



**Interim Financial Information  
For the Second Half and Financial Year Ended  
31 December 2022**

**AZTECH GLOBAL LTD.**

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



**INTERIM FINANCIAL INFORMATION  
FOR THE SECOND HALF AND FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**Condensed statements of financial position as at 31 December 2022**

	Note	Group		Company	
		31.12.2022 \$'000	31.12.2021 \$'000	31.12.2022 \$'000	31.12.2021 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		216,175	201,512	145,508	192,213
Trade receivables	4	197,566	222,533	-	-
Other receivables	5	5,815	3,443	11,187	19,532
Other investments	6	10,050	-	10,050	-
Tax recoverable		-	215	-	-
Derivative financial instruments		-	381	-	381
Prepayments		812	1,114	101	79
Inventories	7	85,211	62,432	-	-
<b>Total current assets</b>		<b>515,629</b>	<b>491,630</b>	<b>166,846</b>	<b>212,205</b>
<b>Non-current assets</b>					
Other receivables	5	-	-	-	474
Investment in subsidiaries		-	-	78,866	76,551
Property, plant and equipment	8	25,764	26,571	-	-
<b>Total non-current assets</b>		<b>25,764</b>	<b>26,571</b>	<b>78,866</b>	<b>77,025</b>
<b>Total assets</b>		<b>541,393</b>	<b>518,201</b>	<b>245,712</b>	<b>289,230</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Borrowings	9	1,347	11,894	-	-
Lease liabilities		1,563	1,859	488	465
Trade payables	10	185,711	138,476	-	-
Other payables	11	47,458	56,534	14,148	31,592
Provision for retirement benefit		649	630	649	630
Derivative financial instruments		988	-	988	-
Current income tax payable		13,561	10,966	276	305
<b>Total current liabilities</b>		<b>251,277</b>	<b>220,359</b>	<b>16,549</b>	<b>32,992</b>
<b>Non-current liabilities</b>					
Borrowings	9	3,936	2,841	-	-
Lease liabilities		1,606	1,439	-	474
Provision for retirement benefit		263	300	263	300
Deferred tax liabilities		308	294	-	-
<b>Total non-current liabilities</b>		<b>6,113</b>	<b>4,874</b>	<b>263</b>	<b>774</b>
<b>Capital and reserves</b>					
Share capital	12	206,166	206,166	206,166	206,166
Treasury shares		(1,843)	(1,843)	(1,843)	(1,843)
Capital reserve		(4,670)	(4,670)	11,651	11,651
Foreign currency translation reserve		(13,876)	808	-	-
Share option reserve		288	-	288	-
Statutory reserve		1,254	1,254	-	-
Retained profits		96,684	91,253	12,638	39,490
<b>Total equity</b>		<b>284,003</b>	<b>292,968</b>	<b>228,900</b>	<b>255,464</b>
<b>Total liabilities and equity</b>		<b>541,393</b>	<b>518,201</b>	<b>245,712</b>	<b>289,230</b>



**Condensed consolidated statements of comprehensive income for the second half and financial year ended 31 December 2022**

	Note	Group			increase/ (decrease)	Group		
		6 months ended 31 December		%		Financial year ended 31 December		increase/ (decrease)
		2022 \$'000	2021 \$'000			2022 \$'000	2021 \$'000	
Revenue	13	455,650	374,659	21.6	820,244	624,364	31.4	
Other income	14	999	1,288	(22.4)	1,366	1,645	(17.0)	
Changes in finished goods, work in progress and raw materials used	15	(333,600)	(286,578)	16.4	(615,589)	(468,896)	31.3	
Employee benefits expense	16	(24,657)	(29,898)	(17.5)	(50,715)	(52,703)	(3.8)	
Depreciation and amortisation expense	17	(4,196)	(5,203)	(19.4)	(8,610)	(10,207)	(15.6)	
Other operating expense	18	(6,345)	(5,742)	10.5	(12,366)	(13,579)	(8.9)	
Loss allowance of trade receivables		(371)	(489)	(24.1)	(662)	(489)	35.4	
Investment revenue	19	1,550	399	288.5	2,004	627	219.6	
Other gains and losses	20	(58,006)	3,222	n.m.	(54,011)	4,877	n.m.	
Finance costs (interest expenses on bank loans and lease liabilities)	21	(712)	(316)	125.3	(931)	(677)	37.5	
Profit before income tax		<b>30,312</b>	<b>51,342</b>	(41.0)	<b>80,730</b>	<b>84,962</b>	(5.0)	
Income tax expense	22	(5,974)	(6,371)	(6.2)	(13,543)	(10,582)	28.0	
Profit for the financial period/year		<b>24,338</b>	<b>44,971</b>	(45.9)	<b>67,187</b>	<b>74,380</b>	(9.7)	
<b>Other comprehensive income:</b>								
<b>- items that may be reclassified subsequently into profit or loss</b>								
Exchange differences on translation of foreign operations		(9,995)	2,368	n.m.	(14,684)	3,584	n.m.	
Other comprehensive income for the financial period, net of tax		(9,995)	2,368	n.m.	(14,684)	3,584	n.m.	
<b>Total comprehensive income for the financial period/year</b>		<b>14,343</b>	<b>47,339</b>	(69.7)	<b>52,503</b>	<b>77,964</b>	(32.7)	
Profit attribute to owners of the parent		24,338	44,971	(45.9)	67,187	74,380	(9.7)	
Total comprehensive income attributable to owners of the parent		<b>14,343</b>	<b>47,339</b>	(69.7)	<b>52,503</b>	<b>77,964</b>	(32.7)	
<b>Earnings per share</b>								
Basic (Cents)*		3.15	5.88		8.70	10.00		
Diluted (Cents)*		3.15	5.88		8.68	10.00		

\*Basic EPS for FY2022 and FY2021 has been computed based on the profit attributable to equity holders of our Company and weighted average no. of ordinary share of 771,952,945 and 743,892,381 shares respectively. Diluted EPS for FY2022 and FY2021 has been computed based on the profit attributable to equity holders of our Company weighted average no. of ordinary share of 773,702,945 and 743,892,381 shares respectively.



## Condensed statements of changes in equity for the financial year ended 31 December 2022

	Share capital	Treasury share	Capital reserve	Foreign currency translation reserve	Share option reserve	Statutory reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>								
<b>Balance as at 1.1.2022</b>	<b>206,166</b>	<b>(1,843)</b>	<b>(4,670)</b>	<b>808</b>	<b>-</b>	<b>1,254</b>	<b>91,253</b>	<b>292,968</b>
<i>Total comprehensive income for the year</i>								
Profit for the year	-	-	-	-	-	-	67,187	67,187
Other comprehensive income for the year	-	-	-	(14,684)	-	-	-	(14,684)
Total	-	-	-	(14,684)	-	-	67,187	52,503
<i>Transactions with owners, recognised directly in equity</i>								
Dividend	-	-	-	-	-	-	(61,756)	(61,756)
Share options	-	-	-	-	288	-	-	288
Total	-	-	-	-	288	-	(61,756)	(61,468)
<b>Balance as at 31.12.2022</b>	<b>206,166</b>	<b>(1,843)</b>	<b>(4,670)</b>	<b>(13,876)</b>	<b>288</b>	<b>1,254</b>	<b>96,684</b>	<b>284,003</b>
<b>Balance as at 1.1.2021</b>	<b>15,468</b>	<b>-</b>	<b>(4,670)</b>	<b>(2,776)</b>	<b>-</b>	<b>1,254</b>	<b>32,347</b>	<b>41,623</b>
<i>Total comprehensive income for the year</i>								
Profit for the year	-	-	-	-	-	-	74,380	74,380
Other comprehensive income for the year	-	-	-	3,584	-	-	-	3,584
Total	-	-	-	3,584	-	-	74,380	77,964
<i>Transactions with owners, recognised directly in equity</i>								
Issuance of ordinary shares from initial public offering	-	-	-	-	-	-	-	-
exercise	198,400	-	-	-	-	-	-	198,400
Share issue expenses	(7,843)	-	-	-	-	-	-	(7,843)
Issuance of ordinary shares from scrip dividends	141	-	-	-	-	-	-	141
Dividend	-	-	-	-	-	-	(15,474)	(15,474)
Share buyback	-	(1,843)	-	-	-	-	-	(1,843)
Total	190,698	(1,843)	-	-	-	-	(15,474)	173,381
<b>Balance as at 31.12.2021</b>	<b>206,166</b>	<b>(1,843)</b>	<b>(4,670)</b>	<b>808</b>	<b>-</b>	<b>1,254</b>	<b>91,253</b>	<b>292,968</b>



**Condensed Statements of changes in equity for the financial year ended 31 December 2022**  
**(Continued)**

	Share capital	Treasury share	Capital reserve	Share option reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Company</b>						
<b>Balance as at 1.1.2022</b>	<b>206,166</b>	<b>(1,843)</b>	<b>11,651</b>	<b>-</b>	<b>39,490</b>	<b>255,464</b>
Profit representing total comprehensive income for the year	-	-	-	-	34,904	34,904
<i>Transactions with owners, recognised directly in equity</i>						
Dividend	-	-	-	-	(61,756)	(61,756)
Share options	-	-	-	288	-	288
Total	-	-	-	288	(61,756)	(61,468)
<b>Balance as at 31.12.2022</b>	<b>206,166</b>	<b>(1,843)</b>	<b>11,651</b>	<b>288</b>	<b>12,638</b>	<b>228,900</b>
<b>Balance as at 1.1.2021</b>	<b>15,468</b>	<b>-</b>	<b>11,651</b>	<b>-</b>	<b>11,550</b>	<b>38,669</b>
Profit representing total comprehensive income for the year	-	-	-	-	43,414	43,414
<i>Transactions with owners, recognised directly in equity</i>						
Issuance of ordinary shares from initial public offering exercise	198,400	-	-	-	-	198,400
Share issue expenses	(7,843)	-	-	-	-	(7,843)
Issuance of ordinary shares from scrip dividends	141	-	-	-	-	141
Dividend	-	-	-	-	(15,474)	(15,474)
Share buyback	-	(1,843)	-	-	-	(1,843)
Total	190,698	(1,843)	-	-	(15,474)	173,381
<b>Balance as at 31.12.2021</b>	<b>206,166</b>	<b>(1,843)</b>	<b>11,651</b>	<b>-</b>	<b>39,490</b>	<b>255,464</b>



**Condensed consolidated statement of cash flows for the second half and financial year ended 31 December 2022**

	Group		Group	
	6 months ended 31 December		Financial year ended 31 December	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Operating activities</b>				
Profit before income tax	30,312	51,342	80,730	84,962
Adjustments for:				
Amortisation of intangible assets	-	576	-	1,065
Depreciation of property, plant and equipment	4,196	4,627	8,610	9,142
Fair value loss/(gain) on financial instruments	55,112	(992)	56,553	(1,235)
Fair value loss on investments	8	-	8	-
Share options expense	288	-	288	-
(Gain)/loss on disposal of plant and equipment	(58)	2	(72)	2
Gain on early termination of leases	(32)	-	(32)	-
Gain on cessation of business	(1,321)	-	(1,321)	-
Interest expense	712	316	931	677
Interest income	(1,550)	(399)	(2,004)	(627)
Loss allowance for trade receivables	371	489	662	489
Net unrealised foreign exchange loss/(gain)	3,249	(561)	707	(1,843)
Plant and equipment written off	164	80	524	219
Provision for retirement benefit	(19)	41	(19)	41
Write-down for inventories obsolescence	1,349	93	2,204	93
<b>Operating cash flows before movements in working capital</b>	<b>92,781</b>	<b>55,614</b>	<b>147,769</b>	<b>92,985</b>
Trade receivables	25,499	(106,961)	14,848	(20,748)
Other receivables	(8,951)	(204)	(10,747)	3,386
Financial instruments	(54,123)	611	(55,183)	950
Prepayments	540	214	356	111
Inventories	24,339	29,847	(19,513)	(8,821)
Trade payables	(35,181)	21,946	39,600	(2,900)
Other payables	(25,923)	4,658	(9,907)	(6,398)
<b>Cash from operations</b>	<b>18,981</b>	<b>5,725</b>	<b>107,223</b>	<b>58,565</b>
Income tax paid	(7,082)	(5,032)	(10,721)	(15,991)
Interest paid	(712)	(316)	(931)	(677)
<b>Net cash from operating activities</b>	<b>11,187</b>	<b>377</b>	<b>95,571</b>	<b>41,897</b>
<b>Investing activities</b>				
Proceeds on disposal of plant and equipment	184	64	238	64
Purchase of plant and equipment	(7,573)	(1,623)	(8,277)	(4,789)
Interest received	1,550	399	2,004	627
<b>Net cash used in investing activities</b>	<b>(5,839)</b>	<b>(1,160)</b>	<b>(6,035)</b>	<b>(4,098)</b>



**Condensed interim consolidated statement of Cash Flows for the second half and financial year ended 31 December 2022 (Continued)**

	Group		Group	
	6 months ended 31 December		Financial year ended 31 December	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Financing activities</b>				
Proceeds from issue of share capital	-	-	-	198,400
Share issue expenses	-	(490)	-	(7,843)
Share buyback	-	(1,843)	-	(1,843)
Repayment of obligations under lease liabilities	(1,009)	(1,182)	(1,857)	(2,573)
Proceeds from bank borrowings	60,572	17,316	68,210	33,638
Repayment of bank borrowings	(64,483)	(14,815)	(77,306)	(52,524)
Dividends	(23,158)	-	(61,756)	(15,333)
<b>Net cash (used in)/ from financing activities</b>	<b>(28,078)</b>	<b>(1,014)</b>	<b>(72,709)</b>	<b>151,922</b>
<b>Net change in cash and cash equivalents</b>	<b>(22,730)</b>	<b>(1,797)</b>	<b>16,827</b>	<b>189,721</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,740)	294	(2,164)	329
Cash and cash equivalents at beginning of the period	241,645	203,015	201,512	11,462
<b>Cash and cash equivalents at end of the period (Note i)</b>	<b>216,175</b>	<b>201,512</b>	<b>216,175</b>	<b>201,512</b>

**(i) Cash and Cash equivalents comprise:**

	Group	
	As at 31 December 2022 \$'000	As at 31 December 2021 \$'000
	Cash	28,376
Fixed deposits	187,799	159,867
<b>Cash and cash equivalents at end of reporting period</b>	<b>216,175</b>	<b>201,512</b>



## **Notes to the condensed interim consolidated financial statements**

### **1. General corporate information**

Aztech Global Ltd (the “Company”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of Singapore Exchange. These condensed interim consolidated financial statements as at and for the financial year ended 31 December 2022 comprised the Company and its subsidiaries (the “Group”). The primary activity of the Company is investment holding.

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

### **2. Basis of Preparation**

The condensed interim financial statements for the financial year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the financial year ended 31 December 2021.

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

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

#### **2.1. New and amended standards adopted by the Group**

During the current financial period, the Group and the Company have adopted the amendments to SFRS(I)s which took effect from financial year beginning 1 January 2022. The adoption of these amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial year ended 31 December 2022. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

#### **2.2. Use of judgements and estimates**

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

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



### 3. Seasonal operations

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

### 4. Trade receivables

	<b>Group</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Third parties	200,351	224,675
Less: Loss allowance	(2,785)	(2,142)
	<b>197,566</b>	<b>222,533</b>

Trade receivables are non-interest bearing and generally on 30 to 95 days credit terms.

Movements in the loss allowance for trade receivables:

	<b>Group</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance as at 1 January	2,142	1,640
Allowance during the reporting period	662	489
Exchange difference	(19)	13
<b>Balance as at 31 December</b>	<b>2,785</b>	<b>2,142</b>

Trade receivables were at \$197.6 million as at 31 December 2022, a decrease of \$24.9 million (11.2%) from \$222.5 million as at 31 December 2021 primarily due to the lower revenue of \$213.3 million recognised in Q4 2022.

#### *Expected credit loss (ECL) assessment*

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

## 5. Other receivables

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Other receivables				
-Non-related parties	432	105	334	43
- Subsidiary	-	-	10,342	19,000
Finance lease receivables <sup>1</sup>	-	-	488	465
Value added tax receivable	2,404	2,345	12	13
Deposits <sup>2</sup>	2,299	245	11	11
Deposits for land use right	680	748	-	-
	<b>5,815</b>	<b>3,443</b>	<b>11,187</b>	<b>19,532</b>
<b>Non-current</b>				
Finance lease receivables	-	-	-	474
	<b>5,815</b>	<b>3,443</b>	<b>11,187</b>	<b>20,006</b>

<sup>1</sup> Finance lease receivable from a subsidiary as a result of office sub-leasing.

<sup>2</sup> Deposits paid by a subsidiary for an acquisition of a factory in Malaysia.

## 6. Other investments

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
Treasury bills-Singapore	10,050	-	10,050	-

The Group invested in a short-term Singapore government bond in year 2022.

## 7. Inventories

	Group	
	31.12.2022	31.12.2021
	\$'000	\$'000
Finished goods	3,229	4,249
Work-in-progress ("WIP")	15,740	12,287
Raw materials	66,242	45,896
	<b>85,211</b>	<b>62,432</b>

The Group had purchased raw materials and components in view of overall tight supply globally and to meet the production requirements for Q1 2023.

## 8. Property, plant and equipment

During the financial year ended 31 December 2022, the Group acquired assets amounting to \$9,417,000 (31 December 2021: \$5,866,000) and disposed of assets amounting to \$166,000 (31 December 2021: \$66,000).

## 9. Borrowings

	Group	
	31.12.2022 \$'000	31.12.2021 \$'000
<u>Amount repayable within one year or on demand</u>		
Secured	1,347	9,777
Unsecured	-	2,117
	1,347	11,894
<u>Amount repayable after one year</u>		
Secured	3,936	2,841
Total borrowing	5,283	14,735

## 10. Trade payables

	Group	
	31.12.2022 \$'000	31.12.2021 \$'000
Third parties	185,711	138,476

Trade payables were at \$185.7 million as at 31 December 2022, an increase of \$47.2 million (34.1%) from \$138.5 million as at 31 December 2021 primarily due to higher purchase of materials and components for Q1 2023 production needs.

## 11. Other payables

	Group		Company	
	31.12.2022 \$'000	31.12.2021 \$'000	31.12.2022 \$'000	31.12.2021 \$'000
Other payables				
-Non-related parties	1,825	1,260	40	42
-Subsidiaries	-	-	13,945	27,395
-Related corporation <sup>1</sup>	-	128	-	-
Accrued expenses <sup>2</sup>	28,159	39,421	163	285
Profit sharing <sup>3</sup>	2,078	3,870	-	3,870
Customer deposit	15,396	11,855	-	-
	47,458	56,534	14,148	31,592

<sup>1</sup>The Group's warehouse lease payments to a related corporation.

<sup>2</sup>The Group's accrued expenses related to inventories received from suppliers that had not been invoiced as at 31 December 2021 and 31 December 2022.

<sup>3</sup>The Group's profit sharing for FY2021 was paid in FY2022 and the profit sharing of FY2022 is allocated to key management under the respective subsidiaries.

## 12. Share capital

	The Group & the Company			
	31.12.2022		31.12.2021	
	'000	\$'000	'000	\$'000
As at 1 January	773,826	206,166	15,468	15,468
Sub-division of shares <sup>(1)</sup>	-	-	603,252	-
Issuance of shares pursuant to initial public offering exercise <sup>(2)</sup>	-	-	155,000	198,400
Share issue expenses	-	-	-	(7,843)
Issue of ordinary shares from scrip dividends	-	-	106	141
As at 31 December	<b>773,826</b>	<b>206,166</b>	<b>773,826</b>	<b>206,166</b>

<sup>(1)</sup> On 18 February 2021, in connection with the proposed initial public offering, the shareholders approved the subdivision of each ordinary share in the capital of the Company into 40 shares.

<sup>(2)</sup> On 12 March 2021, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 155,000,000 new ordinary shares at an issue price of \$1.28 per ordinary share for cash consideration of \$198,400,000 pursuant to an initial public offering.

The company holds treasury shares of \$1,843,000 (1,872,600 shares) as at 31 December 2022 (31 December 2021: \$1,843,000). There was no sale, transfer, disposal, cancellation and use of treasury shares during the financial year ended 31 December 2022. The total number of issued shares excluding treasury shares as at 31 December 2022 was 771,952,945 shares.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

### Employee share options

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

	Number of unissued ordinary shares of the Company under option				
	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
Group and Company					
2021 Options	2,110,000	-	-	(360,000)	1,750,000

## 13. Revenue

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

	<b>The Group</b>			
	<b>6 months ended 31 December 2021</b>			
	<b>Distribution &amp; trading</b>		<b>Manufacturing</b>	<b>Total</b>
	<b>Hong Kong \$'000</b>	<b>Singapore \$'000</b>	<b>China \$'000</b>	<b>\$'000</b>
Types of goods:				
Sale of goods	61,303	311,852	1,504	374,659
Timing of revenue recognition:				
At a point in time	61,303	311,852	1,504	374,659
Geographical information:				
North America	14,407	294,531	-	308,938
China	11,374	321	1,482	13,177
Europe	34,506	14,984	-	49,490
Singapore	-	1,354	22	1,376
Others	1,016	662	-	1,678
<b>Total revenue</b>	<b>61,303</b>	<b>311,852</b>	<b>1,504</b>	<b>374,659</b>

## 13. Revenue (continued)

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

	<b>The Group</b>			
	<b>Financial year ended 31 December 2021</b>			
	<b>Distribution &amp; trading</b>	<b>Manufacturing</b>		<b>Total</b>
	<b>Hong Kong \$'000</b>	<b>Singapore \$'000</b>	<b>China \$'000</b>	<b>\$'000</b>
Types of goods:				
Sale of goods	125,441	495,691	3,232	624,364
Timing of revenue recognition:				
At a point in time	125,441	495,691	3,232	624,364
Geographical information:				
North America	27,375	459,839	-	487,214
China	12,615	529	3,206	16,350
Europe	82,968	30,423	-	113,391
Singapore	36	3,226	26	3,288
Others	2,447	1,674	-	4,121
<b>Total revenue</b>	<b>125,441</b>	<b>495,691</b>	<b>3,232</b>	<b>624,364</b>

Revenue grew 31.4% in FY2022 driven mainly by higher sales volume of IoT and Data-communication products as a result of increased demand from customers.

## 14. Other income

	Group			
	6 months ended 31 December		Financial year ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Scrap sales	64	120	117	168
Government grants	295	1,100	561	1,326
Others	640	68	688	151
	999	1,288	1,366	1,645

The Group received higher grant during FY2021 due mainly to incentive scheme by the Chinese government to support growth of foreign trade. Grant received during FY2022 comprised mainly from marketing and technological transformation grant from the China Authorities for our Dongguan's operation.

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

The increase in changes in finished goods, work in progress and raw materials was due mainly to the higher revenue in FY2022.

## 16. Employee benefits expense

	Group			
	6 months ended 31 December		Financial year ended 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Employee benefits expense (including Directors' remuneration)</i>				
Staff costs	22,047	25,443	46,170	46,550
Defined contributions plans	505	469	953	883
Other employee benefits	2,105	3,986	3,592	5,270
	24,657	29,898	50,715	52,703

Employee benefits expense as a percentage of revenue was 6.2% (FY2021: 8.4%). Decrease in employee benefits expense despite the increase in revenue is mainly due to more skilled and efficient workers in the financial year ended 31 December 2022.

## 17. Depreciation and amortisation expense

Decrease in depreciation and amortisation expense mainly due to full amortisation of intangible assets in financial year ended 31 December 2021.

## 18. Other operating expense

Benefited from reduced tooling and subcontract cost.

## 19. Investment revenue

Increase in interest income resulted from higher fixed deposit rate during FY2022.

## 20. Other gains and losses

The other gains and losses are mainly relating to a loss of \$56.6 million resulting from foreign exchange contracts entered into by the Group and maturing in FY2022.

## 21. Finance costs

Increase in the utilisation of banking facilities led to the increase in finance costs.

## 22. Income tax expense

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

	<b>Group</b>			
	<b>6 months ended</b>		<b>Financial year ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Current income tax expense				
- Current financial year	5,980	6,382	13,550	10,596
- Over provision in prior financial years	-	-	-	-
Deferred income tax expense relating to reversal of temporary differences	(6)	(11)	(7)	(14)
	<u>5,974</u>	<u>6,371</u>	<u>13,543</u>	<u>10,582</u>

Increased tax expenses due to higher profit achieved during the period. Effective tax rate was higher at 16.8% in FY2022 compared with 12.5% mainly due to fully utilised tax incentives from the Group's operations in China.





### **23. Dividend**

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.

### **24. Segment information**

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

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

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

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

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

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

## 24. Segment and revenue information (continued)

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

## 24. Segment and revenue information (Continued)

	Distribution and trading		Manufacturing				Total
	Hong Kong	Singapore	China	Malaysia	Others	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1.7.2021 to 31.12.2021</b>							
<b>Revenue</b>							
Revenue from external customers	61,303	311,852	1,504	-	-	-	374,659
Inter-segment revenue	168,100	13,176	332,719	40,432	-	(554,427)	-
Total revenue	229,403	325,028	334,223	40,432	-	(554,427)	374,659
<b>Results</b>							
Segment results	5,558	21,429	27,709	106	(2,215)	(929)	51,658
Finance costs	(21)	(189)	(103)	(3)	(10)	10	(316)
Profit before income tax	5,537	21,240	27,606	103	(2,225)	(919)	51,342
Income tax expense							(6,371)
Profit for the reporting period							44,971
<b>Significant non-cash items</b>							
Amortisation and depreciation expenses	177	1,111	3,389	655	-	(129)	5,203
<b>Other items of income and expense</b>							
Interest income	1	2	21	-	386	(11)	399
<b>Expenditures for segment non-current assets</b>							
- Additions to PPE	10	522	959	571	-	-	2,062
<b>Total segment assets</b>							
31.12. 2021	182,343	447,675	277,379	51,728	289,284	(730,208)	518,201
<b>Total segment liabilities*</b>							
31.12.2021	150,651	377,943	151,514	51,656	33,499	(551,290)	213,973

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

## 24. Segment and revenue information (Continued)

	Distribution and trading		Manufacturing				Total
	<u>Hong Kong</u>	<u>Singapore</u>	<u>China</u>	<u>Malaysia</u>	<u>Others</u>	<u>Eliminations</u>	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>1.1.2022 to 31.12.2022</b>							
<b>Revenue</b>							
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)	-
<b>Total revenue</b>	<b>511,759</b>	<b>729,520</b>	<b>692,566</b>	<b>215,791</b>	<b>-</b>	<b>(1,329,392)</b>	<b>820,244</b>
<b>Results</b>							
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)
<b>Profit before income tax</b>	<b>25,618</b>	<b>54,046</b>	<b>48,989</b>	<b>2,608</b>	<b>38,265</b>	<b>(88,796)</b>	<b>80,730</b>
Income tax expense							(13,543)
<b>Profit for the reporting period</b>							<b>67,187</b>
<b>Significant non-cash items</b>							
Amortisation and depreciation expenses	339	1,094	5,896	1,433	13	(165)	8,610
<b>Other items of income and expense</b>							
Interest income	84	74	215	2	1,644	(15)	2,004
<b>Expenditures for segment non-current assets</b>							
- Additions to PPE	228	1,601	1,217	514	5,857	-	9,417
<b>Total segment assets</b>							
31.12.2022	154,970	220,145	273,225	201,396	251,545	(559,888)	541,393
<b>Total segment liabilities*</b>							
31.12.2022	139,586	177,740	114,384	197,825	20,364	(406,378)	243,521

## 24. Segment and revenue information (Continued)

	Distribution and trading		Manufacturing			Eliminations	Total
	Hong Kong	Singapore	China	Malaysia	Others		
	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>1.1.2021 to 31.12.2021</b>							
<b>Revenue</b>							
Revenue from external customers	125,441	495,691	3,232	-	-	-	624,364
Inter-segment revenue	310,152	24,929	551,006	80,291	-	(966,378)	-
Total revenue	435,593	520,620	554,238	80,291	-	(966,378)	624,364
<b>Results</b>							
Segment results	9,451	36,247	42,740	1,329	13,710	(17,838)	85,639
Finance costs	(50)	(366)	(252)	(7)	(21)	19	(677)
Profit before income tax	9,401	35,881	42,488	1,322	13,689	(17,819)	84,962
Income tax expense							(10,582)
Profit for the reporting period							74,380
<b>Significant non-cash items</b>							
Amortisation and depreciation expenses	386	2,108	6,639	1,248	-	(174)	10,207
<b>Other items of income and expense</b>							
Interest income	1	10	34	-	603	(21)	627
Dividend income	-	-	-	-	47,978	(47,978)	-
<b>Expenditures for segment non-current assets</b>							
- Additions to PPE	650	562	3,175	1,479	-	-	5,866
<b>Total segment assets</b>							
31.12.2021	182,343	447,675	277,379	51,728	289,284	(730,208)	518,201
<b>Total segment liabilities*</b>							
31.12.2021	150,651	377,943	151,514	51,656	33,499	(551,290)	213,973

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

## 24. Segment and revenue information (Continued)

	Distribution & trading		The Group Manufacturing		Total \$'000
	Hong Kong	Singapore	China	Others	
	\$'000	\$'000	\$'000	\$'000	
<b>1.7.2022 to 31.12.2022</b>					
<u>Product types</u>					
IoT devices and Datacom products	42,729	403,963	149	-	446,841
LED products	3,839	4,097	-	-	7,936
Others <sup>(1)</sup>	206	108	559	-	873
	46,774	408,168	708	-	455,650

### 1.7.2021 to 31.12.2021

#### Product types

IoT devices and Datacom products	54,081	309,286	993	-	364,360
LED products	7,222	2,443	365	-	10,030
Others <sup>(1)</sup>	-	123	146	-	269
	61,303	311,852	1,504	-	374,659

	Distribution & trading		The Group Manufacturing		Total \$'000
	Hong Kong	Singapore	China	Others	
	\$'000	\$'000	\$'000	\$'000	
<b>1.1.2022 to 31.12.2022</b>					
<u>Product types</u>					
IoT devices and Datacom products	85,006	716,281	405	-	801,692
LED products	8,189	8,621	39	-	16,849
Others <sup>(1)</sup>	395	287	1,021	-	1,703
	93,590	725,189	1,465	-	820,244

### 1.1.2021 to 31.12.2021

#### Product types

IoT devices and Datacom products	104,609	491,241	1,144	-	596,994
LED products	20,832	4,200	1,925	-	26,957
Others <sup>(1)</sup>	-	250	163	-	413
	125,441	495,691	3,232	-	624,364

<sup>(1)</sup> Others refer to other electrical products

## 25. Financial assets and financial liabilities

	Group		Company	
	31.12.2022 \$'000	31.12.2021 \$'000	31.12.2022 \$'000	31.12.2021 \$'000
<b>Financial assets</b>				
Trade receivables	197,566	222,533	-	-
Other receivables	5,815	3,443	11,187	20,006
Cash and cash equivalents	216,175	201,512	145,508	192,213
	419,556	427,488	156,695	212,219
Less: Value added tax receivables	(2,404)	(2,345)	(12)	(13)
Less: Deposits for land use right	(680)	(748)	-	-
Amortised cost	416,472	424,395	156,683	212,206
Derivative financial instruments	-	381	-	381
Other investments fair value through profit or loss	10,050	-	10,050	-
	10,050	381	10,050	381
<b>Financial liabilities</b>				
Trade payables	185,711	138,476	-	-
Other payables	47,458	56,534	14,148	31,592
Borrowings	5,283	14,735	-	-
Lease liabilities	3,169	3,298	488	939
Provision for retirement benefit	912	930	912	930
	242,533	213,973	15,548	33,461
Less: Customer deposits	(15,396)	(11,855)	-	-
Amortised cost	227,137	202,118	15,548	33,461
Derivative financial instruments, representing financial liabilities measured at fair value through profit or loss	998	-	998	-



**26. Profit before taxation**  
**a. Significant items**

	Group			
	6 Months ended 31 December		Financial year end 31 December	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Amortisation and depreciation expenses</b>				
Amortisation of intangible assets	-	576	-	1,065
Depreciation of property, plant and equipment	4,196	4,627	8,610	9,142
<b>Investment revenue</b>				
Interest income	1,550	399	2,004	627
<b>Other operating expenses</b>				
Other factory costs	3,365	4,662	7,296	8,797

**b. Related party transactions**

There are no material related party transactions.

**27. Net Asset Value**

	Group		Company	
	31.12.2022 \$	31.12.2021 \$	31.12.2022 \$	31.12.2021 \$
Net asset value per ordinary share	0.37	0.38	0.30	0.33

For 31 December 2021 and 31 December 2022, NAV per Share is computed based on the post-Invitation issued share capital of 771,952,945 Shares.

**28. Subsequent events**

Not applicable.





## 29. Acquisition of Subsidiary

Since 1 July 2019, the Group has leased the premises at No. 8 and 10 Setia Business Park, Jalan Laman Setia, 81550 Johor Bahru, Malaysia ("the Property") for the Group's manufacturing facility in Malaysia from Huuve Sdn Bhd ("Huuve"). Huuve was then a wholly owned subsidiary of Azventure Investments Pte Ltd ("Azventure") (formerly known as Aztech Group Ltd). Huuve was a special purpose vehicle incorporated in 2018 by Azventure to purchase and hold the Property.

Azventure is a substantial shareholder of the Group and is wholly owned by Mr Michael Mun, CEO and Director of the Group through AVS Investments Pte Ltd.

The Board of Directors approved Management's proposal that the Property be owned directly by the Group. This will enable the Group to have full control over its manufacturing facility and operational needs and make decisions regarding fitting out the Property independently of Azventure. This will also eliminate interested party transactions with Azventure arising from the lease of the Property. Mr Michael Mun and Mr Jeremy Mun had abstained from voting on the proposal to acquire Huuve.

The Group purchased all the shares of Huuve on 8 September 2022, and the shares of Huuve were transferred to IOT Manufacturing Sdn Bhd, a wholly owned subsidiary of the Group, on 19 September 2022. With this, Huuve became a wholly owned subsidiary of the Group effective 19 September 2022.

The amount of RM10,020,000 for the acquisition of Huuve was based on the latest valuation of the Property at RM18,500,000 less the outstanding loan due to bank that was taken by Huuve in 2019 to finance the purchase of the Property. The net asset value of Huuve was RM 6,537,659 million at the date of acquisition. Huuve shall continue to service the bank loan of RM8,480,000.

It is to be noted that including the amount paid to Azventure for the acquisition of Huuve, the total interested party transaction value for FY 2022 for Mr Michael Mun did not exceed 3% of NTA and the relative figures of acquisition of Huuve were also below the thresholds under Rule 1010 of the Listing Manual. Accordingly, no announcement or disclosure was required under Chapters 9 and 10 of the Listing Manual. Further details on the acquisition of Huuve will be disclosed in the corporate governance report of the Group's 2022 annual report pursuant to Rule 907.



## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Aztech Global Ltd. and its subsidiaries as at 31 December 2022 and the related condensed consolidated statement of comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the financial year ended and certain explanatory notes have not been audited and reviewed.

### 2. Review of performance of the Group

The Group had reported 31.4% y-o-y increase in revenue to \$820.2 million for the financial year ended 31 December 2022 (“FY2022”). Revenue for the six months ended 31 December 2022 (“2H 2022”) improved by 21.6% y-o-y to \$455.7 million. Improvement in revenue was achieved despite continual disruption to the global supply chain amid the ongoing COVID-19 pandemic.

The Group, however, recorded a 41.0% y-o-y decrease in profit before tax (“PBT”) to \$30.3 million for 2H 2022. As a result of the lower PBT in 2H 2022, income tax expense decreased by 6.2% y-o-y to \$6.0 million, while net profit for 2H 2022 decreased by 45.9% y-o-y to \$24.3 million.

The Group recorded a decrease of 5.0% y-o-y in PBT to \$80.7 million for FY2022 compared with \$84.9 million in FY2021. Tax expense increased by 28.0% y-o-y to \$13.5 million in FY2022 mainly due to prior year full utilisation of tax incentives from the Group’s operations in China. The Group’s net profit margin was recorded at 8.2% (31 December 2021: 12.0%).

## FINANCIAL POSITION AND CASHFLOW

For the financial year ended 31 December 2022, the Group generated operating cash flow of \$147.8 million before working capital changes (31 December 2021: \$93.0 million). Improved working capital management resulted in the Group generating higher cash from operations of \$107.2 million compared with \$58.6 million for the financial year ended 31 December 2021.

As at 31 December 2022, the Group’s financial position remained healthy with \$216.2 million of cash and bank balances (31 December 2021: \$201.5 million).

As at 31 December 2022, equity attributable to owners of the Group was \$284.0 million and Net Asset Value per share remained constant at \$0.37 (31 December 2021: \$0.38), computed based on the share capital of 771,952,945 shares.

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

Not applicable.



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

The Group expects supply chain challenges and inflationary cost pressures to continue into 2023. The tightening of monetary policies by major central banks to contain inflation is expected to soften electronics demand in major markets such as the US, EU and UK<sup>1</sup>. The ongoing geopolitical tensions is also affecting the electronics supply chain.

The Group has secured a strong order book of \$718.6 million as at 17 February 2023, scheduled for completion in 2023. It will continue to manage its order book by balancing and co-ordinating customer orders across its manufacturing plants to ensure timely and efficient delivery. The addition of the new Pasir Gudang manufacturing plant in Johor, Malaysia is timely to support its growth and provide production diversification for its customers' need.

Meanwhile, the Group will adopt a conservative approach to foreign exchange risk management to hedge only operational needs denominated in foreign currencies. It will establish foreign currency risk management framework with policy limits on duration, quantum and counter-party as well as conduct periodic due diligence on its Foreign Exchange Risk Management framework.

The Group remains cautiously optimistic of its business and believes its strong balance sheet, healthy net cash position and low gearing will enable it to navigate the inflationary landscape and capitalise on growth opportunities in the IoT industry<sup>2</sup>.

<sup>1</sup> Global Economy to Slow Further Amid Signs of Resilience and China Re-opening (Source: IMF Blog, 30 January 2023)

<sup>2</sup> Verified Market Reports, 9 February 2023: Global IoT market is projected to grow at a 2022-2030 CAGR of 19.91% to reach US\$6,075.7 million in 2030.

## 5. Dividend

### a. Current financial Period Reported on

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

Name of Dividend	Final (Proposed)
Dividend Type	Cash
Dividend Amount per Share (in \$)	0.015 per ordinary share*
Paid based on total number of ordinary shares	771,952,945
Tax Rate	Exempt

\*Subject to shareholder's approval at the forthcoming AGM

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

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

During the preceding financial year, the Company declared 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 2021.



## 5. Dividend (Continued)

### b. Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Final (Paid)
Dividend Type	Cash
Dividend Amount per Share (in \$)	0.05 per ordinary share
Paid based on total number of ordinary shares	771,952,945
Tax Rate	Exempt

### c. Date Payable

Announcement on the date payable will be made on or about 17 May 2023

### d. Books closure date

Announcement on the books closure date will be made on or about 8 May 2023

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

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

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

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

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr. Ivan Mun	41	Mr. Ivan Mun is the son of Mr. Michael Mun, the Executive Chairman and CEO of the Company, and the sibling of Mr. Jeremy Mun, the Executive Director and COO of the Company.	Not Applicable	Mr Ivan Mun has been seconded to KEEP Labs Inc, a customer of the Group, as their Global Head of Operations and Manufacturing for a period of three (3) years commencing 1 <sup>st</sup> February 2022.
Ms. Huang Xiaolin	40	Ms. Huang Xiaolin is the spouse of Mr. Ivan Mun. Mr. Ivan Mun is the son of Mr. Michael Mun, the Executive Chairman and CEO of the Company.	<u>Position</u> Manager, Procurement and Logistics at Aztech Technologies Pte. Ltd (since October 2020). <u>Duties</u> Responsible for managing the procurement and logistical activities.	Not applicable



## 9. Use of IPO Proceeds

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

	Amount allocated (as disclosed in the Prospectus) (\$'000)	Amount utilised as at the date of this announcement (\$'000)	Balance as at the date of this announcement (\$'000)
Expansion and enhancement of the Group's manufacturing facilities <sup>1</sup>	50,000	2,132	47,868
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	251	9,749
Expansion of the Group's ODM/JDM business to capitalise on opportunities in the growing IoT market	5,000	-	5,000
Working capital <sup>2</sup>	58,600	50,161	8,439
Listing expenses <sup>3</sup>	9,800	9,800	-
	198,400	68,201	130,199

<sup>1</sup> New equipment purchased to enhance manufacturing productivity.

<sup>2</sup> Usage of working capital purposes comprises the payment of salary related costs.

<sup>3</sup> Being payment for underwriting commission and offering expenses.



Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the financial year ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

\_\_\_\_\_  
Michael Mun Hong Yew  
Director

\_\_\_\_\_  
Jeremy Mun Weng Hung  
Director

Singapore

Date: 17 February 2023