtue of Section 7 of the Act, Mr Michael Mun Hong Yew is deemed to have an interest in all the related corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2024 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2023.

5. Long-Term Retirement Incentive Plan

During the financial year ended 31 December 2019, the Group implemented a Long-Term Retirement Incentive Plan ("LTRP") for its key management staff (including the CEO and Executive Director) of the Group. Under the LTRP, the key management staff will be eligible to receive a cash payout when they reach the minimum retirement age of 62 ("Minimum Retirement Age") or elect to receive it later when they retire, if their contract is extended after the Minimum Retirement Age.

The LTRP will be part of the remuneration package for current and future key management staff, and the eligibility to participate in the plan shall be determined by the Board of Directors.

From 1 January 2020 onwards, for all eligible key management staff, the LTRP amount will be computed based on 2% of their annual salary in the relevant financial year (prorated, where applicable), provided that the profit after tax of the Group is at least \$5 million for the relevant financial year.

If a key management staff's employment ceases for any reason before he or she reaches the Minimum Retirement Age, then the full amount provided for the respective staff's LTRP payout will be forfeited.

A provision of \$947,636 (2022: \$911,573) was made for LTRP as at 31 December 2023.

6. Share options

Employee Share Option Scheme

The Company has implemented an Employee Share Option Scheme known as the Aztech Employee Share Option Scheme ("Share Option Scheme"). The Share Option Scheme was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 18 February 2021. The Share Option Scheme provides a means to recruit, motivate and retain employees whose contributions are essential to the long-term growth of the Group.

Under the Share Option Scheme, options to subscribe for the ordinary shares of the Company are granted to key management personnel and selected employees based on the recommendation by the Remuneration Committee. The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five (5) market days immediately preceding the date of the grant. No options are granted at a discount to the prevailing market price of the shares. The vesting of the options is conditional on the key management personnel or selected employees completing another two (2) years of service to the Group with fifty (50) percent of the options are exercisable at the end of each year of service. Once the options are vested, they are exercisable for a period of ten years. The options may be exercised in full or in part in respect of 1,000 ordinary shares or a multiple thereof, on the payment of the exercise price.

The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Share Option Scheme, shall not exceed 15% of the issued shares (excluding treasury shares) of the Company on the day preceding that date.

Directors' Statement

6. Share options (Continued)

Employee Share Option Scheme (Continued)

On 13 December 2021, the Company granted options to subscribe for 2,110,000 ordinary shares of the Company at exercise price of \$0.934 per share ("2021 Options"). The 2021 Options are exercisable from 13 December 2022 and expire on 12 December 2031. On 29 September 2023, the Company granted options to subscribe for 2,250,000 ordinary shares of the Company at exercise price of \$0.806 per share ("2023 Options"). The 2023 Options are exercisable from 29 September 2024 and expire on 28 September 2033. The estimated fair value of the 2021 Options is \$670,000 and 2023 Options is \$331,000. These fair values were calculated using the Black-Scholes pricing model.

No options have been granted to controlling shareholders of the Company or their subsidiaries.

Participants under the Share Options Scheme who has received 5% or more of the total number of shares under option available under the Share Options Scheme:

Name	Number of unissued ordinary shares of the Company under option			
	Options granted during 2023	Aggregate options granted since commencement of the Share Option Scheme	Aggregate Options exercised since commencement of the Share Option Scheme	Aggregate options outstanding at 31 December 2023
Daniel Oh Yong Boon	200,000	400,000	–	400,000
Pavani Nagarajah	200,000	400,000	–	400,000
Annie Qian Junmin	200,000	400,000	–	400,000
Christine Lee Pin Rou	200,000	400,000	–	400,000
Tan Chee Yong, Leslie	200,000	200,000	–	200,000
Lee Hai Chuan Joel	200,000	200,000	–	200,000
Terence Kwong Man Hong	200,000	400,000	–	400,000
He Zhao Yang	200,000	400,000	–	400,000
Sunny Wang	200,000	400,000	–	400,000
Wong Kim Fai	100,000	200,000	–	200,000
	1,900,000	3,400,000	–	3,400,000

The number of unissued ordinary shares of the Company under option in relation to the Share Option Scheme outstanding at the end of the financial year was as follows:

	Balance as at beginning of the financial year	Granted during the financial year	Forfeited during the financial year	Balance as at end of the financial year	Exercise price	Exercise period
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

Directors' Statement

6. Share options (Continued)

Performance Share Plan

The Company has implemented a Performance Share Plan known as the Aztech Performance Share Plan ("Performance Share Plan"). The Performance Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 18 February 2021. No shares have been granted pursuant to the Performance Share Plan as at the date of this report.

7. Audit committee

The Audit Committee of the Company is chaired by Ms. Jeann Low Ngiap Jong, an Independent Non-executive Director, and includes Mr. Larry Tan Jwee Meng, an Independent Non-executive Director, Mr. Tan Teik Seng, an Independent Non-executive Director and Mr. Christopher Huang Junli, an Independent Non-executive Director. The Audit Committee has carried out its functions in accordance with Section 201B(5) of the Act, including reviewing the following, where relevant, with the Executive Directors and external auditors of the Company:

- (a) assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group;
- (b) review and report to the Board significant financial reporting issues and judgements to ensure the integrity of the financial statements and any announcements relating to financial performance;
- (c) review the internal and external auditors' audit plans, scope of work, their evaluation of the Group's system of internal controls, audit reports (including assessing and reporting to the Board the quality of the work carried out and the basis of such assessment, and evaluating the performance of the external auditors), external auditors' management letters and the management's response, the results of audits compiled by the Company's internal and external auditors, and the implementation by the Group of the internal control recommendations made by the Group's internal and external auditors;
- (d) review the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Directors for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Listing Manual and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the management, where necessary, before submission to the Directors for approval;
- (e) review the assurance from the Executive Chairman and CEO and Chief Financial Officer/Financial Controller on the financial records and financial statements of the Group;
- (f) ensure co-ordination between the external and internal auditors and the management and reviewing the assistance given by the management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);
- (g) review and report to the Board, at least annually, the risk profile of the Group, the effectiveness and adequacy of the internal control and risk management procedures addressing financial, operational, information technology and compliance risks (including the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board), and discuss issues and concerns, if any, arising from the internal audits;
- (h) review and discuss with external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's results of operation, financial performance or financial position and the management's response;
- (i) review the adequacy and effectiveness of the Group's risk management and internal audit function and ensuring that a clear reporting structure is in place between the Audit Committee and the internal auditors;

Directors' Statement

7. Audit committee (Continued)

- (j) ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualification and experience, and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (k) ensure that the internal audit function has unfettered access to all of the Group's documents, records, properties and personnel, including the Audit Committee, and has appropriate standing within the Group;
- (l) review the Group's key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- (m) review the independence and objectivity of the internal and external auditors as well as consider the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors;
- (n) review and approve any interested person transactions falling within the scope of Chapter 9 of the Listing Manual and review procedures thereof;
- (o) review potential conflicts of interests (if any) and set out a framework to resolve or mitigate any potential conflicts of interests, including reviewing the adequacy of conflicts mitigating measures within the Group;
- (p) review and monitor the measures the Group has put in place in respect of the legal representatives of the Company's China-incorporated subsidiary;
- (q) review regulatory compliance matters, at least on a quarterly basis, with a view to ensuring that adequate rectification measures are taken for past breaches as well as new initiatives implemented to mitigate and reduce the risks of future breaches;
- (r) on an annual basis or any other period that the Audit Committee deems fit, ensure that trade receivables are stated at fair value and accurately recorded in the financial statements, and that credit policies are adhered to;
- (s) monitor the cash flows of the Group;
- (t) periodically review the Group's intellectual property protection policies to ensure that the policies and/or procedures are complied with, and adequate and effective for the Group's operations;
- (u) review the processes and procedures for the Group's resolution of the regulatory issues pertaining to the Dongguan Land and the buildings constructed on it, including the obtaining of the Title Registration in respect of the buildings constructed on the Dongguan Land and the Certificate of Land Use Right in respect of the Dongguan Land;
- (v) review transactions falling within the scope of Chapter 10 of the Listing Manual, if any;
- (w) undertake such other reviews and projects as may be requested by the Directors, and report to the Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee; and
- (x) undertake generally such other functions and duties as may be required by law or the Listing Manual, and by such amendments made thereto from time to time.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and Executive Officer of the Group to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditor of the Company at the forthcoming AGM of the Company.

Directors' Statement

8. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

Michael Mun Hong Yew
Director

Singapore
28 March 2024

Jeremy Mun Weng Hung
Director

Independent Auditor's Report

To the Members of Aztech Global Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aztech Global Ltd. (the "Company") and its subsidiaries (the "Group"), set out on pages 73 to 125, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Members of Aztech Global Ltd.

KEY AUDIT MATTER	AUDIT RESPONSE
1 Revenue recognition <p>The Group derives revenue from manufacture and sale of IoT devices, Datacom products and LED lighting products. The Group's revenue was recognised at a point in time when the Group's customers obtained control of the goods and it is probable that the agreed consideration will be received.</p> <p>We have determined revenue recognition to be a key audit matter due to the volume of revenue transactions and we placed significant attention and effort on this area as part of our audit approach. Revenue recognised for the financial year is also a significant measure of the Group's financial performance.</p>	<p>Our procedures included, amongst others, the following:</p> <ul style="list-style-type: none">■ Examined the Group's revenue recognition policy in accordance with SFRS(I) 15 Revenue from Contract with Customers and checked that appropriate consistent revenue recognition policy is applied;■ Reviewed revenue and receipts cycle, identified key controls via walkthrough test and carried out test of controls;■ On sample basis, test checked to sales invoice and customer acknowledged document;■ Performed revenue cut-off procedures for a sample of revenue transactions, before and after the financial year, by examining relevant supporting documents to evaluate whether control has passed to determine whether revenue is recognised in the appropriate financial year;■ Performed analytical review using data analytics tools to identify any unusual trends and movements and investigated reasons; and■ Assessed the adequacy of the related disclosures made in the financial statements.
<p>Refer to Notes 2.6 and 25 of the accompanying financial statements.</p>	

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Independent Auditor's Report

To the Members of Aztech Global Ltd.

Responsibilities of Management and Directors for the Financial Statements (Continued)

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

To the Members of Aztech Global Ltd.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Kian Hui.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
28 March 2024

Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	4	231,442	195,963	165,264	125,296
Trade receivables	5	200,739	197,566	–	–
Other receivables	6	2,634	5,815	802	11,187
Other investments	7	40,580	30,262	40,580	30,262
Prepayments		2,156	812	137	101
Inventories	8	73,940	85,211	–	–
Total current assets		551,491	515,629	206,783	166,846
Non-current assets					
Other receivables	6	–	–	946	–
Investments in subsidiaries	9	–	–	78,866	78,866
Property, plant and equipment	10	44,818	25,764	–	–
Intangible assets	11	–	–	–	–
Deferred tax assets	12	966	–	240	–
Total non-current assets		45,784	25,764	80,052	78,866
Total assets		597,275	541,393	286,835	245,712

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	13	3,531	1,347	–	–
Lease liabilities	14	2,172	1,563	464	488
Trade payables	15	173,726	185,711	–	–
Other payables	16	31,047	47,458	25,272	14,148
Provision for retirement benefit	17	669	649	669	649
Derivative financial instruments	18	30	988	30	988
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	13	13,781	3,936	–	–
Lease liabilities	14	2,721	1,606	946	–
Provision for retirement benefit	17	279	263	279	263
Deferred tax liabilities	12	8,361	308	240	–
Total non-current liabilities		25,142	6,113	1,465	263
Capital and reserves					
Share capital	19	206,166	206,166	206,166	206,166
Treasury shares	20	(1,843)	(1,843)	(1,843)	(1,843)
Capital reserve	21	(4,670)	(4,670)	11,651	11,651
Foreign currency translation account	22	(18,558)	(13,876)	–	–
Share options reserve	23	636	288	636	288
Statutory reserve	24	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

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 December 2023

	Note	Group	
		2023 \$'000	2022 \$'000
Revenue	25	896,286	820,244
Other income	26	1,103	1,366
Changes in inventories of finished goods and work in progress, and raw materials used		(684,426)	(615,589)
Employee benefits expense	27	(58,453)	(50,715)
Depreciation expenses	10 & 31	(8,747)	(8,610)
Other operating expenses		(21,664)	(12,366)
Loss allowance for trade receivables	5	(6,538)	(662)
Interest income		7,468	2,004
Other gains and losses	28	(218)	(54,011)
Finance costs	29	(1,078)	(931)
Profit before income tax		123,733	80,730
Income tax expense	30	(23,721)	(13,543)
Profit for the financial year	31	100,012	67,187
Other comprehensive income:			
<i>Items that may be reclassified subsequently into profit or loss</i>			
Exchange differences on translation of foreign operations, representing other comprehensive income for the financial year, net of tax		(4,682)	(14,684)
Total comprehensive income for the financial year		95,330	52,503
Profit attributable to owners of the Company		100,012	67,187
Total comprehensive income attributable to owners of the Company		95,330	52,503
Earnings per share			
Basic and diluted (cents)	32	12.96	8.70

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2023

	Note	Share capital \$'000	Treasury shares \$'000	Capital Reserve \$'000	Foreign currency translation reserve/ reserve/ (account) \$'000	Share options reserve \$'000	Statutory reserve \$'000	Retained profits \$'000	Total equity \$'000
Group									
Balance as at 1 January 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>									
- Share option expense	27	-	-	-	-	348	-	-	348
- Dividends	33	-	-	-	-	-	-	(34,738)	(34,738)
Total		-	-	-	-	348	-	(34,738)	(34,390)
Balance as at 31 December 2023		206,166	(1,843)	(4,670)	(18,558)	636	1,254	161,958	344,943
Balance as at 1 January 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>									
- Share option expense	27	-	-	-	-	288	-	-	288
- Dividends	33	-	-	-	-	-	-	(61,756)	(61,756)
Total		-	-	-	-	288	-	(61,756)	(61,468)
Balance as at 31 December 2022		206,166	(1,843)	(4,670)	(13,876)	288	1,254	96,684	284,003

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 December 2023

	Note	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Share options reserve \$'000	Retained profits \$'000	Total equity \$'000
Company							
Balance as at 1 January 2023		206,166	(1,843)	11,651	288	12,638	228,900
Profit for the financial year, representing total comprehensive income for the financial year		–	–	–	–	63,396	63,396
<i>Transactions with owners, recognised directly in equity</i>							
- Share option expense	27	–	–	–	348	–	348
- Dividends	33	–	–	–	–	(34,738)	(34,738)
Total		–	–	–	348	(34,738)	(34,390)
Balance as at 31 December 2023		206,166	(1,843)	11,651	636	41,296	257,906
Balance as at 1 January 2022		206,166	(1,843)	11,651	–	39,490	255,464
Profit for the financial year, representing total comprehensive income for the financial year		–	–	–	–	34,904	34,904
<i>Transactions with owners, recognised directly in equity</i>							
- Share option expense	27	–	–	–	288	–	288
- Dividends	33	–	–	–	–	(61,756)	(61,756)
Total		–	–	–	288	(61,756)	(61,468)
Balance as at 31 December 2022		206,166	(1,843)	11,651	288	12,638	228,900

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2023

	Group	
	2023	2022
	\$'000	\$'000
Operating activities		
Profit before income tax	123,733	80,730
Adjustments for:		
Depreciation of property, plant and equipment	8,747	8,610
Fair value loss on derivative financial instruments	1,720	56,553
Fair value gain on other investments, net	(702)	(29)
Share option expense	348	288
Gain on disposal of plant and equipment	(78)	(72)
Gain on cessation of a subsidiary	–	(1,321)
Interest expense	1,078	931
Interest income	(7,468)	(2,004)
Lease modification	(15)	(32)
Loss allowance for trade receivables	6,538	662
Net unrealised foreign exchange loss	6,962	707
Plant and equipment written off	301	524
Provision/(Reversal of provision) for retirement benefit	36	(18)
Write-down for inventories obsolescence	95	2,204
Operating cash flows before movements in working capital	141,295	147,733
Trade receivables	(14,703)	14,847
Other receivables	981	1,514
Derivative financial instruments	(2,679)	(55,184)
Prepayments	(1,382)	356
Inventories	9,168	(19,513)
Trade payables	(17,081)	39,600
Other payables	(16,821)	(11,263)
Cash from operations	98,778	118,090
Income tax paid	(14,180)	(10,734)
Interest paid	(1,078)	(931)
Net cash from operating activities	83,520	106,425

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2023

	Group	
	2023	2022
	\$'000	\$'000
Investing activities		
Interest received	7,468	2,004
Proceeds on disposal of plant and equipment	190	238
Purchases of property, plant and equipment	(4,264)	(2,420)
Deposits paid for acquisition of a factory building	–	(2,115)
Acquisition of freehold land and building, net of cash acquired (Note 10)	–	(1,927)
Acquisition of other investments, net	(9,624)	(30,225)
Net cash used in investing activities	(6,230)	(34,445)
Financing activities		
Repayment of obligations under lease liabilities (Note A)	(1,761)	(1,857)
Proceeds from bank borrowings (Note A)	16,511	65,554
Repayments of bank borrowings (Note A)	(23,491)	(77,306)
Dividends paid	(34,738)	(61,756)
Net cash used in financing activities	(43,479)	(75,365)
Net change in cash and cash equivalents	33,811	(3,385)
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,668	(2,164)
Cash and cash equivalents at beginning of the financial year	195,963	201,512
Cash and cash equivalents at end of the financial year (Note 4)	231,442	195,963

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December 2023

Note A Reconciliation of liabilities arising from financing activities

	← Non-cash changes →						2023 \$'000
	2022 \$'000	Cash flows \$'000	Lease modification \$'000	Additions of property, plant and equipment under leases \$'000	Additions of property, plant and equipment financed directly under a term loan \$'000	Foreign exchange differences \$'000	
Borrowings	5,283	(6,980)	–	–	19,323	(314)	17,312
Lease liabilities	3,169	(1,761)	1,952	1,571	–	(38)	4,893

	← Non-cash changes →						2022 \$'000
	2021 \$'000	Cash flows \$'000	Lease modification \$'000	Additions of property, plant and equipment under leases \$'000	Arising from acquisition of a subsidiary \$'000	Foreign exchange differences \$'000	
Borrowings	14,735	(11,752)	–	–	2,656	(356)	5,283
Lease liabilities	3,298	(1,857)	682	1,140	–	(94)	3,169

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

These notes form an integral part of and should be read in conjunction with these financial statements.

1. General corporate information

Aztech Global Ltd. (the “Company”) (Registration number 200909384G) is a public limited company incorporated and domiciled in Singapore with its principal place of business and registered office at 31 Ubi Road 1 #01-05 Singapore 408694. The Company was listed on the mainboard of Singapore Exchange Securities Trading Limited on 12 March 2021.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 9 of the financial statements.

Prior to 16 June 2023, the Company’s immediate and ultimate holding companies were Azventure Investments Pte. Ltd. and AVS Investments Pte. Ltd. respectively, both of which are incorporated in Singapore. Mr Michael Mun Hong Yew, as the sole shareholder of AVS Investments Pte. Ltd., was the ultimate controlling party of the Company.

On 16 June 2023, Azventure Investments Pte. Ltd. transferred all of its shares in the Company (“Shares”) to Mr Michael Mun Hong Yew and thereby ceased holding any shares in the Company. Accordingly, Azventure Investments Pte. Ltd. and AVS Investments Pte. Ltd. ceased being the Company’s immediate and ultimate holding companies respectively on 16 June 2023. Mr Michael Mun Hong Yew holds the Shares both directly and indirectly in various nominee accounts and is the ultimate controlling party of the Company. Mr Michael Mun Hong Yew’s shareholding in the Company is disclosed in the Directors’ Statement.

2. Material accounting policy information

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entities operate (“functional currency”). The financial statements are presented in Singapore dollar which is the functional currency and presentation currency of the Company. The financial statements are expressed in Singapore dollar and all values are rounded to the nearest thousand (\$’000) unless otherwise indicated.

The preparation of financial statements in conformity with SFRS(I)s requires the management to exercise judgement in the process of applying the Group’s and the Company’s accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses throughout the financial year. Although these estimates are based on management’s best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed as below to the financial statements.

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements, apart from those involving estimations (see below), that have a significant effect on the amounts recognised in the financial statements.

Significant accounting estimates and assumptions used:

- Expected credit loss allowance of trade receivables (Note 5 & Note 36.3(iii))

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

2. Material accounting policy information (Continued)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2023

The standards, amendments to standards, and interpretations that will apply for the first time by the Group and the Company are not expected to impact the Group and the Company as they are either not relevant to the Group and the Company's business activities or require accounting which is consistent with the Group and the Company's current accounting policies, except as disclosed below:

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2

The amendments change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy is likely to be considered material.

Management has followed the guidance in the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 in determining which accounting policy information is material.

Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously. The amendments introduce an additional criterion for the initial recognition exemption under paragraph 15 of SFRS(I) 1-12, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of transaction, gives rise to equal taxable and deductible temporary differences.

The amendment should be applied to transaction that occur on or after the beginning of the earliest comparative period presented. Deferred tax assets should be recognised to the extent that it is probable that they can be utilised and deferred tax liabilities should be recognised at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with the Group and the Company's right-of-use assets and lease liability in the scope of SFRS(I) 16.

The cumulative effect of recognising these adjustments is recognised during the current financial year as the amount is not material on the balance at the beginning of the earliest comparative period presented. The relevant disclosure is included in Note 12 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

2. Material accounting policy information (Continued)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations issued but not yet effective

The following SFRS(I)s are relevant to the Group and the Company, and effective for annual periods beginning on 1 January 2023 and thereafter, and have not been adopted early:

		Effective date (annual periods beginning on or after)
SFRS(I) 1-1 (Amendments)	: Classification of Liabilities as Current or Non-current	1 January 2024*
SFRS(I) 16 (Amendments)	: Lease liability in a Sale and Leaseback	1 January 2024
SFRS(I) 1-1 (Amendments)	: Non-current liabilities with Covenants	1 January 2024
SFRS(I) 1-21 (Amendments)	: Lack of Exchangeability	1 January 2025

* The mandatory effective date of this Amendment had been revised from 1 January 2022 to 1 January 2023 in July 2020 via Amendment to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current – Deferral of Effective Date and further revised to 1 January 2024 in December 2022 via Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants.*

Management anticipates that the adoption of the above new standards, amendments and interpretations in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect those returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, if any.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

2. Material accounting policy information (Continued)

2.2 Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

Investments in subsidiaries are carried at cost less any impairment loss, in the Company's statement of financial position.

2.3 Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs of raw materials and finished goods are determined on a weighted average basis and include all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured goods, costs include cost of material, direct labour and an appropriate portion of manufacturing overheads.

Work-in-progress is stated at cost which comprises direct material, direct labour and other directly attributable expenses. Allowance is made for anticipated losses, if any, on work-in-progress when the possibility is ascertained.

Net realisable value is the estimated selling price at which the inventories can be realised in the ordinary course of business less all estimated costs of completion and costs of realisation. Where necessary, the carrying values of inventories are adjusted to the lower of cost and net realisable value to account for obsolete, slow-moving and defective inventories.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives, on the following bases:

Leasehold land and factory buildings	over the terms of lease, which are from 1.75% to 20%
Computer and office equipment	20% to 100%
Factory equipment	12.5% to 20%
Factory furniture and fittings	20%
Office furniture and fittings	20% to 33.33%
Research and development equipment and tools	20% to 33.33%
Software applications	20% to 100%
Motor vehicles	20% to 33.33%
Right-of-use assets - Leasehold properties	20% to 50%
- Factory equipment	12.5% to 20%
- Motor vehicles	20% to 33.33%

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

2. Material accounting policy information (Continued)

2.5 Leases

The Group as lessee

The Group leases a number of properties (i.e. office building and warehouses) in Singapore, Malaysia, Hong Kong and the People's Republic of China with only fixed lease payments over the lease term.

The Company leases office premises with only fixed payment over the lease term. These office premises have been subleased to related companies under finance leases (Note 6).

The Group also leases certain items of factory equipment and motor vehicles with only fixed payments over the lease terms. There are no externally imposed covenants on these lease arrangements.

Certain IT equipment of the Group qualified for low value assets and the Group also leases certain machinery on a short-term basis (i.e. 3 to 6 months) in order to support the Group's operational needs. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operation whereas the low-value lease exemption is made on lease-by-lease basis.

2.6 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers are fixed amounts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

Sale of electronic products

Revenue from the sale of electronic products is recognised at point in time when the control of the products is transferred to the customers, which represent the performance obligation is satisfied.

There is limited judgement needed to identify when the point of control passes to customers. There is no element of financing component in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 90 days. Where the payments exceed the value of goods transferred, a contract liability is recognised and presented as customer deposits in "other payable".

All electronic products sold by the Group include standard warranty which requires the Group either to replace or mend the defective product during the warranty period. The warranty against defect is not accounted for as separate performance obligation.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

2. Material accounting policy information (Continued)

2.7 Retirement benefit obligations

Share-based compensation

The Group issues equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to the share-based payment reserve, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non market-based vesting conditions. At the end of each financial year, the Group revises the estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period with a corresponding adjustment to the share-based payment reserve.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Other long-term service benefits

The Group operates a retirement benefit plan which it offers the qualified employees an amount of benefit that an employee will receive on or after retirement, usually dependent on certain percentage of their final pay for every year of completed service and these payments are made in full after the date of retirement. The liability recognised on the statements of financial position in respect of a retirement benefit plan is the present value of the retirement benefit obligation at the reporting date. The present value of the retirement benefit obligation is determined by discounting the estimated future cash outflows using the market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

2.8 Profit sharing scheme

Certain Directors are entitled to share of the profit under the profit sharing scheme. A provision is made for the estimated liability under the profit sharing scheme and is presented in "Other payables".

3. Significant related party transactions

Some of the Group's and the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances with related parties are unsecured, interest-free and repayable within the next twelve months unless otherwise stated.

Significant intercompany transactions, other than those disclosed elsewhere in the notes are as follows:

	Company	
	2023	2022
	\$'000	\$'000
With subsidiaries		
Dividends received	59,727	79,053

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

3. Significant related party transactions (Continued)

During the financial year, the entities within the Group entered into the following transactions with related parties:

	Group	
	2023	2022
	\$'000	\$'000
Transactions with companies in which directors have equity interests:		
Rendering of services	(103)	(110)
Receiving of services	7	392
Proceed paid for the acquisition of assets and liabilities from a related company	–	2,050

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group	
	2023	2022
	\$'000	\$'000
<i>Directors of the Company</i>		
Short-term benefits	4,175	4,154
Post-employment benefits	24	29
	4,199	4,183
<i>Other key management personnel</i>		
Short-term benefits	1,461	1,418
Post-employment benefits	62	67
	1,523	1,485

4. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at banks available on demand	1,388	28,376	309	24,780
Short-term deposits	230,054	167,587	164,955	100,516
Cash and cash equivalents	231,442	195,963	165,264	125,296

Short-term deposits bear interest of 1.25% to 5.45% (2022: 1.75% to 4.15%) per annum with tenure of 1 week to 3 months (2022: 1 week to 3 months).

The Group's cash and cash equivalents amounting to \$6,949,000 (2022: \$23,533,000) is subject to the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations. The Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

5. Trade receivables

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 days (2022: 30 to 90 days) credit terms.

	Group	
	2023 \$'000	2022 \$'000
Third parties	209,949	200,351
Less: Loss allowance	(9,210)	(2,785)
	200,739	197,566

Trade receivables are unsecured, non-interest bearing and generally on 30 to 90 days (2022: 30 to 90 days) credit terms.

As at 31 December 2023, total loss allowance for trade receivables amounts to \$9,210,000 (2022: \$2,785,000), and the Group does not hold any collateral over these balances.

Movements in the loss allowance for trade receivables are as follows:

	Group	
	2023 \$'000	2022 \$'000
Balance as at beginning of the financial year	2,785	2,142
Loss allowance made	6,538	662
Exchange difference	(113)	(19)
Balance as at end of the financial year	9,210	2,785

The Group had made loss allowance of \$6,538,000 for FY2023 mainly due to one of its customers, who is currently undergoing a preliminary insolvency proceeding under self-administration in Germany. Full provision relating to this customer has been made. The customer had accounted for 3.1% of total revenue for FY2023.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. The lifetime expected credit loss allowance for Group's trade receivables are as follows:

	Current \$'000	1 – 30 days past due \$'000	31 – 60 days past due \$'000	More than 60 days past due \$'000	Total \$'000
2023					
<i>Credit impaired</i>					
Gross carrying amount					
- Trade receivables	732	1,862	1,748	3,722	8,064
Less: Loss allowance	(732)	(1,862)	(1,748)	(3,722)	(8,064)
	–	–	–	–	–
<i>Non-credit impaired</i>					
Expected loss rate (%)	0.6	3.1	4.5	–	
Gross carrying amount					
- Trade receivables	201,701	162	22	–	201,885
Less: Loss allowance	(1,140)	(5)	(1)	–	(1,146)
	200,561	157	21	–	200,739
Total loss allowance	1,872	1,867	1,749	3,722	9,210

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

5. Trade receivables (Continued)

	Current \$'000	1 – 30 days past due \$'000	31 – 60 days past due \$'000	More than 60 days past due \$'000	Total \$'000
2022					
<i>Non-credit impaired</i>					
Expected loss rate (%)	0.7	1.9	6.1	16.3	
Gross carrying amount					
- Trade receivables	188,069	3,990	82	8,210	200,351
Less: Loss allowance	(1,365)	(77)	(5)	(1,338)	(2,785)
	186,704	3,913	77	6,872	197,566
Total loss allowance	1,365	77	5	1,338	2,785

6. Other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Other receivables				
- Third parties	399	432	304	334
- Subsidiary	–	–	–	10,342
Value added tax receivable	1,608	2,404	22	12
Deposits	627	2,299	12	11
Deposits for land use right	–	680	–	–
Finance lease receivables	–	–	464	488
	2,634	5,815	802	11,187
Non-current				
Finance lease receivables	–	–	946	–
Total other receivables	2,634	5,815	1,748	11,187

Other receivables from third parties are non-trade, unsecured, interest free and repayable on demand.

Other receivable from a subsidiary relates to dividends receivable during the previous financial year and it was settled during the current financial year.

Deposits for land use right relate to an amount paid for a land use right in the People's Republic of China in the previous financial year. The land is returned to the China government authorities during the financial year.

Finance lease receivables - Subleases

The Company's sublease of its right-of-use of office premises to related corporations are classified as finance lease because the subleases are for the entire remaining lease term of the head leases. Right-of-use assets relating to the head leases with sublease classified as finance lease are derecognised.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

6. Other receivables (Continued)

Finance lease receivables – Subleases (Continued)

The maturity analysis of lease receivables of the Company is as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amount receivable under lease receivables:				
Within one year	518	494	464	488
In the second to fifth year	994	–	946	–
Less: Future finance charges	(102)	(6)	–	–
	<u>1,410</u>	<u>488</u>	<u>1,410</u>	<u>488</u>
Less:				
Amount due for settlement within 12 months (shown under current assets)			(464)	(488)
Amount due for settlement after 12 months (shown under non-current assets)			<u>946</u>	<u>–</u>

7. Other investments

	Group and Company	
	2023 \$'000	2022 \$'000
Financial assets, at FVTPL		
<i>Singapore</i>		
Treasury bills	40,580	10,050
Structured deposits	–	20,212
	<u>40,580</u>	<u>30,262</u>

The treasury bills acquired at discounted price from the face value and bear no coupon. The bills mature within 2 months (2022: 1 month) from the reporting date.

In 2022, the structured deposits bear interest of 3.85% per annum with tenure of 2 months.

The Group and the Company classified the treasury bills that are held for trading as financial assets at fair value through profit or loss. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in “Other gains and losses”.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

8. Inventories

	Group	
	2023	2022
	\$'000	\$'000
Finished goods	4,632	3,229
Work-in-progress	10,768	15,740
Raw materials	58,540	66,242
	<u>73,940</u>	<u>85,211</u>

During the financial year, the cost of inventories recognised as expense and included in “changes in inventories of finished goods and work in progress, and raw materials used” amounted to \$680,202,000 (2022: \$612,046,000).

As of 31 December 2023, write-downs of inventories to net realisable value amounting to \$95,000 (2022: \$2,204,000) have been included in “other operating expenses” line item in profit or loss.

9. Investments in subsidiaries

	Company	
	2023	2022
	\$'000	\$'000
Unquoted equity investments		
- at cost	66,860	66,860
- deemed interest	12,006	12,006
Carrying amount	<u>78,866</u>	<u>78,866</u>

Impairment on investments in subsidiaries

As at 31 December 2023, the Company assessed the indicators of impairment and concluded there is no indicator of impairment.

As at 31 December 2022, the recoverable amount of the investments in subsidiaries was determined to be higher than its carrying amount and therefore, no impairment loss recognised.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

9. Investments in subsidiaries (Continued)

The subsidiaries of the Company are set out below:

Name of company	Principal place of business	Principal activities	Effective equity interest	
			2023 %	2022 %
Held by the Company				
Aztech Systems (Hong Kong) Limited ⁽¹⁾	Hong Kong	International sale/supply/design/manufacture of Data-communication, electronic and electrical products	100	100
Aztech Technologies Pte. Ltd.	Singapore	International sale/supply/design/manufacture of Data-communication, electronic and electrical products	100	100
AZ E-Lite Pte. Ltd. ⁽⁴⁾	Singapore	International wholesale supply of LED lighting	100	100
Aztech Innovation Pte. Ltd. ⁽⁴⁾	Singapore	International sale/supply/design/manufacture of Data-communication, electronic and electrical products	100	100
IOT Manufacturing Sdn. Bhd. ⁽²⁾	Malaysia	Manufacture of Data-communication products; electronic and electrical products/LED lights	100	100
Held by Aztech Systems (Hong Kong) Limited				
Aztech Communication Device (DG) Ltd ⁽³⁾	The People's Republic of China	Manufacture of Data-communication products; electronic and electrical products/LED lights and plastic injection parts	100	100
AZ E-Lite (HK) Limited ^{(1) (4)}	Hong Kong	International sale and supply of electronic and electrical products and LED lights	100	100
Held by Aztech Communication Device (DG) Ltd				
AZ E-lite JJS Ltd ^{(4) (5)}	The People's Republic of China	Manufacture of Data-communication products; electronic and electrical products/LED lights and plastic injection parts	–	100
Held by IOT Manufacturing Sdn. Bhd.				
Huuve Sdn. Bhd. ⁽²⁾⁽⁶⁾	Malaysia	Investment holding company	100	100

All the subsidiaries are audited by BDO LLP, Singapore except for the subsidiaries that are indicated as follows:

- (1) Audited by overseas member firm of BDO network, BDO Limited, Hong Kong.
- (2) Audited by overseas member firm of BDO network, BDO PLT, Malaysia.
- (3) Audited by overseas member firm of BDO network, BDO Limited, Hong Kong, for consolidation purpose.
- (4) Not considered a significant subsidiary under Rule 718 of the SGX-ST Listing Manual.
- (5) On 8 February 2023, the Company's indirect subsidiary, AZ E-lite JJS Ltd had applied for voluntary liquidation. As at 31 December 2023, the liquidation process is completed and its operation ceased entirely.
- (6) Acquired by the Company's subsidiary, IOT Manufacturing Sdn. Bhd. during the financial year ended 31 December 2022 as disclosed in Note 10 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

10. Property, plant and equipment

Group	Leasehold land and factory buildings \$'000	Freehold land \$'000	Computer and office equipment \$'000	Factory equipment \$'000	Factory furniture and fittings \$'000	Office furniture and fittings \$'000	Research and development equipment and tools \$'000	Software applications \$'000	Motor vehicles \$'000	Right-of-use assets \$'000	Total \$'000
Balance as at 1 January 2023	8,344	4,508	1,049	36,283	7,821	380	422	1,234	1,404	7,238	68,683
Additions	21,438	-	35	1,596	1,979	10	4	563	77	1,571	27,273
Transfers	2,528	(2,528)	-	-	-	-	-	-	-	-	-
Written off	-	-	-	(998)	(73)	-	-	(167)	-	-	(1,238)
Disposals	-	-	(8)	(39)	-	-	-	-	(114)	(307)	(468)
Lease modification, net	-	-	-	-	-	-	-	-	-	1,773	1,773
Exchange difference	(660)	(167)	(3)	(1,080)	(218)	-	-	(32)	(17)	(120)	(2,297)
Balance as at 31 December 2023	31,650	1,813	1,073	35,762	9,509	390	426	1,598	1,350	10,155	93,726
Accumulated depreciation											
Balance as at 1 January 2023	(4,970)	-	(893)	(25,723)	(4,831)	(324)	(422)	(883)	(751)	(4,122)	(42,919)
Charge for the financial year	(843)	-	(55)	(4,310)	(1,059)	(29)	(1)	(569)	(211)	(1,670)	(8,747)
Written off	-	-	-	716	54	-	-	167	-	-	937
Disposals	-	-	8	16	-	-	-	-	114	218	356
Lease modification	-	-	-	-	-	-	-	-	-	194	194
Exchange difference	171	-	2	848	152	-	-	23	17	58	1,271
Balance as at 31 December 2023	(5,642)	-	(938)	(28,453)	(5,684)	(353)	(423)	(1,262)	(831)	(5,322)	(48,908)
Carrying amount											
Balance as at 31 December 2023	26,008	1,813	135	7,309	3,825	37	3	336	519	4,833	44,818

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

10. Property, plant and equipment (Continued)

Group	Leasehold land and factory buildings \$'000	Freehold land \$'000	Computer and office equipment \$'000	Factory equipment \$'000	Factory furniture and fittings \$'000	Office furniture and fittings \$'000	Research and development equipment and tools \$'000	Software applications \$'000	Motor vehicles \$'000	Right-of-use assets \$'000	Total \$'000
Balance as at 1 January 2022	7,945	-	1,038	37,272	7,974	328	422	1,156	916	14,305	71,356
Additions	1,168	4,689	57	946	364	53	-	447	553	1,140	9,417
Transfers	-	-	-	5,081	-	-	-	-	-	(5,081)	-
Written off	-	-	-	(3,053)	(42)	-	-	(292)	-	-	(3,387)
Disposals	-	-	(46)	(785)	(5)	-	-	(18)	(34)	(494)	(1,382)
Lease modification, net	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	(769)	(181)	-	(3,178)	(470)	(1)	-	(59)	(31)	(414)	(5,103)
Balance as at 31 December 2022	8,344	4,508	1,049	36,283	7,821	380	422	1,234	1,404	7,238	68,683
Accumulated depreciation											
Balance as at 1 January 2022	(5,143)	-	(890)	(23,357)	(4,149)	(295)	(422)	(1,037)	(663)	(8,829)	(44,785)
Charge for the financial year	(314)	-	(49)	(4,459)	(1,087)	(30)	-	(195)	(130)	(2,346)	(8,610)
Transfers	-	-	-	(3,517)	-	-	-	-	-	3,517	-
Written off	-	-	-	2,554	20	-	-	289	-	-	2,863
Disposals	-	-	46	746	4	-	-	18	14	388	1,216
Lease modification	-	-	-	-	-	-	-	-	-	2,932	2,932
Exchange difference	487	-	-	2,310	381	1	-	42	28	216	3,465
Balance as at 31 December 2022	(4,970)	-	(893)	(25,723)	(4,831)	(324)	(422)	(883)	(751)	(4,122)	(42,919)
Carrying amount											
Balance as at 31 December 2022	3,374	4,508	156	10,560	2,990	56	-	351	653	3,116	25,764

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

10. Property, plant and equipment (Continued)

Right-of-use assets of the Group are as follows:

	Leasehold properties \$'000	Motor vehicles \$'000	Total \$'000
Cost			
Balance as at 1 January 2023	6,489	749	7,238
Additions	1,571	–	1,571
Disposals	–	(307)	(307)
Lease modification			
- Lease extension	2,065	–	2,065
- Lease termination	(292)	–	(292)
Exchange difference	(120)	–	(120)
Balance as at 31 December 2023	9,713	442	10,155
Accumulated depreciation			
Balance as at 1 January 2023	(3,707)	(415)	(4,122)
Charge for the financial year	(1,568)	(102)	(1,670)
Disposals	–	218	218
Lease modification – lease termination	194	–	194
Exchange difference	58	–	58
Balance as at 31 December 2023	(5,023)	(299)	(5,322)
Carrying amount			
Balance as at 31 December 2023	4,690	143	4,833

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

10. Property, plant and equipment (Continued)

Right-of-use assets of the Group are as follows: (Continued)

	Leasehold properties \$'000	Factory equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost				
Balance as at 1 January 2022	7,807	5,255	1,243	14,305
Additions	1,140	–	–	1,140
Transfers	–	(5,081)	–	(5,081)
Disposals	–	–	(494)	(494)
Lease modification				
- Lease extension	1,444	–	–	1,444
- Lease termination	(3,662)	–	–	(3,662)
Exchange difference	(240)	(174)	–	(414)
Balance as at 31 December 2022	6,489	–	749	7,238
Accumulated depreciation				
Balance as at 1 January 2022	(5,031)	(3,151)	(647)	(8,829)
Charge for the financial year	(1,720)	(470)	(156)	(2,346)
Transfers	–	3,517	–	3,517
Disposals	–	–	388	388
Lease modification – lease termination	2,932	–	–	2,932
Exchange difference	112	104	–	216
Balance as at 31 December 2022	(3,707)	–	(415)	(4,122)
Carrying amount				
Balance as at 31 December 2022	2,782	–	334	3,116

The factory equipment costing \$5,081,000 was transferred to plant and equipment owned by the Group upon full settlement of the related lease liabilities.

As at 31 December 2023, the Group's application of the land use right certificate and property ownership certificates in respect of the factory buildings amounting to \$1,919,000 (2022: \$2,264,000) is still pending approval from the relevant China government authorities.

The Group's freehold land and building with carrying amount of \$5,159,000 (2022: \$5,618,000) were pledged as security for banking facility granted to the Group as disclosed in Note 13 to the financial statements.

The Group's leasehold land and building with carrying amount of \$20,743,000 (2022: \$Nil) were pledged as security for banking facility granted to the Group as disclosed in Note 13 to the financial statement.

As at 31 December 2023, lease liabilities are secured by motor vehicles of the Group with the carrying values of \$143,000 (2022: \$334,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

10. Property, plant and equipment (Continued)

Particulars of the lands and properties held by the Group for financial years 2022 and 2023 are as follows:

Location	Description	Tenure
Jiu Jiang Shui Village, Chang Ping Town Dong Guan City, Guang Dong Province, China	Factory annexed with office building and other ancillary buildings	Leasehold expiring on 30 September 2052
Lot 8 & 10, Jalan Laman Setia 7/4 Taman Laman Setia 81550 Gelang Patah Johor, Malaysia	Single storey detached factory annexed with double storey office together with other ancillary buildings	Freehold
No. PLO 808, Jalan Keluli L1, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor Darul Takzim, Malaysia	Single storey detached factory with other ancillary buildings	Leasehold expiring on 17 February 2068

On 19 September 2022, the Group completed the acquisition of Huuve Sdn. Bhd. (“Huuve”) from a related corporation through direct acquisition of the freehold land and building and acquisition of the entire equity interest in Huuve for a total cash consideration of approximately \$2,050,000 (equivalent to approximately RM6,538,000).

The acquisition of Huuve has been accounted for as acquisition of assets and liabilities as it does not meet the definition of a business combination. Details of the acquisition were as follows:

	Direct acquisition of freehold land and building \$'000	Acquisition of subsidiary \$'000	Total \$'000
Freehold land and building	5,857	–	5,857
Cash and cash equivalents	–	123	123
Other receivables	–	96	96
Income tax receivable	–	7	7
Other payables	–	(1,356)	(1,356)
Borrowings	–	(2,656)	(2,656)
Deferred tax liabilities	–	(21)	(21)
Total consideration, satisfied by cash	5,857	(3,807)	2,050
Net cash outflow arising on acquisition			
Cash consideration paid	(5,857)	3,807	(2,050)
Cash and cash equivalents acquired	–	123	123
	(5,857)	3,930	(1,927)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

10. Property, plant and equipment (Continued)

For the purpose of the consolidated statement of cash flows, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	2023 \$'000	2022 \$'000
Additions of property, plant and equipment	27,273	9,417
Acquired via acquisition of Huuve Sdn. Bhd.	–	(5,857)
Acquired under leases	(1,571)	(1,140)
Utilisation of deposit paid in the previous financial year	(2,115)	–
Financed directly under a term loan	(19,323)	–
Net cash payment made	4,264	2,420

11. Intangible assets

	Group	
	2023 \$'000	2022 \$'000
<i>Deferred development cost</i>		
Costs		
Balance as at the beginning of the financial year	35,101	35,118
Written off	(35,089)	–
Exchange differences	(12)	(17)
Balance as at the end of the financial year	–	35,101
Accumulated amortisation		
Balance as at the beginning of the financial year	35,101	35,118
Written off	(35,089)	–
Exchange differences	(12)	(17)
Balance as at the end of the financial year	–	35,101
Carrying amount		
Balance as at end of the financial year	–	–

The above deferred development cost is relating to product development and has finite useful lives, and is amortised on a straight line basis. The amortisation period for development cost incurred is between one and three years. As at 31 December 2023, the developments costs has been written off as the product no longer generates revenue for the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

12. Deferred tax

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	966	–	240	–
Deferred tax liabilities	8,361	308	240	–

Deferred tax liabilities	Accelerated tax depreciation	Right-of-use assets	Undistributed retained earnings from overseas subsidiary	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
Balance as at 1 January 2023	98	–	–	210	308
Charge to profit or loss	36	946	7,085	–	8,067
Exchange translation differences	(2)	(12)	–	–	(14)
Balance as at 31 December 2023	132	934	7,085	210	8,361
Balance as at 1 January 2022	84	–	–	210	294
Credit to profit or loss	(7)	–	–	–	(7)
Arising from acquisition of a subsidiary	21	–	–	–	21
Balance as at 31 December 2022	98	–	–	210	308

Deferred tax assets	Lease liabilities
	\$'000
Group	
Balance as at 1 January 2023	–
Credit to profit or loss	977
Exchange translation differences	(11)
Balance as at 31 December 2023	966

Deferred tax liabilities	Right-of-use assets
	\$'000
Company	
Balance as at 1 January 2023	–
Charge to profit or loss	240
Balance as at 31 December 2023	240

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

12. Deferred tax (Continued)

Deferred tax assets	Lease liabilities \$'000
Company	
Balance as at 1 January 2023	–
Credit to profit or loss	240
Balance as at 31 December 2023	<u>240</u>

Deferred tax is calculated at the tax rates that are expected to apply in the financial year when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

There are no unutilised tax losses in the financial year ended 31 December 2022 and 31 December 2023.

The Group reviews its dividend distribution strategy regularly. Arising from this review, the Group made provision of deferred tax liabilities of \$7,085,000 relating to undistributed retained earnings from an overseas subsidiary as at 31 December 2023. No deferred tax liability in the previous financial year was recognised in respect of the temporary difference associated with undistributed earnings of subsidiaries because the Group is in the position to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

13. Borrowings

	Group	
	2023 \$'000	2022 \$'000
<u>Secured</u>		
Term loans	17,312	5,283
The borrowings are repayable as follows:		
On demand or within one financial year	3,531	1,347
Within two to five financial years	13,781	3,936
	<u>17,312</u>	<u>5,283</u>

The fair value of non-current borrowings approximates its carrying amount. The fair value above is determined based on cash flow analysis, discounted at market borrowing rates of a similar instrument. The fair value is within level 3 of the fair value hierarchy.

The bank facilities are secured by a corporate guarantee from the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

13. Borrowings (Continued)

13.1 Trade finance

As at 31 December 2023, the Group has banking facilities relating to bills discounted with recourse, trade bills payable, revolving credits and export trade loans of \$122,760,000 (2022: \$124,639,000). There are no banking facilities drawn for trade finance for the Group as at end of the financial year.

13.2 Term loans

At the reporting date, term loans comprised:

- an amount totalling \$5,000,000 drawn down by a subsidiary of the Company for the purpose of funding working capital, repayable in September 2025 by monthly instalment. The loan bears an average effective interest rate of approximately 3% (2022: 3%) per annum and is denominated in Singapore dollar. As at 31 December 2023, the outstanding balance of the loan was \$1,835,000 (2022: \$2,841,000).
- an amount totalling \$4,144,000 denominated in Malaysian ringgit (equivalent RM12,600,000) drawn down by a subsidiary of the Company to finance the acquisition of freehold land and building. The loan, secured by the freehold lands and buildings (Note 10) and corporate guarantee executed by the Company, bears an average effective interest rate of approximately 4.7% per annum and is repayable in 77 equal monthly instalments of \$39,500 (equivalent RM120,000) until February 2026, with the remaining balance to be repaid through lump-sum repayment in March 2026. As at 31 December 2023, the outstanding balance of the loan was \$1,996,000 (2022: \$2,442,000).
- an amount totalling approximately \$14,932,000 denominated in Malaysian ringgit (equivalent to RM50,000,000) drawn down by a subsidiary of the Company to finance the acquisition of leasehold land and buildings. The loan, secured by the leasehold land and buildings (Note 10) and corporate guarantee executed by the Company, bears an average effective interest rate of approximately 5.14% per annum and is repayable in 19 equal quarterly instalments of approximately \$504,350 (equivalent to RM1,750,000) until December 2027, with the remaining balance to be repaid through lump-sum repayment in March 2028. As at 31 December 2023, the outstanding balance of the loan was \$13,481,000 (2022: \$Nil).

13.3 Other banking facilities

The Group has banking facilities relating to revolving loans and overdraft of \$38,232,000 (2022: \$38,452,000) remained undrawn.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

14. Lease liabilities

	Leasehold properties \$'000	Motor vehicles \$'000	Total \$'000
Group			
Balance as at 1 January 2023	2,991	178	3,169
Additions	1,571	–	1,571
Interest expense (Note 29)	121	10	131
Lease payments			
- Principal portion	(1,678)	(83)	(1,761)
- Interest portion	(121)	(10)	(131)
Lease modification	1,952	–	1,952
Exchange difference	(38)	–	(38)
Balance as at 31 December 2023	<u>4,798</u>	<u>95</u>	<u>4,893</u>
Balance as at 1 January 2022	2,981	317	3,298
Additions	1,140	–	1,140
Interest expense (Note 29)	93	15	108
Lease payments			
- Principal portion	(1,718)	(139)	(1,857)
- Interest portion	(93)	(15)	(108)
Lease modification	682	–	682
Exchange difference	(94)	–	(94)
Balance as at 31 December 2022	<u>2,991</u>	<u>178</u>	<u>3,169</u>
		Leasehold properties	
		2023	2022
		\$'000	\$'000
Company			
Balance as at the beginning of the financial year		488	939
Lease modification		1,410	18
Interest expense		6	15
Lease payments			
- Principal portion		(488)	(469)
- Interest portion		(6)	(15)
Balance as at the end of the financial year		<u>1,410</u>	<u>488</u>

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

14. Lease liabilities (Continued)

The maturity analysis of lease liabilities of the Group and the Company at each reporting date were as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Group				
Amounts payable under lease liabilities:				
Within one year	2,357	1,674	2,172	1,563
In the second to fifth year inclusive	2,831	1,698	2,721	1,606
Less: Future finance charges	(295)	(203)	–	–
Present value of lease obligations	<u>4,893</u>	<u>3,169</u>	4,893	3,169
Less:				
Amount due for settlement within 12 months (shown under current liabilities)			<u>(2,172)</u>	<u>(1,563)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)			<u>2,721</u>	<u>1,606</u>
Company				
Amounts payable under lease liabilities:				
Within one year	518	494	464	488
In the second to fifth year inclusive	994	–	946	–
Less: Future finance charges	(102)	(6)	–	–
Present value of lease obligations	<u>1,410</u>	<u>488</u>	1,410	488
Less:				
Amount due for settlement within 12 months (shown under current liabilities)			<u>(464)</u>	<u>(488)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)			<u>946</u>	<u>–</u>

Total cash outflow for all the leases (including leases on low-value assets and short term leases) in 2023 was \$4,817,000 (2022: \$2,268,000).

As at 31 December 2023, the incremental borrowing rates applied ranged from 1.95% to 5.0% (2022: 1.5% to 6.2%) per annum, and interest rate explicitly stated in the lease ranged from 1.95% to 2.28% (2022: 1.95% to 2.28%) per annum.

As at 31 December 2023, the Group's lease obligations were secured by the leased assets, recorded within property, plant and equipment (Note 10), with net carrying values of \$143,000 (2022: \$334,000).

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

15. Trade payables

	Group	
	2023 \$'000	2022 \$'000
Third parties	173,726	185,711

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

The trade amounts are unsecured, interest free and repayable within the credit term of 60 to 120 days (2022: 60 to 120 days).

16. Other payables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other payables				
- Third parties	1,076	1,825	70	40
- Subsidiaries	–	–	24,960	13,945
Accrued expenses	6,473	28,159	242	163
Customer deposits	20,528	15,396	–	–
Profit sharing scheme	2,970	2,078	–	–
	<u>31,047</u>	<u>47,458</u>	<u>25,272</u>	<u>14,148</u>

Other payables to third parties, subsidiaries and a related corporation are unsecured, interest free and repayable on demand.

Included in accrued expenses are amounts of \$879,000 (2022: \$21,415,000) relating to inventories received from vendors for which suppliers' invoices have not been received at the end of the reporting period.

Movements in customer deposits are as follows:

	Group	
	2023 \$'000	2022 \$'000
Balance as at beginning of the financial year	15,396	11,855
Amount received in advance	20,528	15,396
Credited to profit or loss	(15,396)	(11,855)
Balance as at end of the financial year	<u>20,528</u>	<u>15,396</u>

Customer deposits represent amounts received in advance which will be recognised as revenue in the subsequent financial year.

The amount of revenue that will be recognised in subsequent periods together with the customer deposits amounted to \$19,620,000 (2022: \$16,816,000) at the end of the reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

17. Provision for retirement benefit

	Group and Company	
	2023	2022
	\$'000	\$'000
Present value of retirement benefit obligation		
- Current	669	649
- Non-current	279	263
	<u>948</u>	<u>912</u>

During the financial year ended 31 December 2019, the Group implemented a Long-Term Retirement Incentive Plan ("LTRP") for the qualified employees within the Group. Under the LTRP, the qualifying employees will be eligible to receive a cash payout when they reach the minimum retirement age. Current portion of the provision for retirement benefit related to the amount which the qualified employees had met the minimum retirement age under the LTRP.

There are no plan assets associated with the provision for retirement benefit.

During the financial year, the increase in cost of retirement benefit expense of \$36,000 (2022: reversal of \$18,000) is recognised in the "Employee benefits expense" in profit and loss.

18. Derivative financial instruments

	Group and Company	
	2023	2022
	\$'000	\$'000
<i>Derivative liabilities not held for hedging:</i>		
Currency forward contracts at fair value	<u>(30)</u>	<u>(988)</u>

At the end of the reporting period, the total notional amount of the currency forward contracts to be settled on a gross basis, are as follows:

	Group and Company	
	2023	2022
	\$'000	\$'000
<i>Derivative not held for hedging:</i>		
Currency forward contracts at fair value	<u>16,183</u>	<u>342,918</u>

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value.

At the end of reporting period, the settlement dates for the derivative financial instruments range from 3 days to 4 months (2022: 4 days to 2 months). The Group and the Company did not apply fair value hedging for the financial years ended 31 December 2023 and 31 December 2022.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

19. Share capital

	Group and Company			
	2023		2022	
	Number of ordinary shares '000	\$'000	Number of ordinary shares '000	\$'000
Issued and paid up:				
Balance as at beginning and end of the financial year	773,826	206,166	773,826	206,166

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

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

Employee share options

Employees' share options were granted to key management personnel and selected employees based on the recommendation of the Remuneration Committee under the Aztech Employee Share Option Scheme, which became operative on 18 February 2021.

The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant. The vesting of the options is conditional on the key management personnel or selected employees completing another two years of service to the Group with fifty percent of the options are exercisable at the end of each year of service.

Once they have vested, the options are exercisable over a period of ten years. The options may be exercised in full or in part in respect of 1,000 ordinary shares or a multiple thereof, on the payment of the exercise price. The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

On 13 December 2021, options to subscribe for 2,110,000 ordinary shares in the Company at an exercise price of \$0.934 per ordinary share were granted pursuant to the Scheme ("2021 Options"). The 2021 Options are exercisable from 13 December 2022 and expire on 12 December 2031.

On 29 September 2023, options to subscribe for 2,250,000 ordinary shares in the Company at an exercise price of \$0.806 per ordinary share were granted pursuant to the Scheme ("2023 Options"). The 2023 Options are exercisable from 29 September 2024 and expire on 28 September 2033.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

19. Share capital (Continued)

Employee share options (Continued)

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					Exercise price	Exercise period	Exercisable as at end of the financial year
	Balance as at beginning of the financial year	Granted during the financial year	Exercised during the financial year	Forfeited during the financial year	Balance as at end of the financial year			
2021 Options	1,750,000	–	–	–	1,750,000	\$0.934	13.12.2022 – 12.12.2031	1,750,000
2023 Options	–	2,250,000	–	–	2,250,000	\$0.806	29.9.2024 – 28.9.2033	–

The estimated fair value of the 2021 Options is \$670,000 and 2023 Options is \$331,000. These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	2023 Options	2021 Options
Weighted average sale price	\$0.805	\$0.930
Weighted average exercise price	\$0.806	\$0.934
Expected volatility	35.675% - 36.238%	33.631% - 34.184%
Expected life	5.50 – 6.00 years	5.50 – 6.00 years
Risk free rate	3.302% - 3.313%	1.419% - 1.470%
Expected dividend yield	5.901%	0%

The expected volatility measured on the median volatility of comparable companies based on a calculation of the historical 5.50 and 6.00 years on a daily share price data.

20. Treasury shares

	Group and Company			
	2023		2022	
	Number of ordinary shares '000	\$'000	Number of ordinary shares '000	\$'000
Balance as at beginning and end of the financial year	1,873	1,843	1,873	1,843

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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

21. Capital reserve

Group

This comprise primarily the merger reserve which is the difference between the consideration paid and the share capital of the subsidiaries acquired under common control and is non-distributable.

Company

Capital reserve arose from the financial guarantees provided by a former holding company, Azventure Investments Pte. Ltd. to the banks for bank facilities granted to the Company's subsidiaries and is non-distributable.

22. Foreign currency translation account

The foreign currency translation account represents foreign exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency and is non-distributable.

23. Share options reserve

The share options reserve represents the corresponding effect from the recognition of the employee services received in exchange of the grant of options over the vesting period and is non-distributable.

24. Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the People's Republic of China ("PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. As at end of the financial year, 10% of the statutory after tax profits of approximate \$15,921,000 (equivalent to approximate RMB 83,743,000) remained in the retained earnings of the PRC subsidiary and will be transferred to SRF upon approval by the board of directors of the subsidiary. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

25. Revenue

	Group	
	2023 \$'000	2022 \$'000
<u>Primary geographical markets</u>		
North America	722,282	673,511
China	14,496	18,836
Europe	152,011	121,538
Singapore	2,514	2,968
Others	4,983	3,391
	896,286	820,244
<u>Product types</u>		
IoT devices and Datacom products	882,270	801,692
LED lighting products	13,465	16,849
Others ⁽¹⁾	551	1,703
	896,286	820,244
<u>Timing of transfer of goods</u>		
Point in time	896,286	820,244

⁽¹⁾ Others refer to other electrical products.

26. Other income

	Group	
	2023 \$'000	2022 \$'000
Scrap sales	103	117
Government grants	702	561
Others	298	688
	1,103	1,366

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

27. Employee benefits expense

	Group	
	2023	2022
	\$'000	\$'000
<i>Employee benefits expense (including Directors' remuneration):</i>		
Staff costs	49,994	46,170
Defined contributions plans	1,141	953
Share option expense	348	288
Other employee benefits	6,970	3,304
	<u>58,453</u>	<u>50,715</u>

Included in the employee benefits expense were Directors' remuneration as shown in Note 3 to the financial statements.

28. Other gains and losses

	Group	
	2023	2022
	\$'000	\$'000
Gain on disposal of plant and equipment	78	72
Gain from cessation of a subsidiary	–	1,321
Net foreign exchange gain	722	1,120
Fair value gain from other investments, net	702	29
Fair value loss on derivative financial instruments	(1,720)	(56,553)
	<u>(218)</u>	<u>(54,011)</u>

29. Finance costs

	Group	
	2023	2022
	\$'000	\$'000
<i>Interest expense for:</i>		
Trade financing	171	602
Lease liabilities	131	108
Revolving and term loans	776	221
	<u>1,078</u>	<u>931</u>

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

30. Income tax expense

	Group	
	2023	2022
	\$'000	\$'000
Current income tax		
- current financial year	16,138	14,981
- under/(over) provision in prior financial years	493	(1,431)
	16,631	13,550
Deferred income tax		
- current financial year	7,090	(7)
	23,721	13,543

The income tax expense varied from the amount of income tax expense determined by applying the applicable income tax rate of 17% (2022: 17%) of the estimated assessable profit at the end of the financial year. The total charge for the financial years can be reconciled to the accounting profit as follows:

	Group	
	2023	2022
	\$'000	\$'000
Profit before income tax	123,733	80,730
Income tax calculated using applicable tax rate of 17%	21,035	13,724
Effects of different tax rates of overseas subsidiaries	(550)	(699)
Effects of tax concession	(7,960)	(5,281)
Non-taxable items	(725)	(91)
Non-allowable items	4,356	8,274
Tax rebate	(69)	(99)
Utilisation of deferred tax benefits previously not recognised	(26)	(723)
Under/(over) provision in prior financial years	493	(1,431)
Effect of deferred tax liabilities relating to undistributed retained earnings from an overseas subsidiary (Note 12)	7,085	-
Others	82	(131)
Total income tax expense	23,721	13,543

Certain subsidiaries in the Group were awarded tax concessions as follows:

- a. A subsidiary in the People's Republic of China has been awarded a concessionary rate of 15%, taxable on the subsidiary's qualifying income for a period of 3 years from 9 December 2023 under the High and New Technology Enterprise programme, subject to the agreement of the relevant authority including compliance with certain terms and conditions; and
- b. A subsidiary in Singapore has been awarded a concessionary rate of 10%, taxable on the subsidiary's qualifying income for a period of 5 years from 1 January 2022 under the Development and Expansion Incentive programme, subject to the agreement of the relevant authority including compliance with certain terms and conditions.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

31. Profit for the financial year

Profit for the financial year has been arrived at after charging:

	Group	
	2023	2022
	\$'000	\$'000
<i>Depreciation expenses</i>		
Depreciation of property, plant and equipment	8,747	8,610
<i>Other operating expenses</i>		
<i>Audit fee paid/payable</i>		
- Statutory audit		
- auditors of the Company	149	140
- other auditors – other network firms	142	118
<i>Non-audit fees paid/payable to auditors</i>		
- Audit-related services		
- auditors of the Company	12	–
- other auditors – other network firms	–	–
- Non audit-related services		
- auditors of the Company	12	18
- other auditors – other network firms	52	17
Distribution costs	339	187
<i>Lease expenses on</i>		
- short-term leases	2,912	284
- low value assets	13	19
Other factory cost*	11,117	7,296
Plant and equipment written off	301	524
Utilities costs	3,175	2,435
Write-down for inventories obsolescence	95	2,204

* Other factory costs includes tools, indirect material and others.

32. Earnings per share

Basic earnings per share

The calculation for basic earnings per share is based on:

	Group	
	2023	2022
Profit attributable to owners of the Company (\$'000)	100,012	67,187
Weighted average number of ordinary shares ('000)	771,953	771,953
Earnings per share (in cents) – Basic	12.96	8.70
Earnings per share (in cents) – Diluted	12.96	8.70

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

32. Earnings per share (Continued)

Basic earnings per share (Continued)

The calculation of basic earnings per share for financial year ended 31 December 2023 is based on profit attributable to owners of the Company for the financial year ended 31 December 2023 divided by weighted average of ordinary shares in issue for the financial year ended 31 December 2023 of 771,953,000 (2022: 771,953,000).

Diluted earnings per share

The effect of Employee share option with dilutive effect is not material and the calculation is not presented. The calculation of diluted earnings per share for financial year ended 31 December 2023 is based on profit attributable to owners of the Company for the financial year ended 31 December 2023 divided by weighted average of ordinary shares in issue and effect of dilutive shares from share option for the financial year ended 31 December 2023 of 771,954,000 (2022: 771,953,000).

In calculating the diluted earnings per share, 1,750,000 employee share options which are exercisable as at 31 December 2022 and 2023 have not been included in the calculation because the potential ordinary shares arising from including these exercisable share options for the relevant periods, are anti-dilutive as the market share price as at 31 December 2023 and 2022 is lower than the exercise price of the share options. The total number of options in issue is disclosed in Note 19 to the financial statements.

33. Dividends

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.

On 13 May 2022, the Company paid a final dividend of \$0.05 per ordinary share of the Company totalling \$38,597,647 by cash in respect of financial year ended 31 December 2021.

On 23 Nov 2022, 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 2022.

The Directors of the Company have proposed a final one-tier tax-exempt dividend of \$0.05 per ordinary share, totalling \$38,597,647 in respect of the financial year ended 31 December 2023. This proposed final tax-exempt dividend has not been recognised as at year end and will be submitted for shareholders' approval at the forthcoming Annual General Meeting of the Company in 2024.

34. Commitments

Land use right

- (i) Pursuant to a land use right agreement dated 15 June 2002, a subsidiary of the Company is committed to pay to the local authority in the People's Republic of China ("PRC") the land management fee of approximately \$26,500 (equivalent to RMB130,000) per annum with an incremental rate of 10% every five years until 30 September 2052.

The subsidiary is committed to an additional land management fee of \$11,000 (equivalent to RMB54,000) per annum with an incremental rate of 10% every five years until 2057, in accordance with an additional land use right agreement dated 6 April 2007.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

34. Commitments (Continued)

Land use right (Continued)

- (ii) As at 31 December 2023, the Group's production facilities are located on plots of land in China of which land use right certificates and property ownership certificates have not been obtained. On 15 November 2022, the Group received certification from the relevant local government authority that the subsidiary of the Company will continue to be entitled to the right of use of the land and buildings until March 2025. Accordingly, there will not be any risk for the land and such buildings to be demolished by local government authorities or withdrawn from leasing by local government authorities.

Capital commitment

As at 31 December 2023, the Group's commitment in respect of capital expenditure contracted but not provided for the purchase of plant, property and equipment amounted to approximately \$1,063,000 (2022: \$19,034,000 relating to the acquisition of a property by a subsidiary in Malaysia).

35. Segment reporting

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, the People's Republic of 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 and sells electronic products for its customers including related corporations.

The distribution and trading segment sells the electronic products to its customers including related corporations.

"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.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

35. Segment reporting (Continued)

	Distribution and trading		Manufacturing		Others	Eliminations	Total
	Hong Kong	Singapore	China	Malaysia			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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
Loss allowance for trade receivables	6,632	(94)	–	–	–	–	6,538
Net unrealised foreign exchange loss	411	(737)	7,094	441	(295)	48	6,962
Other items of income and expense							
Interest income	261	461	196	105	6,451	(6)	7,468
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

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

35. Segment reporting (Continued)

	Distribution and trading		Manufacturing		Others	Eliminations	Total
	Hong Kong	Singapore	China	Malaysia			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment assets**							
31 December 2023	119,849	225,906	246,665	165,152	289,886	(451,149)	596,309
Included in the segment assets:							
Addition:							
Property, plant and equipment	20	31	1,369	28,982	–	(3,129)	27,273
31 December 2022	154,970	220,145	273,225	201,396	251,545	(559,888)	541,393
Included in the segment assets:							
Addition:							
Property, plant and equipment	228	1,601	1,217	514	5,857	–	9,417
Total segment liabilities***							
31 December 2023	106,812	176,174	54,378	160,248	31,130	(300,786)	227,956
31 December 2022	139,586	177,740	114,384	197,825	20,364	(406,378)	243,521

* All assets and liabilities are allocated to reportable segments, except for certain assets and liabilities included as "Others" comprised:

- (1) Assets – Investments in subsidiaries, other receivables, derivative financial instruments and cash and cash equivalents; and
- (2) Liabilities – Other payables from subsidiaries, lease liabilities, derivative financial instruments and provision for retirement benefit

** Total segment assets exclude deferred tax assets.

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

Geographical, products and customer mix

The breakdown of the Group's revenue by geographical and by products are disclosed in Note 25 to the financial statements. As of 31 December 2023, revenue of approximately \$803,866,000 (2022: \$713,167,000) are derived from two external customers comprising 90% (2022: 87%) of the Group's total revenue. These revenues are attributable to Singapore's and Hong Kong's distribution and trading segment.

Location of non-current assets

	Hong Kong	Singapore	China	Malaysia	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2023	766	2,578	8,661	32,813	44,818
31 December 2022	452	2,269	12,382	10,661	25,764

Non-current assets consist of property, plant and equipment and intangible assets, excluding deferred tax assets.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management

36.1 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	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
Other 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

36.2 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

In reconciling the 'Net amounts of financial assets and financial liabilities presented in the statements of financial position' to the line item amounts presented in the statements of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements. The residual amounts relate to those that are not in scope of the offsetting disclosures.

The Group has no financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements as at 31 December 2022 and 31 December 2023.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.2 *Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements* (Continued)

	Gross amounts of recognised financial assets and financial liabilities \$'000	Gross amounts of recognised financial assets and financial liabilities set off in the statements of financial position \$'000	Net amounts of financial assets and financial liabilities presented in the statements of financial position \$'000
Company			
2023			
Financial assets			
Other receivables - subsidiaries	3,861	(3,861)	–
Financial liabilities			
Other payables - subsidiaries	28,821	(3,861)	24,960
2022			
Financial assets			
Other receivables - subsidiaries	21,256	(10,914)	10,342
Financial liabilities			
Other payables - subsidiaries	24,859	(10,914)	13,945

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.3 Financial risk management policies and objectives

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies that give rise to this risk are primarily the United States dollar and the Renminbi.

The Group manages foreign currency risk by matching assets and liabilities in the same currency denomination and supplemented with appropriate financial instruments where necessary. The Group uses derivative financial instruments to mitigate the financial impact associated with foreign currency fluctuation relating to certain forecasted transactions.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies at the end of the reporting period are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Renminbi	187	224	2	16,534	–	–	–	16,534
Hong Kong dollar	1,160	54,258	–	–	–	–	–	–
United States dollar	278,266	121,870	426,483	488,773	–	–	64	29,905
Malaysian ringgit	15,693	3,224	3,219	4,456	–	–	–	–

Foreign currency sensitivity

The following analyses the sensitivity to a 5% (2022: 5%) increase or decrease in the respective foreign currencies against the respective functional currencies of the entities in the Group. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end of the for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.3 Financial risk management policies and objectives (Continued)

(i) Foreign exchange risk management (Continued)

Foreign currency sensitivity (Continued)

If the relevant foreign currency strengthens by 5% against the functional currency of each entity of the Group, the effect on profit or loss will (decrease)/increase by:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Renminbi	(9)	816	–	827
United States dollar	7,411	18,345	3	1,495
Malaysian ringgit	(624)	61	–	–

If the relevant foreign currency weakens by 5% against the functional currency of each entity of the Group, the above will have an opposite effect.

The management does not expect any material impact on profit or loss arising from the effects of reasonably possible changes to foreign exchange rates of foreign currency balances denominated in Hong Kong dollar at the end of the reporting period.

(ii) Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group monitors the movements in interest rates on an ongoing basis and evaluates the exposure for its debt obligations.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowing from banks and financial institutions in Singapore, the People's Republic of China, Hong Kong and Malaysia at the end of the reporting period.

For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points (2022: 50 basis points) higher or lower with all other variables held constant, the Group's profit for the financial year ended 31 December 2023, would decrease or increase by \$173,000 (2022: \$26,000).

No analysis is prepared at the Company level as the impact is not expected to be material.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.3 Financial risk management policies and objectives (Continued)

(iii) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default. Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Cash terms, advance payments and letter of credits are required for customers of lower credit standing.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the consolidated statement of financial position except for the financial guarantees provided by the Company to banks for subsidiaries' borrowings as disclosed in Note 36.3(iii) – *Financial Guarantee Contracts*.

Trade receivables

The Group manages concentration of credit risk by performing credit analysis procedures to assess the potential customers' credit quality and defines credit limits by customer before offering credit term to any new customer.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except for outstanding trade receivables from 5 (2022: 5) major customers which represent 99% (2022: 99%) of total trade receivables balance as at 31 December 2023.

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.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Accordingly, the management believes that there is no further impairment required in excess of the loss allowance for trade receivables.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable date about the following events:

- significant financial difficulty of the issuer or the borrower;
- breach of contract, such as default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Further disclosures regarding expected credit loss on trade receivables, are disclosed in Note 5 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.3 Financial risk management policies and objectives (Continued)

(iii) Credit risk management (Continued)

Other receivables

Management assessed whether there is significant increase in credit risk for amount due from a subsidiary since initial recognition. Management considers various operating performance ratios as well as liquidity ratios of the subsidiary and concluded that the subsidiary has sufficient net assets to repay its debts and are therefore subject to insignificant expected credit losses.

The management monitors and assesses at each reporting date on any indicator of significant increase in credit risk on these other receivables. As at the end of the reporting period, there is no indication that credit risk on these receivables have increased significantly, hence, these receivables are measured at 12-month expected credit loss model and subject to immaterial credit loss.

Cash and cash equivalents

The Group places its cash with creditworthy institutions with a minimum rating of "A-", based on Standard & Poor's rating. Impairment of cash at banks have been measured using a 12-month expected credit loss model. At the reporting date, the Group and the Company do not expect any material credit loss from non-performance by the counterparties.

Financial guarantee contracts

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks on subsidiaries' borrowings. The Company's maximum exposure are the maximum amount the Company could have to pay if the guarantee is called on. As at 31 December 2023, subsidiaries' borrowings of \$17,312,000 (2022: \$5,283,000) were guaranteed by the Company. For the financial guarantee issued, the Company has assessed that these subsidiaries have sufficient financial capabilities to meet their contractual cash flows obligation in the near future, hence, does not expect any material loss allowance under the 12-month expected credit loss model.

(iv) Liquidity risk management

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surplus and the raising of loans to cover expected cash demand, subject to approval by the Company's Board of Directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liability requirements in the short and longer term. Undrawn facilities are disclosed in Note 13 to the financial statements.

The Company is the holding company for all its subsidiaries and has the ability to control the timing of repayment for the liabilities owing to its subsidiaries, management is satisfied that the Company is able to meet its existing and prospective funding requirements and continue to operate as a going concern.

Liquidity and interest analysis

Financial liabilities at amortised cost

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.3 Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

Liquidity and interest analysis (Continued)

Financial liabilities at amortised cost (Continued)

	Weighted average effective interest rate per annum %	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	Adjustment \$'000	Total \$'000
Group					
2023					
Non-interest bearing	–	184,245	–	–	184,245
Lease liabilities (fixed rate)	4.39	2,357	2,831	(295)	4,893
Bank borrowings (variable rate)	4.86	3,713	13,865	(266)	17,312
		<u>190,315</u>	<u>16,696</u>	<u>(561)</u>	<u>206,450</u>
2022					
Non-interest bearing	–	217,773	–	–	217,773
Lease liabilities (fixed rate)	3.61	1,674	1,698	(203)	3,169
Bank borrowings (variable rate)	3.79	1,516	4,148	(381)	5,283
		<u>220,963</u>	<u>5,846</u>	<u>(584)</u>	<u>226,225</u>
Company					
2023					
Non-interest bearing	–	25,272	–	–	25,272
Lease liabilities (fixed rate)	5.00	518	994	(102)	1,410
		<u>25,790</u>	<u>994</u>	<u>(102)</u>	<u>26,682</u>
Corporate guarantee	–	<u>3,531</u>	<u>13,781</u>	–	<u>17,312</u>
2022					
Non-interest bearing	–	14,148	–	–	14,148
Lease liabilities (fixed rate)	2.00	494	–	(6)	488
		<u>14,642</u>	<u>–</u>	<u>(6)</u>	<u>14,636</u>
Corporate guarantee	–	<u>1,347</u>	<u>3,936</u>	–	<u>5,283</u>

Based on expectations at each reporting date, the Company considers that it is more likely than not that no amount will be payable under the arrangement. The financial guarantees have not been recognised in the financial statements of the Group as the Directors of the Company do not consider it probable that a claim will be made against the Group under the guarantees.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.3 Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

Liquidity and interest analysis (Continued)

Financial liabilities at fair value through profit or loss

Contractual maturity analysis – derivative financial instruments

The following table details the Group's and Company's maturity analysis for its derivative financial instruments. The table has been drawn up based on undiscounted gross cash inflows/(outflows) on those derivatives that require gross settlement.

	Group and Company	
	On demand or within one financial year	
	2023	2022
	\$'000	\$'000
Gross settled:		
<i>Currency forward contracts</i>		
Gross inflow	16,183	342,918
Gross outflow	(16,213)	(343,906)
	<u>(30)</u>	<u>(988)</u>

(v) Fair value of financial assets and financial liabilities

For financial reporting purposes, the fair value measurement of the Group's and the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Financial instrument that are not measured at fair value on a recurring basis

The carrying amounts of cash and cash equivalents, trade and other current receivables, trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. In respect of the financial assets and financial liabilities recorded at amortised cost whose maturity is more than a year, management also considers that such financial instruments approximate their fair values as such financial instruments are discounted at market interest rates of a similar instrument.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

36. Financial instruments, financial risks and capital risks management (Continued)

36.3 Financial risk management policies and objectives (Continued)

(v) Fair value of financial assets and financial liabilities (Continued)

Financial instrument that are not measured at fair value on a recurring basis (Continued)

The fair value of non-current borrowing was based on cash flow analysis, discounted at market borrowing rates of a similar instrument which management expected to be available to the Group. The borrowing is classified as Level 3.

There are no transfers between the levels of the fair value hierarchy during the financial year.

Fair value of financial instruments carried at fair value

The fair value of other investments and currency forward contracts is determined using quoted price and forward currency rates respectively at the end of the financial year. These investments are classified as Level 2.

36.4 Capital risk management policies and objectives

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. The Group's overall strategy remains unchanged as at the end of the reporting period.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital and reserves and retained profits.

Management monitors capital based on the Group's current ratio and net gearing ratio. The Group is also required by a bank of a new term loan to maintain net gearing ratio of 1.25 times (2022: No requirements). As at 31 December 2023, the Group's current ratio were 2.43 (2022: 2.05). The Group's net gearing ratio for 31 December 2023 and 31 December 2022 is not presented as total cash and cash equivalents exceeded total borrowings and lease liabilities.

The current ratio is calculated as total current assets divided by total current liabilities.

The net gearing ratio is calculated as net borrowings divided by shareholders' funds. Net borrowings are calculated as total borrowings (Note 13) and lease liabilities (Note 14) less cash and cash equivalents (Note 4).

As disclosed in the Group's consolidated statement of changes in equity and Note 24 to the financial statements, a subsidiary is required by relevant laws and regulations of the PRC to contribute to and maintain a non-distributable PRC statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities.

The Group has complied with above externally imposed capital requirement for the financial years ended 31 December 2023 and 2022.

As at end of each reporting period, management had assessed that the Group's cash and cash equivalents, together with anticipated cash flow from future operations and borrowings available under the Group's credit facilities, will be sufficient to fund its operations and capital expenditure requirements for the next 12 months.

37. Authorisation of financial statements

The consolidated financial statements of the Group for the financial year ended 31 December 2023, statement of financial position of the Company as at 31 December 2023 and statement of changes in equity of the Company for the financial year ended 31 December 2023 were authorised for issue by the Directors on 28 March 2024.

Analysis of Shareholdings

As at 8 March 2024

Issue and paid-up capital (including treasury shares)	:	\$214,009,430.30
Number of shares issued including treasury shares	:	773,825,545
Number of shares issued excluding treasury shares	:	771,952,945
Number/percentage of Treasury Shares	:	1,872,600 (0.24%)
Class of shares	:	Ordinary Shares
Voting right	:	One vote per share
Number of subsidiary holdings held	:	Nil

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	19	0.42	470	0.00
100 - 1,000	571	12.61	502,392	0.07
1,001 - 10,000	2,604	57.51	12,980,683	1.68
10,001 - 1,000,000	1,311	28.95	58,081,664	7.52
1,000,001 and above	23	0.51	700,387,736	90.73
Total	4,528	100.00	771,952,945	100.00

TOP TWENTY SHAREHOLDERS		NO. OF SHARES	%
1	DBS NOMINEES PTE LTD	211,949,083	27.46
2	RAFFLES NOMINEES (PTE) LIMITED	199,909,368	25.90
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	182,994,826	23.71
4	HSBC (SINGAPORE) NOMINEES PTE LTD	23,533,814	3.05
5	CITIBANK NOMINEES SINGAPORE PTE LTD	14,879,285	1.93
6	UOB KAY HIAN PTE LTD	13,666,100	1.77
7	DBSN SERVICES PTE LTD	6,848,730	0.89
8	MUN HONG YEW	6,250,000	0.81
9	OCBC SECURITIES PRIVATE LTD	5,929,600	0.77
10	STARICH INVESTMENTS PTE LTD	4,726,500	0.61
11	PHILLIP SECURITIES PTE LTD	4,367,023	0.56
12	IFAST FINANCIAL PTE LTD	3,853,566	0.50
13	RONIE TAN CHOO SENG	3,620,000	0.47
14	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	3,389,434	0.44
15	MAYBANK SECURITIES PTE. LTD.	2,702,900	0.35
16	MERRILL LYNCH (SPORE) PTE LTD	2,203,700	0.28
17	HONG LEONG FINANCE NOMINEES PTE LTD	1,758,300	0.23
18	MORGAN STANLEY ASIA (S) SECURITIES PTE LTD	1,649,300	0.21
19	ABN AMRO CLEARING BANK N.V.	1,378,000	0.18
20	S NALLAKARUPPAN	1,272,500	0.16
		696,882,029	90.28

Analysis of Shareholdings

As at 8 March 2024

SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's register of Substantial Shareholders)

	NO. OF SHARES	
	DIRECT INTEREST	DEEMED INTEREST
MUN HONG YEW ¹	6,250,000	536,447,600
SIEW YOKE PING ²	–	476,447,600
MUN SIEW CAPITAL PTE. LTD. ³	–	60,000,000
CLOVA INVESTMENTS LTD ⁴	–	60,000,000

Notes on Aztech Global Ltd shares ("Shares") held as at 8 March 2024:

- Shares held by Mr Mun Hong Yew ("Mr Mun"):
 - Mr Mun holds 6,250,000 Shares directly in his CDP account; and
 - Mr Mun is deemed to be interested in 536,447,600 Shares held in nominee accounts jointly by Mr Mun and Mdm Siew Yoke Ping ("Mdm Siew"), spouse of Mr Mun, as well as nominee accounts of Mun Siew Capital Pte. Ltd..

Mun Siew Capital Pte. Ltd. is wholly owned by Clova Investments Ltd, which is in turn wholly owned by Mr Mun.
- Shares held by Mdm Siew:
 - Mdm Siew is deemed to be interested in 476,447,600 Shares held in nominee accounts jointly by Mr Mun and her.
- Shares held by Mun Siew Capital Pte. Ltd., a company wholly owned by Clova Investments Ltd, which is in turn wholly owned by Mr Mun:
 - Mun Siew Capital Pte. Ltd. is deemed to be interested in 60,000,000 Shares held through its nominee accounts.
- Shares held by Clova Investments Ltd:
 - Clova Investments Ltd is deemed to be interested in the 60,000,000 Shares held through Mun Siew Capital Pte. Ltd.'s nominee accounts.

SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 8 March 2024, approximately 29.60% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

Notice of Annual General Meeting

This Notice has been made available on SGXNET and the Company's website and may be accessed at the URL <https://www.aztechglobal.com/agm/index.html>. Printed copies of this Notice, Proxy Form and Request Form will also be sent by post to members.

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of **AZTECH GLOBAL LTD.** (the "**Company**") will be convened and held at Raffles City Convention Centre, Bras Basah Room (Level 4), 80 Bras Basah Road, Singapore 189560 on **Tuesday, 16 April 2024 at 10.00 a.m. (Singapore time)**, for the following business:

AS ORDINARY BUSINESS

1. To receive and, if approved, to adopt the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and Auditor's Report thereon. **[Resolution 1]**
2. To declare a final one-tier tax exempt dividend of S\$0.05 per ordinary share for the financial year ended 31 December 2023. **[Resolution 2]**
3. To approve Directors' fees of S\$450,000.00 for the financial year ending 31 December 2024. **[Resolution 3]**
(Explanatory Note a)
4. To re-elect Mr. Jeremy Mun Weng Hung, who is retiring pursuant to regulation 97 of the Company's constitution (the "**Constitution**"), and who, being eligible, will offer himself for re-election. **[Resolution 4]**
(Explanatory Note b)
5. To re-elect Mr. Christopher Huang Junli, who is retiring pursuant to regulation 97 of the Constitution, and who, being eligible, will offer himself for re-election. **[Resolution 5]**
(Explanatory Note b)
6. To re-appoint Messrs BDO LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 6]**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

8. **Authority to allot and issue shares**

"That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

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provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities;
 - (ii) new Shares arising from exercising share options or the vesting of share awards, provided the share options or share awards were granted in compliance with the Listing Manual of the SGX-ST (“**Listing Manual**”); and
 - (iii) any subsequent bonus issue or consolidation or subdivision of Shares,

provided further that adjustments in accordance with sub-paragraphs (2)(i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

[Resolution 7]
(Explanatory Note c)

9. Renewal of the Share Purchase Mandate

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the “**Companies Act**”) as may be amended from time to time, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the Company (the “**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or
 - (ii) off market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

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- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
 - (ii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting;

- (c) in this Resolution:

“**subsidiary holdings**” has the meaning ascribed to it in the Listing Manual;

“**Prescribed Limit**” means, subject to the Companies Act, 10% of the total number of issued Shares of the Company (excluding subsidiary holdings and any Shares which are held as treasury shares) as at the date of the passing of this Resolution; and

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

where:

“**Average Closing Price**” means the average of the Closing Market Prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“**Closing Market Price**” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which must not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[Resolution 8]
(Explanatory Note d)

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10. **Authority to grant Options and to allot and issue Shares in accordance with the Aztech Employee Share Option Scheme (“Aztech ESOS”)**

“That approval be and is hereby given to the Directors of the Company to:

- (a) offer and grant Options in accordance with the provisions of the Aztech ESOS; and
- (b) allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the exercise of the Options under the Aztech ESOS granted while this Resolution was in force (notwithstanding that such issue of Shares may occur after the expiration of the authority contained in this Resolution),

provided that the aggregate number of Shares to be allotted and issued pursuant to the Aztech ESOS on any date, when aggregated with the number of Shares issued or issuable or existing Shares delivered or deliverable in respect of Options under the Aztech ESOS, awards under the Aztech Performance Share Plan and any other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day immediately preceding the date on which the Option is granted.”

[Resolution 9]
(Explanatory Note e)

11. **Authority to grant Awards and to allot and issue Shares under the Aztech Performance Share Plan (“Aztech PSP”)**

“That approval be and is hereby given to the Directors of the Company to:

- (a) grant Awards in accordance with the provisions of Aztech PSP; and
- (b) allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the release of the Awards under the Aztech PSP granted while this Resolution was in force (notwithstanding that such issue of Shares may occur after the expiration of the authority contained in this Resolution),

provided that the aggregate number of Shares to be allotted and issued pursuant to the release of the Awards under the Aztech PSP on any date, when aggregated with the number of Shares issued or issuable or existing Shares delivered or deliverable in respect of Awards under the Aztech PSP, Options under the Aztech ESOS and any other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day immediately preceding the date on which the Award is granted.”

[Resolution 10]
(Explanatory Note f)

12. **Authority to allot and issue Shares pursuant to the Aztech Scrip Dividend Scheme**

“That approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new ordinary shares in the Company as may be required to be allotted and issued under the Aztech Scrip Dividend Scheme, on such terms and conditions as may be determined by the Directors and to do all acts and things which they may in their absolute discretion deem necessary or desirable to carry the same into effect.”

[Resolution 11]
(Explanatory Note g)

By Order of the Board

Ms. Pavani Nagarajah
Company Secretary
1 April 2024
Singapore

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Explanatory Notes:

a. Ordinary Resolution 3

Ordinary Resolution 3, if passed, will facilitate payment of the Directors' fees for the financial year ending 31 December 2024. The Directors' fees for Mr. Michael Mun Hong Yew, Mr. Jeremy Mun Weng Hung, Mr. Tan Teik Seng, Mr. Larry Tan Jwee Meng, Mr. Christopher Huang Junli and Ms. Jeann Low Ngiap Jong, will be paid in four (4) instalments on a quarterly basis, within thirty (30) days of the end of each quarter, with the payment for the first quarter of the year to be paid within thirty (30) days of the receipt of approval of the members at the forthcoming AGM. The aggregate amount of Directors' fees for the said Directors is calculated on the assumption that all Directors will hold office for the whole of the financial year ending 31 December 2024.

b. Ordinary Resolutions 4 and 5

Mr. Jeremy Mun Weng Hung will, upon re-election as a Director of the Company, remain an Executive Director and Chief Operating Officer of the Company.

Mr. Christopher Huang Junli will, upon re-election as a Director of the Company, remain an Independent Director.

The profiles of Mr. Jeremy Mun Weng Hung and Mr. Christopher Huang Junli can be found in the "Board of Directors" section of the Company's Annual Report 2023 and the additional information required by Rule 720(6) of the Listing Manual of the SGX-ST is provided in the Additional Information on Directors Seeking Re-election section of the Company's Annual Report 2023.

c. Ordinary Resolution 7

Ordinary Resolution 7, if passed, will empower the Directors to issue Shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to a number not exceeding fifty per cent. (50%), of which up to twenty per cent. (20%) may be issued other than on a *pro rata* basis to shareholders of the Company.

For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time that Ordinary Resolution 7 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Ordinary Resolution 7 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

d. Ordinary Resolution 8

Ordinary Resolution 8 relates to the renewal of the mandate authorising the Company to purchase its own Shares, which was first approved by the shareholders at an extraordinary general meeting held on 13 October 2021. Please refer to the Appendix to the Company's Annual Report 2023 for more information.

e. Ordinary Resolution 9

Ordinary Resolution 9, if passed, will empower the Directors to offer and grant Options under the Aztech ESOS and to allot and issue new Shares in the capital of the Company upon the exercise of such Options in accordance with the Aztech ESOS (as may be modified by the Committee from time to time), provided that the aggregate number of Shares to be allotted and issued pursuant to the Aztech ESOS, when aggregated with the number of Shares issued or issuable or existing Shares delivered or deliverable in respect of Options under the Aztech ESOS, awards under the Aztech PSP and any other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day immediately preceding the date on which an Option is granted.

f. Ordinary Resolution 10

Ordinary Resolution 10, if passed, will empower the Directors to grant Awards and to issue and allot Shares pursuant to the vesting of the Awards under the Aztech PSP. The grant of Awards under the Aztech PSP will be made in accordance with the provisions of the Aztech PSP. The aggregate number of Shares which may be issued pursuant to the Aztech PSP, when aggregated with the number of Shares issued or issuable or existing Shares delivered or deliverable in respect of Awards under the Aztech PSP, Options under the Aztech ESOS and any other share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day immediately preceding the date on which the Award is granted.

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g. Ordinary Resolution 11

Ordinary Resolution 11, if passed, will authorise the Directors to allot and issue Shares of the Company pursuant to the Aztech Scrip Dividend Scheme (“**Scrip Dividend Scheme**”) to participating shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount, in whole or in part, of that qualifying dividend. The authority will continue until the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held, whichever is earlier (unless such authority is revoked at a general meeting). Authority sought under Ordinary Resolution 11 is in addition to the general authority to issue Shares sought under Ordinary Resolution 7. For the avoidance of doubt, the Scrip Dividend Scheme is not applicable to the final one-tier tax exempt dividend of S\$0.05 per ordinary share for the financial year ended 31 December 2023, as proposed in Ordinary Resolution 2.

NOTICE OF RECORD DATE AND DISTRIBUTION PAYMENT DATE

As stated in the Notice of Record Date set out in the Company’s announcement dated 22 February 2024, the Company wishes to notify shareholders that the Transfer Book and Register of Members of the Company will be closed at 5.00 p.m. (Singapore time) on 23 April 2024 for the purpose of determining shareholders’ entitlements to the proposed final dividend of S\$0.05 per ordinary share in respect of the financial year ended 31 December 2023 (“**FY2023 Final Dividend**”). The FY2023 Final Dividend, if approved by shareholders at the 2024 AGM, will be paid on or about 30 April 2024.

Duly completed registrable transfers of the Shares received by the Company’s Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 up to 5.00 p.m. (Singapore time) on 23 April 2024 will be registered before entitlements to the FY2023 Final Dividend are determined.

Members whose securities accounts with The Central Depository (Pte) Limited (“**CDP**”) are credited with Shares at 5.00 p.m. on 23 April 2024 will rank for the FY2023 Final Dividend.

Notes:

- (i) The AGM will be held, in a wholly physical format, at Raffles City Convention Centre, Bras Basah Room (Level 4), 80 Bras Basah Road, Singapore 189560 (“**Physical Meeting**”). Please bring along your NRIC/passport to enable the Company to verify your identity. Shareholders and other attendees who are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting. Printed copies of this Notice of AGM, the Proxy Form and the Request Form will be sent by post to members. This Notice of AGM is also published on the Company’s website at <https://www.aztechglobal.com/agm> and the SGXNet’s website at <https://www.sgx.com/securities/company-announcements>.
- (ii) If shareholders have any questions in relation to any of the resolutions tabled for approval at the AGM, shareholders may send their queries in advance of the AGM, by **10.00 a.m. on 9 April 2024** (the “**Deadline**”), via electronic mail to the Company’s corporate secretarial team at agm@aztech.com, or by post to 31 Ubi Road 1, #01-05, Singapore 408694, together with their full name, identification numbers, contact numbers and email address and manner in which they hold Shares in the Company (e.g. via CDP, CPF or SRS). The Company will address all substantial and relevant queries received by the Deadline from shareholders, by **10.00 a.m. on 11 April 2024** (being 48 hours prior to the deadline for the submission of Proxy Forms). Any substantial or relevant questions received after the Deadline will be addressed at the AGM itself. The Company will also publish its responses to the questions raised during the AGM on its corporate website and on SGXNET.
- (iii)
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member’s Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member’s proxy form appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. If the relevant information is not specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings. For the avoidance of doubt, a CPF Agent Bank who intends to appoint Central Provident Fund Investment Scheme investors (“**CPF**”) or Supplementary Retirement Scheme (“**SRS**”) investors as its proxies shall comply with this Note.

“**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act.

- (iv) A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

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- (v) The Proxy Form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be:
- (a) if sent personally or by post, deposited with: Aztech Global Ltd., c/o B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
 - (b) if submitted by electronic mail, received by the Company at agm@aztech.com,

in either case, by **10.00 a.m.** on **13 April 2024**, being seventy-two (72) hours before the time of the AGM, and any instrument of proxy received after the aforementioned cut-off time shall be treated as invalid.

A member who wishes to submit a Proxy Form by post or via email can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download, complete and sign the Proxy Form, before submitting it by post to the address provided above or scanning and sending it by email to the email address provided above.

If a member elects to submit duly completed Proxy Forms electronically via electronic mail, all subsequent correspondence with the Company in relation to the AGM shall be conducted via electronic mail, and sent to the same electronic mail address from which the Proxy Forms were submitted.

Completion and return of the instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument of proxy to the AGM.

- (vi) The Proxy Form must be under the hand of the appointer or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
- (vii) A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
- (viii) The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as a proxy, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing the Chairman of the AGM as a proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
- (ix) Persons who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), other than CPF and SRS investors, and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions to the Chairman of the AGM in advance of, or at, the AGM; and/or (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.
- (x) In addition, CPF and SRS investors who wish to request their CPF Agent Banks or SRS Operators to appoint themselves or the Chairman as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **10.00 a.m.** on **4 April 2024**.

The Company's Annual Report 2023 and the Appendix to the Annual Report 2023 dated 1 April 2024 will be published on the Company's corporate website at <https://www.aztechglobal.com/agm> and will also be made available on SGXNet's website at <https://www.sgx.com/securities/company-announcements>. You will need an internet browser and PDF reader to view these documents. **Printed copies of these documents will not be sent to shareholders.** Shareholders may request for a printed copy of the Company's Annual Report 2023 and the Appendix to the Annual Report 2023 by completing the Request Form which has been sent to shareholders via post.

Notice of Annual General Meeting

Personal data privacy:

By attending the AGM, submitting questions in advance of the AGM and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that all information submitted is true and accurate, and where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Appendix to Annual General Meeting Notice

(Share Buy Back)

APPENDIX DATED 1 APRIL 2024

THIS APPENDIX is important and requires your immediate attention. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares in the issued share capital of Aztech Global Ltd. (the “**Company**”), you should immediately inform the purchaser or transferee or bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Appendix may be accessed at the Company’s website at <https://aztechglobal.com/agm> and SGXNet.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

Aztech

AZTECH GLOBAL LTD.

(Incorporated in the Republic of Singapore on 27 May 2009)
(Company Registration No.: 200909384G)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

The purpose of this Appendix is to provide information and explain to the shareholders of the Company the rationale for the proposed renewal of the Share Purchase Mandate to be tabled at the Company’s Annual General Meeting to be held at Raffles City Convention Centre, Bras Basah Room (Level 4), 80 Bras Basah Road, Singapore 189560 on **Tuesday, 16 April 2024** at **10.00 a.m. (Singapore time)** (the “**2024 AGM**”).

Appendix to Annual General Meeting Notice

(Share Buy Back)

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

“2023 AGM”	:	AGM which was held on 28 April 2023
“2023 Share Purchase Mandate”	:	Has the meaning ascribed to it in paragraph 2.1 of this Appendix
“2024 AGM”	:	AGM of the Company to be held at Raffles City Convention Centre, Bras Basah Room (Level 4), 80 Bras Basah Road, Singapore 189560 on 16 April 2024 at 10.00 a.m.
“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	Annual general meeting of the Company
“Appendix”	:	This appendix dated 1 April 2024 in relation to the proposed renewal of the Share Purchase Mandate
“Aztech Employee Share Option Scheme”	:	The employee share option scheme of the Company approved by Shareholders on 18 February 2021
“Aztech Performance Share Plan”	:	The performance share plan of the Company approved by Shareholders on 18 February 2021
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Company”	:	Aztech Global Ltd.
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“financial year”	:	The period of 12 months commencing on 1 January each year and ending on 31 December the same year
“FY2023”	:	Financial year ended 31 December 2023
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	18 March 2024, being the latest practicable date prior to the uploading of this Appendix on the Company’s website and the SGXNet
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time

Appendix to Annual General Meeting Notice

(Share Buy Back)

“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in paragraph 2.4.3 of this Appendix
“NAV”	:	Net asset value
“Off-Market Purchase”	:	Has the meaning ascribed to it in paragraph 2.4.3 of this Appendix
“Register of Members”	:	The Register of Members of the Company
“Relevant Directors”	:	Has the meaning ascribed to it in paragraph 2.10.3 of this Appendix
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase”	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Purchase Mandate
“Share Purchase Mandate”	:	The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate
“Shareholders”	:	Means: <ul style="list-style-type: none">(a) where the Depository is named in the Register of Members as the holder of shares, a Depositor in respect of the number of shares standing to the credit of his name in the Depository Register; and(b) in any other case, a person whose name appears on the Register of Members maintained by the Company pursuant to Section 190 of the Companies Act and/or any other applicable law
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A person who has an interest in one or more voting shares (excluding treasury shares) in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“treasury shares”	:	Issued Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies, and have been held by the Company continuously since purchased
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Percentage or per centum

Appendix to Annual General Meeting Notice

(Share Buy Back)

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S\$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the proposed renewal of the Share Purchase Mandate.

Appendix to Annual General Meeting Notice

(Share Buy Back)

AZTECH GLOBAL LTD.

(Incorporated in the Republic of Singapore on 27 May 2009)
(Company Registration No.: 200909384G)

Board of Directors

Mr. Michael Mun Hong Yew (*Executive Chairman and Chief Executive Officer*)
Mr. Jeremy Mun Weng Hung (*Executive Director and Chief Operating Officer*)
Mr. Larry Tan Jwee Meng (*Lead Independent Director*)
Ms. Jeann Low Ngiap Jong (*Independent Director*)
Mr. Tan Teik Seng (*Independent Director*)
Mr. Christopher Huang Junli (*Independent Director*)

Registered Office

31 Ubi Road 1
#01-05
Singapore 408694

1 April 2024

To: The Shareholders of Aztech Global Ltd.

Dear Shareholders

1. INTRODUCTION

We refer to Ordinary Resolution 8 set out in the Notice convening the 2024 AGM to be held on 16 April 2024, relating to the proposed renewal of the Share Purchase Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate to be tabled at the 2024 AGM, and to seek Shareholders' approval at the 2024 AGM for the same.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

At the 2023 AGM held on 28 April 2023, Shareholders had approved the renewal of the share purchase mandate (the "**2023 Share Purchase Mandate**") to enable the Company to purchase or otherwise acquire issued Shares. The rationale for, and the authority and limitations on, the 2023 Share Purchase Mandate were set out in the appendix to the notice of the 2023 AGM dated 12 April 2023.

The 2023 Share Purchase Mandate will expire on the date of the forthcoming AGM being the 2024 AGM. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2024 AGM.

2.2 Shares Purchased or Acquired during the Previous 12 Months

As at the Latest Practicable Date, the Company has not purchased or acquired any Shares pursuant to the 2023 Share Purchase Mandate approved by Shareholders at the 2023 AGM.

Appendix to Annual General Meeting Notice

(Share Buy Back)

2.3 Rationale

The proposed Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhancing the earnings per share and/or net asset value per share of the Group. The purchases or acquisitions of Shares may, in appropriate circumstances, also help to mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence. The Share Purchase Mandate may also be used to purchase or acquire existing Shares to satisfy options granted or awards given in relation to the Aztech Employee Share Option Scheme, the Aztech Performance Share Plan and any other employee share schemes which may be implemented by the Company, and allow the management of the Company to effectively manage and minimise the dilution impact (if any) associated with employee share schemes.

The Directors will decide whether to effect the purchases or acquisitions of its Shares via Market Purchases or Off-Market Purchases (both as defined below), after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.

2.4 Terms of the Share Purchase Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if renewed at the 2024 AGM, are substantially the same as those previously approved by Shareholders at the 2023 AGM. These are summarised below:

2.4.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate must not exceed 10% of the total number of Shares (excluding subsidiary holdings and any Shares which are held as treasury shares) in issue as at the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved, unless the Company has reduced its share capital by a special resolution under Section 78C of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution.

As at the Latest Practicable Date, the Company is holding 1,872,600 Shares as treasury shares and has no subsidiary holdings. Purely for illustrative purposes, on the basis of a total of 771,952,945 issued Shares (excluding treasury shares) as at the Latest Practicable Date, and assuming that no further Shares are issued, no further Shares are purchased or acquired and held by the Company as treasury shares and that there are no subsidiary holdings, on or prior to the 2024 AGM, not more than 77,195,295 Shares (representing 10% of the total number of Shares in issue as at that date (excluding treasury shares and subsidiary holdings)) may be purchased by the Company pursuant to the Share Purchase Mandate.

2.4.2 Duration of Authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held; or
- (b) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

Appendix to Annual General Meeting Notice

(Share Buy Back)

The Share Purchase Mandate may be renewed by the Shareholders at the next annual general meeting or at any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.4.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares by the Company may be made by way of:

- (a) an on-market purchase transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) an off-market purchase in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchase**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Constitution, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same except that there must be disregarded:
 - (i) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, inter alia, the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share purchases;

Appendix to Annual General Meeting Notice

(Share Buy Back)

- (d) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST;
- (f) details of any share purchases made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

2.4.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

("Maximum Price") in either case, excluding related expenses of the purchase or acquisition.

For the purposes of this Appendix:

"Average Closing Price" means the average of the Closing Market Prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"Closing Market Price" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which must not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled

Any Shares purchased or acquired pursuant to the Share Purchase Mandate will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company is deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company in treasury in accordance with Sections 76H to 76K of the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

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(Share Buy Back)

2.5.1 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain provisions on treasury shares under the Companies Act are summarised below:

- (a) Maximum Holding: The aggregate number of Shares held by the Company as treasury shares must not at any time exceed 10% of the total number of Shares (excluding subsidiary holdings and any Shares which are held as treasury shares) in issue at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company must dispose of or cancel the excess treasury shares in accordance with Section 76K of the Companies Act within six (6) months from the day the aforesaid limit is first exceeded, or such further period as may be allowed by ACRA.
- (b) Voting and Other Rights: The Company must not exercise any right in respect of the treasury shares. In particular, the Company must not exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company is to be treated as having no right to vote and the treasury shares are to be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

- (c) Disposal or Cancellation: Where Shares are held as treasury shares, the Company may at any time:
 - (i) sell the treasury shares (or any of them) for cash;
 - (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons, including the Aztech Employee Share Option Scheme and the Aztech Performance Share Plan;
 - (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (iv) cancel the treasury shares (or any of them); or
 - (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (A) the date of the sale, transfer, cancellation and/or use of such treasury shares, (B) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (C) the number of treasury shares which have been sold, transferred, cancelled and/or used, (D) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (E) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (F) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

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(Share Buy Back)

2.5.2 Purchased or Acquired Shares Cancelled

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company must:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which includes any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

2.6 Source of Funds

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Under Section 76F(4) of the Companies Act, the Company is solvent if at the date of payment for the purchase or acquisition of its Shares, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts,
- (b) if:
 - (i) it is intended to commence winding up within the period of 12 months immediately after the date of payment, the Company will be able to pay its debts in full within such period, or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of Shares become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources or external borrowings, or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will, principally, consider the availability of internal resources and thereafter consider the availability of external financing.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially and adversely affect the working capital requirements, the financial position of the Group taken as a whole, the financial flexibility or the investment ability of the Group. The purchase of its own Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions.

Appendix to Annual General Meeting Notice

(Share Buy Back)

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, inter alia, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company, the amount (if any) borrowed by the Group to fund the purchases or acquisitions, and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial accounts of the Company and the Group for FY2023, are based on the assumptions set out below.

2.7.1 Purchase or Acquisition of Shares made out of Capital and/or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the purchase or acquisition of Shares is made out of capital, the profits available for distribution as dividends by the Company will not be reduced.

Where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares will correspondingly reduce the profits available for distribution as dividends by the Company.

Based on the audited accounts of the Company for FY2023, the Company had retained profits of about S\$41.296 million as at 31 December 2023. Accordingly, in respect of the Share Purchase Mandate sought at the 2024 AGM, it is expected that the purchases or acquisitions of Shares will be made out of capital.

For the purposes of paragraph 2.7 of this Appendix, the purchase price paid by the Company for the Shares does not include any expenses (including brokerage or commission) incurred in such purchase or acquisition of the Shares.

2.7.2 Number of, and Maximum Price paid for, Shares Purchased or Acquired

As at the Latest Practicable Date, the Company has a total of 771,952,945 Shares in issue (excluding treasury shares) and has no subsidiary holdings. Further, as at the Latest Practicable Date, the Company has a total of 1,872,600 treasury shares.

Based on 771,952,945 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming that no further Shares are issued, no further Shares are purchased or acquired and held by the Company as treasury shares and there are no subsidiary holdings on or prior to the forthcoming 2024 AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition by the Company of up to 77,195,295 Shares.

The financial effects of the purchase or acquisition of Shares by the Company set out below in this paragraph 2.7 are on the basis of the purchase or acquisition of 77,195,200 Shares (rounded down to the nearest 100 Shares) made entirely out of the capital of the Company.

In the case of Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 77,195,200 Shares at the Maximum Price of S\$1.080 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date (rounded down to the nearest S\$0.005), the maximum amount of funds required for the purchase or acquisition of 77,195,200 Shares is approximately S\$83.371 million.

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(Share Buy Back)

In the case of Off-Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 77,195,200 Shares at the Maximum Price of S\$1.235 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date (rounded down to the nearest S\$0.005)), the maximum amount of funds required for the purchase or acquisition of 77,195,200 Shares is approximately S\$95.336 million.

2.7.3 Illustrative Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Company and the Group for FY2023, the assumptions stated above and assuming the following:

- (a) purchases or acquisitions of Shares by the Company are funded solely from internal resources;
- (b) the transaction costs incurred for such purchase or acquisition of Shares pursuant to the Share Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects; and
- (c) there were no issuances of Shares after the Latest Practicable Date,

the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the following Scenarios A and B (as explained below) are as set out in the tables below:

- (i) **Scenario A:** Market Purchases or Off-Market Purchases (as the case may be) of 77,195,200 Shares made entirely out of capital and held as treasury shares; and
- (ii) **Scenario B:** Market Purchases or Off-Market Purchases (as the case may be) of 77,195,200 Shares made entirely out of capital and cancelled.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT BELOW, BASED ON THE RESPECTIVE ASSUMPTIONS STATED BELOW, ARE FOR ILLUSTRATION PURPOSES ONLY AND ARE NOT NECESSARILY REPRESENTATIVE OF FUTURE FINANCIAL PERFORMANCE. IN ADDITION, THE ACTUAL IMPACT WILL DEPEND ON, INTER ALIA, THE ACTUAL NUMBER AND PRICE OF SHARES THAT MAY BE PURCHASED OR ACQUIRED BY THE COMPANY, WHETHER THE PURCHASE OR ACQUISITION OF SHARES IS MADE OUT OF THE PROFITS OR CAPITAL OF THE COMPANY AND WHETHER THE SHARES PURCHASED OR ACQUIRED ARE HELD IN TREASURY OR CANCELLED.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The Directors would emphasise that they do not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

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(Share Buy Back)

(1) **Market Purchases¹**

As at 31 December 2023 (audited)	GROUP		
	Before Share Purchase	After Share Purchase	
	S\$'000	Scenario A S\$'000	Scenario B S\$'000
Share capital	206,166	206,166	122,795
Treasury shares	(1,843)	(85,214)	(1,843)
Other reserves	(3,416)	(3,416)	(3,416)
Retained profits	161,958	161,958	161,958
Share option reserve	636	636	636
Currency translation reserve	(18,558)	(18,558)	(18,558)
Shareholders' funds	344,943	261,572	261,572
NAV ⁽¹⁾	344,943	261,572	261,572
Current assets	551,491	468,120	468,120
Current liabilities	227,190	227,190	227,190
Net current assets	324,301	240,930	240,930
Total borrowings ⁽²⁾	22,205	22,205	22,205
Cash and bank balances	231,442	148,071	148,071
Number of Shares (in '000) ⁽³⁾	771,953	694,758	694,758
Treasury Shares (in '000) ⁽³⁾	1,873	79,068	1,873
Weighted Average Number of Shares (in '000)	771,953	694,758	694,758
Financial Ratios			
EPS – (cents)	12.96	14.40	14.40
NAV per Share – (cents) ⁽³⁾	44.68	37.65	37.65
Net gearing ratio (times) ⁽⁴⁾	–	–	–
Current ratio (times) ⁽⁵⁾	2.43	2.06	2.06

Notes:

- (1) NAV equals to total assets less total liabilities and excludes non-controlling interests.
- (2) Total borrowings comprise bank borrowings and lease liabilities.
- (3) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Net gearing ratio means total borrowings less cash and bank balances divided by shareholders' funds.
- (5) Current ratio means current assets divided by current liabilities.

¹ This is computed based on 771,952,945 Shares in issue as at the Latest Practicable Date.

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(Share Buy Back)

As at 31 December 2023 (audited)	COMPANY		
	Before Share Purchase	After Share Purchase	
	S\$'000	Scenario A S\$'000	Scenario B S\$'000
Share capital	206,166	206,166	122,735
Treasury shares	(1,843)	(85,214)	(1,843)
Capital reserve	11,651	11,651	11,651
Share option reserve	636	636	636
Retained profits	41,296	41,296	41,296
Shareholders' funds	257,906	174,535	174,535
NAV ⁽¹⁾	257,906	174,535	174,535
Current assets	206,783	123,412	123,412
Current liabilities	27,464	27,464	27,464
Net current assets	179,319	95,948	95,948
Total borrowings ⁽²⁾	1,410	1,410	1,410
Cash and bank balances	165,264	81,893	81,893
Number of Shares (in '000) ⁽³⁾	771,953	694,758	694,758
Treasury Shares (in '000) ⁽³⁾	1,873	79,068	1,873
Weighted Average Number of Shares (in '000)	771,953	694,758	694,758
Financial Ratios			
EPS – (cent)	8.21	9.12	9.12
NAV per Share – (cents) ⁽³⁾	33.41	25.12	25.12
Net gearing ratio (times) ⁽⁴⁾	–	–	–
Current ratio (times) ⁽⁵⁾	7.53	4.49	4.49

Notes:

- (1) NAV equals to total assets less total liabilities and excludes non-controlling interests.
- (2) Total borrowings comprise bank borrowings and lease liabilities.
- (3) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Net gearing ratio means total borrowings less cash and bank balances divided by shareholders' funds.
- (5) Current ratio means current assets divided by current liabilities.

- (a) Scenario A: Market Purchases of 77,195,200 Shares made entirely out of capital and held as treasury shares⁽¹⁾

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2023 will decrease from 44.68 cents to 37.65 cents.

Appendix to Annual General Meeting Notice

(Share Buy Back)

(b) Scenario B: Market Purchases of 77,195,200 Shares made entirely out of capital and cancelled⁽¹⁾

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2023 will decrease from 44.68 cents to 37.65 cents.

Note:

(1) Assuming that the purchase of Shares had taken place on 1 January 2023, the consolidated basic EPS of the Group for FY2023 would be increased from 12.96 cents to 14.40 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(2) Off-Market Purchases²

As at 31 December 2023 (audited)	GROUP		
	Before Share Purchase	After Share Purchase	
	S\$'000	Scenario A S\$'000	Scenario B S\$'000
Share capital	206,166	206,166	110,830
Treasury shares	(1,843)	(97,179)	(1,843)
Other reserves	(3,416)	(3,416)	(3,416)
Retained profits	161,958	161,958	161,958
Share option reserve	636	636	636
Currency translation reserve	(18,558)	(18,558)	(18,558)
Shareholders' funds	344,943	249,607	249,607
NAV ⁽¹⁾	344,943	249,607	249,607
Current assets	551,491	456,155	456,155
Current liabilities	227,190	227,190	227,190
Net current assets	324,301	228,965	228,965
Total borrowings ⁽²⁾	22,205	22,205	22,205
Cash and bank balances	231,442	136,106	136,106
Number of Shares (in '000) ⁽³⁾	771,953	694,758	694,758
Treasury Shares (in '000) ⁽³⁾	1,873	79,068	1,873
Weighted Average Number of Shares (in '000)	771,953	694,758	694,758
Financial Ratios			
EPS – (cents)	12.96	14.40	14.40
NAV per Share – (cents) ⁽³⁾	44.68	35.93	35.93
Net gearing ratio (times) ⁽⁴⁾	–	–	–
Current ratio (times) ⁽⁵⁾	2.43	2.01	2.01

² This is computed based on 771,952,945 Shares in issue as at the Latest Practicable Date.

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(Share Buy Back)

Notes:

- (1) NAV equals to total assets less total liabilities and excludes non-controlling interests.
- (2) Total borrowings comprise bank borrowings and lease liabilities.
- (3) Based on the number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Gearing ratio means total borrowings less cash and bank balances divided by shareholders' funds.
- (5) Current ratio means current assets divided by current liabilities.

As at 31 December 2023 (audited)	COMPANY		
	Before Share Purchase	After Share Purchase	
	S\$'000	Scenario A S\$'000	Scenario B S\$'000
Share capital	206,166	206,166	110,830
Treasury shares	(1,843)	(97,179)	(1,843)
Capital reserve	11,651	11,651	11,651
Share option reserve	636	636	636
Retained profits	41,296	41,296	41,296
Shareholders' funds	257,906	162,570	162,570
NAV ⁽¹⁾	257,906	162,570	162,570
Current assets	206,783	111,447	111,447
Current liabilities	27,464	27,464	27,464
Net current assets	179,319	83,983	83,983
Total borrowings	1,410	1,410	1,410
Cash and bank balances	165,264	69,928	69,928
Number of Shares (in '000) ⁽³⁾	771,953	694,758	694,758
Treasury Shares (in '000) ⁽³⁾	1,873	79,068	1,873
Weighted Average Number of Shares (in '000)	771,953	694,758	694,758
Financial Ratios			
EPS – (cent)	8.21	9.12	9.12
NAV per Share – (cents) ⁽³⁾	33.41	23.40	23.40
Net gearing ratio (times) ⁽⁴⁾	–	–	–
Current ratio (times) ⁽⁵⁾	7.53	4.06	4.06

Notes:

- (1) NAV equals to total assets less total liabilities and exclude non-controlling interests.
- (2) Total borrowings comprise bank borrowings and lease liabilities.
- (3) Based on the number of Shares issued as the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Net gearing ratio means total borrowings less cash and bank balances divided by shareholders' funds.
- (5) Current ratio means current assets divided by current liabilities.

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(Share Buy Back)

- (a) Scenario A: Off-Market Purchases of 77,195,200 Shares made entirely out of capital and held as treasury shares⁽¹⁾

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as 31 December 2023 will decrease from 44.68 cents to 35.93 cents.

- (b) Scenario B: Off-Market Purchases of 77,195,200 Shares made entirely out of capital and cancelled⁽¹⁾

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2023 will decrease from 44.68 cents to 35.93 cents.

Note:

- (1) Assuming that the purchase of Shares had taken place on 1 January 2023, the consolidated basic EPS of the Group for FY2023 would be increased from 12.96 cents to 14.40 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Listing Manual

2.9.1 No Purchases during Price Sensitive Developments

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the board of Directors until the price sensitive information has been publicly announced.

In particular, in line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half-year and full year financial statements (if the Company does not announce its quarterly financial statements) or, if the Company announces its quarterly financial statements (whether required by the SGX-ST or otherwise), during the period of two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements.

2.9.2 Listing Status of the Shares

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word “public” is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

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(Share Buy Back)

As at the Latest Practicable Date, there are approximately 228,525,345 Shares, representing approximately 29.60% of the total number of issued Shares (excluding treasury shares), held by the public. In the event that the Company purchases the maximum of 10% of its total number of issued Shares (excluding treasury shares) from public Shareholders, based on information available as at the Latest Practicable Date, the percentage of the Company's public float would be reduced to approximately 21.78% of the total number of Shares in issue (excluding treasury shares). Accordingly, based on information available as at the Latest Practicable Date, the Directors are of the view that, at present, there is a sufficient number of Shares in issue (excluding treasury shares) held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST, and the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. The Directors would emphasise that they do not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in the Company being delisted from the SGX-ST.

2.9.3 Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer.

Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

The Directors are required, under the Companies Act, to lodge with ACRA within 30 days of the purchase or acquisition of Shares on the SGX-ST the notice of purchase or acquisition of the Shares in the prescribed form and provide certain particulars including the date of the purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the issued share capital of the Company before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

2.9.4 Listing Manual

The Listing Manual restricts a listed company from purchasing its shares by way of market purchases at a price per share which is more than 5% above the Average Closing Price. The Maximum Price for the Shares in relation to Market Purchases referred to in paragraph 2.4.4 above complies with this requirement. Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 20% above the average closing price of the Shares as the Maximum Price for the Shares to be purchased or acquired by way of an Off-Market Purchase.

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(Share Buy Back)

2.10 Certain Take-over Code implications arising from the Proposed Share Purchase Mandate

Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below.

If, as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be acting in concert with each other: (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer as a result of a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of a purchase or acquisition of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (b) if the Directors and their concert parties hold between 30% and 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% to 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

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(Share Buy Back)

2.10.1 Shareholding Interests of Directors

Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the interests of the Directors in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (c) there are no further issues of Shares, and (d) there are no subsidiary holdings, will be as follows:

Name of Director	← Number of Shares Held →			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Michael Mun Hong Yew ⁽¹⁾	6,250,000	536,447,600	542,697,600	70.3019	78.1132
Jeremy Mun Weng Hung ⁽²⁾	–	200,000	200,000	0.0259	0.0288
Larry Tan Jwee Meng	–	–	–	–	–
Jeann Low Ngiap Jong ⁽³⁾	–	150,000	150,000	0.0194	0.0216
Tan Teik Seng	–	–	–	–	–
Christopher Huang Junli	–	–	–	–	–

Notes:

- Mr Michael Mun holds 6,250,000 Shares directly in his CDP account. Mr Michael Mun also holds 166,649,200 Shares through Raffles Nominees (Pte) Limited, 155,649,200 Shares through DBS Nominees Pte Ltd and 154,149,200 Shares through United Overseas Bank Nominees (Private) Limited. Each of the aforementioned nominee accounts are held jointly by Mr Michael Mun and his spouse, Mdm Siew Yoke Ping. Mr Michael Mun wholly owns Clova Investments Ltd, which in turn has a controlling interest in Mun Siew Capital Pte. Ltd.. Accordingly, Mr Michael Mun is also deemed to be interested in the 33,000,000 Shares held in Mun Siew Capital Pte. Ltd.'s DBS Nominees Pte Ltd account and the 27,000,000 Shares held in Mun Siew Capital Pte. Ltd.'s United Overseas Bank Nominees (Private) Limited account.
- Mr Jeremy Mun Weng Hung is deemed to be interested in 200,000 Shares held by DBS Nominees Pte. Ltd. as his nominee.
- Ms Jeann Low Ngiap Jong is deemed to be interested in 150,000 Shares held by DBS Nominees Pte. Ltd. as her nominee.

2.10.2 Shareholding Interests of Substantial Shareholders

Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (a) the Company purchases or acquires the maximum of 10% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, (b) there is no change in the number of Shares in which the Substantial Shareholders have an interest as at the Latest Practicable Date, (c) there are no further issues of Shares, and (d) there are no subsidiary holdings, will be as follows:

Name of Substantial Shareholder	← Number of Shares Held →			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Mun Siew Capital Pte. Ltd. ⁽¹⁾	–	60,000,000	60,000,000	7.7725	8.6361
Clova Investments Ltd ⁽²⁾	–	60,000,000	60,000,000	7.7725	8.6361
Michael Mun Hong Yew ⁽³⁾	6,250,000	536,447,600	542,697,600	70.3019	78.1132
Siew Yoke Ping ⁽⁴⁾	–	476,447,600	476,447,600	61.7198	68.5775

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(Share Buy Back)

Notes:

- (1) Mun Siew Capital Pte. Ltd. is deemed to be interested in the 33,000,000 Shares held through its DBS Nominees Pte Ltd account and the 27,000,000 Shares held through its United Overseas Bank Nominees (Private) Limited account.
- (2) Clova Investments Ltd wholly owns Mun Siew Capital Pte. Ltd, and is deemed to be interested in the 33,000,000 Shares held through Mun Siew Capital Pte. Ltd.'s DBS Nominees Pte Ltd account and the 27,000,000 Shares held through Mun Siew Capital Pte. Ltd.'s United Overseas Bank Nominees (Private) Limited account.
- (3) Mr Michael Mun holds 6,250,000 Shares directly in his CDP account. Mr Michael Mun also holds 166,649,200 Shares through Raffles Nominees (Pte) Limited, 155,649,200 Shares through DBS Nominees Pte Ltd and 154,149,200 Shares through United Overseas Bank Nominees (Private) Limited. Each of the aforementioned nominee accounts are held jointly by Mr Michael Mun and his spouse, Mdm Siew Yoke Ping. Mr Michael Mun wholly owns Clova Investments Ltd, which in turn has a controlling interest in Mun Siew Capital Pte. Ltd.. Accordingly, Mr Michael Mun is also deemed to be interested in the 33,000,000 Shares held in Mun Siew Capital Pte. Ltd.'s DBS Nominees Pte Ltd account and the 27,000,000 Shares held in Mun Siew Capital Pte. Ltd.'s United Overseas Bank Nominees (Private) Limited account.
- (4) Mdm Siew Yoke Ping is the spouse of Mr Michael Mun. Mdm Siew Yoke Ping is deemed to be interested in the 476,447,600 Shares in the following nominee accounts jointly held by Mr Michael Mun and her: 166,649,200 Shares through Raffles Nominees (Pte) Limited, 155,649,200 Shares through DBS Nominees Pte Ltd and 154,149,200 Shares through United Overseas Bank Nominees (Private) Limited.

2.10.3 Consequences of Share Purchases or Acquisitions by the Company

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, since the aggregate shareholdings and voting rights of Messrs Michael Mun Hong Yew and Jeremy Mun Weng Hung and their concert party(ies) (the "Relevant Directors") in the Company are more than 50% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, the Relevant Directors would not be obliged to make a mandatory take-over offer for the Company under the Take-over Code in the event that the Company purchases or acquires the maximum 77,195,200 Shares (being 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) (rounded to the nearest hundred Share) pursuant to the Share Purchase Mandate.

The Directors are not aware of any other Substantial Shareholder or Director who would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.

THE STATEMENTS HEREIN DO NOT PURPORT TO BE A COMPREHENSIVE OR EXHAUSTIVE DESCRIPTION OF ALL IMPLICATIONS THAT MAY ARISE UNDER THE TAKE-OVER CODE. SHAREHOLDERS WHO ARE IN DOUBT AS TO WHETHER THEY WOULD INCUR ANY OBLIGATION TO MAKE A TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY PURSUANT TO THE SHARE PURCHASE MANDATE ARE ADVISED TO CONSULT THEIR PROFESSIONAL ADVISERS AND/OR THE SECURITIES INDUSTRY COUNCIL OF SINGAPORE AT THE EARLIEST OPPORTUNITY.

2.11 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer or controlling shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

3. DIRECTORS' RECOMMENDATION

Having considered the rationale for the proposed renewal of the Share Purchase Mandate as set out in paragraph 2.3 of this Appendix, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company and, accordingly, recommend that Shareholders vote in favour of Ordinary Resolution 8 relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of the 2024 AGM.

Appendix to Annual General Meeting Notice

(Share Buy Back)

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents are available for inspection at the registered office of the Company at 31 Ubi Road 1, #01-05, Singapore 408694 during normal business hours from the date of this Appendix up to and including the date of the 2024 AGM:

- (1) the Constitution; and
- (2) the annual report of the Company for FY2023.

The annual report of the Company for FY2023 may also be accessed at the URL: <https://www.aztechglobal.com/investor-relations/financial-updates.html>.

Yours faithfully,
For and on behalf of the Board of Directors of
Aztech Global Ltd.

Ms Pavani Nagarajah
Company Secretary

1 April 2024

AZTECH GLOBAL LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200909384G)

PROXY FORM

IMPORTANT

- The AGM (as defined below) is being convened, and will be held, in a wholly physical format, at Raffles City Convention Centre, Bras Basah Room (Level 4), 80 Bras Basah Road, Singapore 189560 ("**Physical Meeting**"). Shareholders and other attendees who are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting.
- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPFIS/SRS investors who hold shares through CPF Agent Banks/SRS Operators. CPFIS/SRS investors: (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their CPF Agent Banks/SRS Operators to submit their votes by 10.00 a.m. on 4 April 2024.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).**

Personal Data Privacy

By submitting this proxy form, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 1 April 2024.

*I/We, _____ (Name) *NRIC/Passport/Co. Reg. No. _____

of _____ (address)

Being a *member/members of AZTECH GLOBAL LTD. ("**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

*and/or

Name	Address	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

Or failing *him/her/they, the Chairman of the Annual General Meeting of the Company ("**AGM**") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Meeting to be held at Raffles City Convention Centre, Bras Basah Room (Level 4), 80 Bras Basah Road, Singapore 189560 on **Tuesday, 16 April 2024 at 10.00 a.m.** and at any adjournment thereof.

All resolutions put to vote at the AGM shall be decided by way of poll.

*I/We direct *my/our *proxy/proxies to vote for, against or to abstain from voting on the Resolutions set out in the Notice of AGM dated 1 April 2024 in accordance with *my/our directions specified hereunder.

Please indicate your vote "For" or "Against" or "Abstain" with an "X" within the box provided if you wish to exercise all your votes. Alternatively, please indicate the number of votes as appropriate. If no specific direction as to voting is given in respect of a resolution, the proxy/proxies may vote or abstain from voting at his/her/their discretion as he/she/they deem(s) fit on any of the above resolutions, and on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolution	For	Against	Abstain
Ordinary Business				
1)	To adopt the Audited Financial Statements for the financial year ended 31 December 2023 (" FY2023 ") together with the Directors' Statement and Auditor's Report thereon			
2)	To declare a final one-tier tax exempt dividend of S\$0.05 per ordinary share for FY2023			
3)	To approve Directors' fees of S\$450,000.00 for the financial year ending 31 December 2024			
4)	To re-elect Mr. Jeremy Mun Weng Hung as Director			
5)	To re-elect Mr. Christopher Huang Junli as Director			
6)	To re-appoint Messrs BDO LLP as auditors of the Company and to authorise the Directors to fix their remuneration			
Special Business				
7)	To authorise Directors to allot and issue Shares			
8)	To approve the renewal of the Share Purchase Mandate			
9)	To authorise Directors to grant options and issue shares under the Aztech Employee Share Option Scheme			
10)	To authorise Directors to grant awards and issue shares under the Aztech Performance Share Plan			
11)	To authorise the Directors to allot and issue shares pursuant to the Aztech Scrip Dividend Scheme			

Dated this _____ day of _____ 2024

Total Number of Shares in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of Member(s) or Common Seal of
Corporate Shareholder

* Please delete accordingly

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



Notes:

1. Please insert the total number of Shares registered in your name in the Register of Members of the Company. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. If the relevant information is not specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings. For the avoidance of doubt, a CPF Agent Bank who intends to appoint Central Provident Fund Investment Scheme investors ("CPF") or Supplementary Retirement Scheme ("SRS") investors as its proxies shall comply with this Note.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore

3. Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. A proxy need not be a member of the Company. A member can appoint the Chairman of the AGM as his/her/its proxy, but this is not mandatory.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be:
 - (a) if sent personally or by post, deposited with: Aztech Global Ltd., c/o B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or
 - (b) if submitted by electronic mail, received by the Company at agm@aztech.com,in either case, by **10.00 a.m.** on **13 April 2024**, being 72 hours before the time of the AGM, and in default, the instrument of proxy shall be treated as invalid.
6. Completion and submission of the instrument appointing a proxy(ies) by a shareholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the shareholder attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instruments appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act 1967 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
11. For purposes of the appointment of a proxy(ies) and/ or representative(s), the member(s)' full name and CDP account number (if applicable) and the proxy(ies)' or representative(s)' full name and full NRIC/ passport number will be required for verification purposes, and the proxy(ies)' or representative(s)' NRIC/ passport will need to be produced for sighting upon registration at the AGM. This is so as to ensure that only duly appointed proxy(ies)/ representative(s) attend, speak and vote at the AGM. The Company reserves the right to refuse admittance to the AGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

Corporate Information

Directors

Mr. Michael Mun (Executive Chairman and CEO)

Mr. Jeremy Mun (Executive Director and COO)

Mr. Larry Tan (Lead Independent Director)

Ms. Jeann Low (Independent Director)

Mr. Tan Teik Seng (Independent Director)

Mr. Christopher Huang (Independent Director)

Audit Committee

Ms Jeann Low (Chairman)

Mr. Tan Teik Seng

Mr. Larry Tan

Mr. Christopher Huang

Nominating Committee

Mr. Tan Teik Seng (Chairman)

Mr. Larry Tan

Ms. Jeann Low

Mr. Christopher Huang

Remuneration Committee

Mr. Christopher Huang (Chairman)

Mr. Tan Teik Seng

Mr. Larry Tan

Ms. Jeann Low

Company Secretary

Ms. Pavani Nagarajah

Auditors

BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-charge: Mr. Ng Kian Hui
(a practising member of the institute of Singapore Chartered Accountants)
Appointed for the financial year ended 31 December 2023

Registrar

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

Registered Office

31 Ubi Road 1 #01-05
Singapore 408694
Tel: (65) 6594 2288
Fax: (65) 6749 1198
Website: www.aztechglobal.com

Company Registration No.

200909384G

HEAD OFFICE

Aztech Global Ltd.

31 Ubi Road 1 #01-05
Singapore 408694
Tel: (65) 6594 2288
Fax: (65) 6749 1198

R&D CENTRES

HQ R&D Centre

31 Ubi Road 1 #01-05
Singapore 408694
Tel: (65) 6594 2288
Fax: (65) 6749 1198

Hong Kong R&D Centre

Room 2-6 3/F Core Building 1
No. 1, Science Park East Ave
Hong Kong Science Park, Shatin
New Territories, Hong Kong
Tel: (852) 2757 1177
Fax: (852) 2481 5919

Dong Guan R&D Centre

Jiu Jiang Shui Village, Chang Ping Town
Dong Guan City, Guang Dong
Province, China
Tel: (86) (769) 8184 9699
Fax: (86) (769) 8393 1138

Shenzhen R&D Centre

Room 1805 -06, Building B of Bojin
International, No.7 Tairan Road
Futian District Shenzhen, China
Tel: (86) (755) 2533 1117

MANUFACTURING FACILITIES

Aztech Communication Device (DG) Ltd

Jiu Jiang Shui Village, Chang Ping Town
Dong Guan City, Guang Dong
Province, China
Tel: (86) (769) 8184 9699
Fax: (86) (769) 8393 1138

IOT Manufacturing Sdn Bhd

Gelang Patah

Lot 8 & 10, Jalan Laman Setia 7/4
Taman Laman Setia 81550
Gelang Patah Johor, Malaysia
Tel: (60) 7551 0000
Fax: (60) 7551 0001

Pasir Gudang

PLO 808 Jalan Keluli 11
Kawasan Perindustrian Pasir Gudang,
81700 Pasir Gudang, Johor, Malaysia
Tel: (60) 7209 8500
Fax: (60) 7209 8501

SALES OFFICE

Aztech Technologies Pte. Ltd.

31 Ubi Road 1 #01-05
Singapore 408694
Tel: (65) 6594 2288
Fax: (65) 6749 1198

Aztech Systems (Hong Kong) Limited

Room 2-6 3/F Core Building 1
No. 1, Science Park East Ave
Hong Kong Science Park, Shatin
New Territories, Hong Kong
Tel: (852) 2757 1177
Fax: (852) 2481 5919