



**Interim Financial Information
As at and for the Half Year Ended
30 June 2022**

AZTECH GLOBAL LTD.

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



**INTERIM FINANCIAL INFORMATION
AS AT AND FOR THE HALF YEAR ENDED 30 JUNE 2022**

Condensed interim statements of financial position as at 30 June 2022

	Note	Group		Company	
		30.06.2022 \$'000	31.12.2021 \$'000	30.06.2022 \$'000	31.12.2021 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		241,645	201,512	204,776	192,213
Trade receivables	4	232,457	222,533	-	-
Other receivables	5	5,106	3,443	19,560	19,532
Tax recoverable		477	215	-	-
Derivative financial instruments		-	381	-	381
Prepayments		1,284	1,114	258	79
Inventories	6	103,950	62,432	-	-
Total current assets		584,919	491,630	224,594	212,205
Non-current assets					
Other receivables	5	-	-	238	474
Investment in subsidiaries		-	-	76,551	76,551
Property, plant and equipment	7	21,893	26,571	-	-
Intangible assets		-	-	-	-
Total non-current assets		21,893	26,571	76,789	77,025
Total assets		606,812	518,201	301,383	289,230
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	8	7,137	11,894	-	-
Lease liabilities		1,160	1,859	470	465
Trade payables	9	213,044	138,476	-	-
Other payables	10	73,204	56,534	73,553	31,592
Provision for retirement benefit		630	630	630	630
Current income tax payable		13,764	10,966	149	305
Total current liabilities		308,939	220,359	74,802	32,992
Non-current liabilities					
Borrowings	8	2,342	2,841	-	-
Lease liabilities		1,013	1,439	238	474
Provision for retirement benefit		300	300	300	300
Deferred tax liabilities		1,688	294	-	-
Total non-current liabilities		5,343	4,874	538	774
Capital and reserves					
Share capital	11	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		(3,881)	808	-	-
Statutory reserve		1,254	1,254	-	-
Retained profits		95,504	91,253	10,069	39,490
Total equity		292,530	292,968	226,043	255,464
Total liabilities and equity		606,812	518,201	301,383	289,230



Condensed interim consolidated statement of comprehensive income for the half year ended 30 June 2022

	Note	Group		increase/ (decrease) %
		6 months ended 30 June		
		2022 \$'000	2021 \$'000	
Revenue	12	364,594	249,705	46.0
Other income	13	367	357	2.8
Changes in finished goods, work in progress and raw materials used	14	(281,989)	(182,318)	54.7
Employee benefits expense	15	(26,058)	(22,805)	14.3
Depreciation and amortisation expense	16	(4,414)	(5,004)	(11.8)
Other operating expense	17	(6,021)	(7,837)	(23.2)
Loss allowance of trade receivables		(291)	-	n.m.
Investment revenue	18	454	228	99.1
Other gains and losses	19	3,995	1,655	141.4
Finance costs (interest expenses on bank loans and lease liabilities)	20	(219)	(361)	(39.3)
Profit before income tax		50,418	33,620	50.0
Income tax expense	21	(7,569)	(4,211)	79.7
Profit for the period		42,849	29,409	45.7
Other comprehensive income:				
- items that may be reclassified subsequently into profit or loss				
Exchange differences on translation of foreign operations		(4,689)	1,216	n.m.
Other comprehensive income for the financial period, net of tax		(4,689)	1,216	n.m.
Total comprehensive income for the financial period		38,160	30,625	24.6
Profit attribute to owners of the parent		42,849	29,409	45.7
Total comprehensive income attributable to owners of the parent		38,160	30,625	24.6
Earnings per share				
Basic & diluted* (Cents)		5.55	4.12	

*EPS for FY2022 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. EPS for FY2021 has been computed based on the profit attributable to equity holders of our Company and weighted average no. of ordinary share of 713,782,829.



Condensed interim statements of changes in equity for the half year ended 30 June 2022

<u>Group</u>	Share capital	Treasury share	Capital reserve	Foreign currency translation reserve	Statutory reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1.1.2022	206,166	(1,843)	(4,670)	808	1,254	91,253	292,968
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	42,849	42,849
Other comprehensive income for the period	-	-	-	(4,689)	-	-	(4,689)
Total	-	-	-	(4,689)	-	42,849	38,160
<i>Transactions recognised directly in equity</i>							
Dividend	-	-	-	-	-	(38,598)	(38,598)
Total	-	-	-	-	-	(38,598)	(38,598)
Balance as at 30.6.2022	206,166	(1,843)	(4,670)	(3,881)	1,254	95,504	292,530
Balance as at 1.1.2021	15,468	-	(4,670)	(2,776)	1,254	32,347	41,623
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	-	-	-	29,409	29,409
Other comprehensive income for the period	-	-	-	1,216	-	-	1,216
Total	-	-	-	1,216	-	29,409	30,625
<i>Transactions recognised directly in equity</i>							
Issuance of ordinary shares from initial public offering exercise	198,400	-	-	-	-	-	198,400
Share issue expenses	(7,353)	-	-	-	-	-	(7,353)
Issuance of ordinary shares from scrip dividends	141	-	-	-	-	-	141
Dividend	-	-	-	-	-	(15,474)	(15,474)
Total	191,188	-	-	-	-	(15,474)	175,714
Balance as at 30.6.2021	206,656	-	(4,670)	(1,560)	1,254	46,282	247,962



Condensed interim Statements of changes in equity for the half year ended 30 June 2022

(Continued)

	Share capital \$'000	Treasury share \$'000	Capital reserve \$'000	Retained profits \$'000	Total equity \$'000
<u>Company</u>					
Balance as at 1.1.2022	206,166	(1,843)	11,651	39,490	255,464
Profit representing total comprehensive income for the period	-	-	-	9,177	9,177
<i>Transactions with owners, recognised directly in equity</i>					
Dividend	-	-	-	(38,598)	(38,598)
	-	-	-	(38,598)	(38,598)
Balance as at 30.6.2022	206,166	(1,843)	11,651	10,069	226,043
Balance as at 1.1.2021	15,468	-	11,651	11,550	38,669
Profit representing total comprehensive income for the period	-	-	-	15,875	15,875
<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	(7,353)	-	-	-	(7,353)
Issuance of ordinary shares from scrip dividends	141	-	-	-	141
Dividend	-	-	-	(15,474)	(15,474)
	191,188	-	-	(15,474)	175,714
Balance as at 30.6.2021	206,656	-	11,651	11,951	230,258



Condensed interim consolidated statement of cash flows for the half year ended 30 June 2022

	Group	
	6 months ended 30 June	
	2022 \$'000	2021 \$'000
Operating activities		
Profit before income tax	50,418	33,620
Adjustments for:		
Amortisation of intangible assets	-	489
Depreciation of property, plant and equipment	4,414	4,515
Interest expense	219	361
Interest income	(454)	(228)
Loss allowance for trade receivables	291	-
Changes in fair value of derivative financial instruments	381	96
Net unrealised foreign exchange loss	(2,542)	(1,282)
Plant and equipment written off	360	139
Gain on disposal of property, plant and equipment	(14)	-
Write-down for inventories obsolescence	855	-
Operating cash flows before movements in working capital	53,928	37,710
Trade receivables	(10,651)	86,213
Other receivables	(1,796)	3,590
Prepayments	(184)	(103)
Inventories	(43,852)	(38,668)
Trade payables	74,781	(24,846)
Other payables	16,016	(11,056)
Cash from operations	88,242	52,840
Income tax paid	(3,639)	(10,959)
Interest paid	(219)	(361)
Net cash from operating activities	84,384	41,520
Investing activities		
Purchase of plant and equipment	(704)	(3,166)
Proceeds on disposal of property, plant and equipment	54	-
Interest received	454	228
Net cash used in investing activities	(196)	(2,938)
Financing activities		
Proceeds from issue of share capital	-	198,400
Share issue expenses	-	(7,353)
Repayment of obligations under lease liabilities	(848)	(1,391)
Proceeds from bank borrowings	7,638	16,322
Repayment of bank borrowings	(12,823)	(37,709)
Dividends	(38,598)	(15,333)
Net cash (used in)/from financing activities	(44,631)	152,936



Condensed interim consolidated statement of Cash Flows for the half year ended 30 June 2022
(Continued)

	Group	
	6 months ended 30 June	
	2022	2021
	\$'000	\$'000
Net change in cash and cash equivalents	39,557	191,518
Effects of exchange rate changes on the balance of cash held in foreign currencies	576	35
Cash and cash equivalents at beginning of the period	201,512	11,462
Cash and cash equivalents at end of the period (Note i)	241,645	203,015

(i) Cash and Cash equivalents comprise:

	Group	
	As at 30 June	As at 30 June
	2022	2021
	\$'000	\$'000
Cash	191,384	93,430
Fixed deposits	50,261	109,585
Cash and cash equivalents at end of reporting period	241,645	203,015



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 six months ended 30 June 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 six months ended 30 June 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 ending 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

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
Third parties	234,912	224,675
Less: Loss allowance	(2,455)	(2,142)
	232,457	222,533

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

Movements in the loss allowance for trade receivables:

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
Balance as at 1 January	2,142	1,640
Allowance during the reporting period	291	489
Exchange difference	22	13
	2,455	2,142

4. Trade receivables (Continued)

Trade receivables were at \$232.5 million as at 30 June 2022, an increase of \$10.0 million (4.5%) from \$222.5 million as at 31 December 2021 primarily due to the higher revenue of \$236.6 million recognised in Q2 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	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Other receivables				
-Non-related parties	104	105	50	43
-Related corporations ¹	4	-	-	-
-Subsidiary	-	-	19,000	19,000
Value added tax receivable ²	4,028	2,345	28	13
Deposits	244	245	12	11
Deposits for land use right	726	748	-	-
Finance lease receivables	-	-	470	465
	5,106	3,443	19,560	19,532
<u>Non-current</u>				
Finance lease receivables	-	-	238	474
	-	-	238	474
Total other receivables	5,106	3,443	19,798	20,006

¹ The amount owing from related corporations will be fully settled in July 2022.

² More materials were purchased as at 30 June 2022 to cater for production in 2H 2022.

6. Inventories

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
Finished goods	5,725	4,249
Work-in-progress ("WIP")	19,119	12,287
Raw materials	79,106	45,896
	103,950	62,432

The Group had purchased raw materials and components in view of overall tight supply globally and to meet the production requirements for 2H 2022.

7. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to \$875,000 (30 June 2021: \$3,804,000).

8. Borrowings

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	5,081	9,777
Unsecured	2,056	2,117
	7,137	11,894
<u>Amount repayable after one year</u>		
Secured	2,342	2,841
Total borrowing	9,479	14,735

9. Trade payables

	Group	
	30.6.2022	31.12.2021
	\$'000	\$'000
Third parties	213,044	138,476

Trade payables were at \$213.0 million as at 30 June 2022, an increase of \$74.5 million (53.8%) from \$138.5 million as at 31 December 2021 primarily due to higher purchase of materials and components for higher production demand during FY2022.

10. Other payables

	Group	
	30.6.2022 \$'000	31.12.2021 \$'000
Other payables		
-Non-related parties	2,050	1,260
-Related corporation ¹	-	128
Accrued expenses ²	51,039	39,421
Profit sharing ³	1,552	3,870
Customer deposit	18,563	11,855
	73,204	56,534

¹The Group's warehouse lease from related corporation.

²The Group's accrued expenses were related to inventories received from suppliers that had not been invoiced as at 31 December 2021 and 30 June 2022. Please refer to Note 6 for total inventories value.

³The Group's profit sharing for FY2021 was partially paid in May 2022.

11. Share capital

	The Group & the Company			
	30.6.2022		31.12.2021	
	'000	\$'000	'000	\$'000
Beginning of interim period	773,826	206,166	15,468	15,468
Sub-division of shares ⁽¹⁾	-	-	603,252	-
Issuance of shares pursuant to initial public offering exercise ⁽²⁾	-	-	155,000	198,400
Share issue expenses	-	-	-	(7,843)
Issue of ordinary shares from scrip dividends	-	-	106	141
End of interim period	773,826	206,166	773,826	206,166

⁽¹⁾ 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.

⁽²⁾ 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 the initial public offering.

The company holds treasury shares of \$1,843,000 (1,872,600 shares) as at 30 June 2022 (30 December 2021: \$1,843,000). There was no sale, transfer, disposal, cancellation and use of treasury shares during the financial period ended 30 June 2022. The total number of issued shares excluding treasury shares as at 30 June 2022 was 771,952,945 shares.

12. Revenue

	The Group				
	6 months ended 30.6.2022				
	Distribution & trading		Manufacturing	Others	Total
	Hong Kong \$'000	Singapore \$'000	China \$'000	\$'000	\$'000
Types of goods:					
Sale of goods	46,816	317,021	757	-	364,594
Timing of revenue recognition:					
At a point in time	46,816	317,021	757	-	364,594
Geographical information:					
North America	15,835	271,577	-	-	287,412
China	10,742	263	757	-	11,762
Europe	19,275	43,133	-	-	62,408
Singapore	-	1,389	-	-	1,389
Others	964	659	-	-	1,623
Total revenue	46,816	317,021	757	-	364,594

	The Group				
	6 months ended 30.6.2021				
	Distribution & trading		Manufacturing	Others	Total
	Hong Kong \$'000	Singapore \$'000	China \$'000	\$'000	\$'000
Types of goods:					
Sale of goods	64,138	183,839	1,728	-	249,705
Timing of revenue recognition:					
At a point in time	64,138	183,839	1,728	-	249,705
Geographical information:					
North America	12,968	165,308	-	-	178,276
China	1,241	208	1,724	-	3,173
Europe	48,462	15,439	-	-	63,901
Singapore	36	1,873	4	-	1,913
Others	1,431	1,011	-	-	2,442
Total revenue	64,138	183,839	1,728	-	249,705

Revenue grew 46.0% in 1H 2022 driven mainly by higher sales volume of IoT devices and Data-communication products as a result of increased demand from customers.

13. Other income

	Group	
	1.1.2022 to 30.6.2022	1.1.2021 to 30.6.2021
	\$'000	\$'000
Scrap sales	53	48
Government grants	266	226
Others	48	83
	367	357

14. 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 1H 2022 and higher production demand in 2H 2022.

15. Employee benefits expense

	Group	
	1.1.2022 to 30.6.2022	1.1.2021 to 30.6.2021
	\$'000	\$'000
Employee benefits expenses (<i>including Directors' remuneration</i>)		
Staff costs	24,123	21,107
Defined contributions plans	448	414
Other employee benefits	1,487	1,284
	26,058	22,805

More operators were hired arising from higher production activities during 1H 2022. However, the Group managed employee benefits expense as a percentage of revenue at 7.1% (1H2021: 9.1%).

16. Depreciation and amortisation expense

Decrease in depreciation and amortisation expense due to fully amortised intangible assets in December 2021.

17. Other operating expense

Other operating expense reduced mainly due to reduced rental of equipment and subcontract cost.

18. Investment revenue

Increase in interest income resulted from higher fixed deposit rate during 1H 2022.



19. Other gains and losses

Increase in net unrealised foreign exchange gains as a result of the stronger USD against SGD & RMB during the reporting period.

20. Finance costs

Reduction in the utilisation of banking facilities led to the decrease in finance cost.

21. 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:

	1.1.2022 to 30.6.2022	1.1.2021 to 30.6.2021
	\$'000	\$'000
Current income tax expense	7,570	4,214
Deferred income tax expense relating to origination and reversal of temporary differences	(1)	(3)
	<u>7,569</u>	<u>4,211</u>

Increased tax expenses due to higher profit achieved during the period. However, effective tax rate was higher at 15.0% in 1H 2022 compared with 12.5% due mainly to fully utilised tax incentive from the Group's operations in China.

22. Dividend

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



23. 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.



23. Segment and revenue information (Continued)

	Distribution and trading	Manufacturing	Distribution and trading	Manufacturing			
	<u>Hong Kong</u>	<u>China</u>	<u>Singapore</u>	<u>Malaysia</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1.1.2022 to 30.6.2022							
Revenue							
Revenue from external customers	46,816	757	317,021	-	-	-	364,594
Inter-segment revenue	222,606	332,159	224	57,595	-	(612,584)	-
Total revenue	269,422	332,916	317,245	57,595	-	(612,584)	364,594
Results							
Segment results	5,923	31,034	18,900	273	9,177	(14,670)	50,637
Finance costs	(6)	(72)	(138)	(1)	(9)	7	(219)
Profit before income tax	5,917	30,962	18,762	272	9,168	(14,663)	50,418
Income tax expense							(7,569)
Profit for the reporting period							42,849
Significant non-cash items							
Amortisation and depreciation expenses	168	3,248	396	703	-	(101)	4,414
Other items of income and expense							
Interest income	1	10	22	-	429	(8)	454
Expenditures for segment non-current assets							
- Additions to PPE	171	542	2	160	-	-	875
Total segment assets							
30.6.2022	230,387	364,631	326,962	78,709	301,436	(695,313)	606,812
Total segment liabilities*							
30.6.2022	191,704	212,138	281,925	78,359	75,237	(540,533)	298,830

23. Segment and revenue information (Continued)

	Distribution and trading	Manufacturing	Distribution and trading	Manufacturing			
	<u>Hong Kong</u>	<u>China</u>	<u>Singapore</u>	<u>Malaysia</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1.1.2021 to 30.6.2021							
Revenue							
Revenue from external customers	64,138	1,728	183,839	-	-	-	249,705
Inter-segment revenue	142,052	218,287	11,753	39,859	-	(411,951)	-
Total revenue	206,190	220,015	195,592	39,859	-	(411,951)	249,705
Results							
Segment results	3,893	15,031	14,818	1,224	15,925	(16,910)	33,981
Finance costs	(29)	(150)	(176)	(4)	(11)	9	(361)
Profit before income tax	3,864	14,881	14,642	1,220	15,914	(16,901)	33,620
Income tax expense							(4,211)
Profit for the reporting period							29,409
Significant non-cash items							
Amortisation and depreciation expenses	209	3,250	997	593	-	(45)	5,004
Other items of income and expense							
Interest income	1	13	8	-	217	(11)	228
Expenditures for segment non-current assets							
- Additions to PPE	640	2,216	40	908	-	-	3,804
Total segment assets							
30.6.2021	160,941	213,925	233,212	52,072	283,918	(501,985)	442,083
Total segment liabilities*							
30.6.2021	133,432	118,422	181,371	52,095	53,626	(354,530)	184,416

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

23. Segment and revenue information (Continued)

	Distribution & trading		The Group Manufacturing		Total \$'000
	Hong Kong \$'000	Singapore \$'000	China \$'000	Others \$'000	
1.1.2022 to 30.6.2022					
<u>Product types</u>					
IoT devices and Datacom products	42,277	312,318	256	-	354,851
LED products	4,350	4,524	39	-	8,913
Others ⁽¹⁾	189	179	462	-	830
	46,816	317,021	757	-	364,594
1.1.2021 to 30.6.2021					
<u>Product types</u>					
IoT devices and Datacom products	50,528	181,955	151	-	232,634
LED products	13,610	1,757	1,560	-	16,927
Others ⁽¹⁾	-	127	17	-	144
	64,138	183,839	1,728	-	249,705

⁽¹⁾ Others refer to other electrical products

24. Financial assets and financial liabilities

	Group		Company	
	30.6.2022 \$'000	31.12.2021 \$'000	30.6.2022 \$'000	31.12.2021 \$'000
Financial assets				
Trade receivables	232,457	222,533	-	-
Other receivables	5,106	3,443	19,798	20,006
Cash and cash equivalents	241,645	201,512	204,776	192,213
	<u>479,208</u>	<u>427,488</u>	<u>224,574</u>	<u>212,219</u>
Less: Value added tax receivables	(4,028)	(2,345)	(28)	(13)
Less: Deposits for land use right	(726)	(748)	-	-
Amortised cost	<u>474,454</u>	<u>424,395</u>	<u>224,546</u>	<u>212,206</u>
Derivative financial instruments, representing financial assets measured at fair value through profit or loss	-	381	-	381
	<u>-</u>	<u>381</u>	<u>-</u>	<u>381</u>
Financial liabilities				
Trade payables	213,044	138,476	-	-
Other payables	73,204	56,534	73,553	31,592
Borrowings	9,479	14,735	-	-
Lease liabilities	2,173	3,298	708	939
Provision for retirement benefit	930	930	930	930
	<u>298,830</u>	<u>213,973</u>	<u>75,191</u>	<u>33,461</u>
Less: Customer deposits	(18,563)	(11,855)	-	-
Amortised cost	<u>280,267</u>	<u>202,118</u>	<u>75,191</u>	<u>33,461</u>

25. Profit before taxation

a. Significant items

	6 months ended 30.6.2022 \$'000	6 months ended 30.6.2021 \$'000
Amortisation and depreciation expenses		
Amortisation of intangible assets	-	489
Depreciation of property, plant and equipment	4,414	4,515
<hr/>		
Investment revenue		
Interest income	454	228
<hr/>		
Other operating expenses		
Distribution costs	94	256
Other factory costs	3,931	4,135
Plant and equipment written off	360	139
Utilities costs	1,103	1,174
<hr/>		

b. Related party transactions

There are no material related party transactions.

26. Net Asset Value

	Group		Company	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021
	\$	\$	\$	\$
Net asset value per ordinary share	0.38	0.38	0.29	0.33

For 30 June 2022 and 31 December 2021, NAV per Share is computed based on the post-Invitation issued share capital of 771,942,945 Shares.

27. Subsequent events

Not applicable.



OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Aztech Global Ltd. and its subsidiaries as at 30 June 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 six-month period ended and certain explanatory notes have not been audited and reviewed.

2. Review of performance of the Group

For the financial period ended 30 June 2022, the Group reported revenue of \$364.6 million which is an increase of 46.0% compared with the financial period ended 30 June 2021. This was despite the ongoing COVID-19 pandemic and the challenges it has brought to the world which included continual disruption to the global supply chain.

The Group recorded an increase of 50.0% in profit before tax (“PBT”) to \$50.4 million for the six months ended 30 June 2022 compared with the previous financial period. With the higher PBT, income tax expense increased to \$7.6 million for the six months ended 30 June 2022. The Group’s net profit margin was recorded at 11.8% (30 June 2021: 11.8%).

FINANCIAL POSITION AND CASHFLOW

The Group’s cash generated from operations for the period ended 30 June 2022 was \$84.4 million, an increase of \$42.9 million as compared to \$41.5 million in 30 June 2021. The increase was mainly attributable to the higher EBITDA as well as the increase the working capital as compared 1H 2021.

As at 30 June 2022, the Group’s financial position remained healthy with \$241.6 million of cash and bank balances (31 December 2021: \$201.5 million).

As at 30 June 2022, equity attributable to owners of the Group was \$292.5 million and Net Asset Value per share remained constant at \$0.38 (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 operating landscape of the Group remains volatile amidst global economic headwinds resulting from rising interest rates and inflationary cost pressures. The electronics supply chain remains susceptible to COVID-19 restrictions. The Group will continue to manage customer orders and balance them across its manufacturing plants to ensure timely delivery whilst safeguarding employees' health and well-being. It will also manage component tightness via its proven 3-Pronged approach, in particular, the active collaborations with customers on design changes to use alternative components.

The Group reiterates its commitment to its 5-Focus areas, namely, growing new IoT customers and products, deepening its manufacturing and IoT expertise, optimising factors of production and output, integrating sustainability to its business model and strategy, and adopting disciplined balance sheet and cost management to fortify business resiliency in this volatile environment.

The Group remains sanguine about the global demand for IoT devices, data communication products and smart lighting solutions for the long term¹. It believes that the healthy order book secured to date, resilient balance sheet and experienced nimble team will enable the Group to navigate the uncertainty and volatility confidently.

¹ Fortune Business Insights, Mar 2022: Global IoT market is projected to grow at 2022-2029 CAGR of 26.4% to US\$2,465.26 billion in 2029. | Fortune Business Insights, Jun 2021: Global IoT healthcare market is projected to grow at 2021-2028 CAGR of 25.9% to US\$446.52 billion in 2028. | Data Bridge Market Research, Jan 2022: Global automotive IoT market is estimated to grow at 2022-2029 CAGR of 27.32% to US\$672.5 billion by 2029. | Future Market Insights, Apr 2022: Global Industrial IoT market is predicted to grow at 2022-2032 CAGR of 12.2% to US\$1.3 trillion in 2032. | Allied Market Research, Oct 2021: Global Consumer IoT market is estimated to grow at 2021-2030 CAGR of 13.9% to reach US\$292.83 billion by 2030. | Grand View Research, May 2022: Global smart home security camera is projected to grow at 2022-2030 CAGR of 18.7% to US\$30.1 billion in 2030 with the US market projected to grow at 2022-2030 CAGR of 19.6%. | Transparency Market Research, Mar 2022: Global smart lighting market is expected to grow at 2021-2031 CAGR of 20.3% to US\$83.52 billion by 2031.

5. Dividend

No interim dividend for the half year ended 30 June 2022 is recommended as the Group intends to conserve cash and recommend dividend payment annually together with its audited full-year results.

During the preceding financial year, the Company declared final one-tier tax-exempt dividend of \$0.05 per ordinary share totaling \$38,597,647 in respect of the financial year ended 31 December 2021.

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



- 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. 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	50,000	1,704	48,296
Expansion of the Group's business through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaboration	50,000	-	50,000
Enhancement of the Group's R&D capabilities	15,000	-	15,000
Increase sales and marketing channels for overseas markets expansion	10,000	112	9,888
Expansion of the Group's ODM/JDM business to capitalise on opportunities in the growing IoT market	5,000	-	5,000
Working capital	58,600	25,780	32,820
Listing expenses	9,800	10,543	-
	198,400	38,139	161,004



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 six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Singapore

Date: