



**Interim Financial Information  
As at and for the Half Year Ended  
30 June 2023**

**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 2023**

**Condensed interim statements of financial position as at 30 June 2023**

	Note	Group		Company	
		30.06.2023 \$'000	31.12.2022 \$'000	30.06.2023 \$'000	31.12.2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		181,064	195,963	137,711	125,296
Trade receivables	4	214,301	197,566	-	-
Other receivables	5	4,375	5,815	14,297	11,187
Short-term investments	6	58,506	30,262	58,506	30,262
Prepayments		2,261	812	2	101
Inventories	7	119,648	85,211	-	-
<b>Total current assets</b>		<b>580,155</b>	<b>515,629</b>	<b>210,516</b>	<b>166,846</b>
<b>Non-current assets</b>					
Investment in subsidiaries		-	-	78,866	78,866
Property, plant and equipment	8	44,979	25,764	-	-
Deferred tax assets		460	-	42	-
<b>Total non-current assets</b>		<b>45,439</b>	<b>25,764</b>	<b>78,908</b>	<b>78,866</b>
<b>Total assets</b>		<b>625,594</b>	<b>541,393</b>	<b>289,424</b>	<b>245,712</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Borrowings	9	19,716	1,347	-	-
Lease liabilities		1,177	1,563	245	488
Trade payables	10	220,078	185,711	-	-
Other payables	11	37,858	47,458	43,938	14,148
Provision for retirement benefit		649	649	649	649
Derivative financial instruments		2,357	988	1,486	988
Current income tax payable		15,840	13,561	602	276
<b>Total current liabilities</b>		<b>297,675</b>	<b>251,277</b>	<b>46,920</b>	<b>16,549</b>
<b>Non-current liabilities</b>					
Borrowings	9	15,737	3,936	-	-
Lease liabilities		1,166	1,606	-	-
Provision for retirement benefit		263	263	263	263
Deferred tax liabilities		732	308	42	-
<b>Total non-current liabilities</b>		<b>17,898</b>	<b>6,113</b>	<b>305</b>	<b>263</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		(19,330)	(13,876)	-	-
Share options reserve		418	288	418	288
Statutory reserve		1,254	1,254	-	-
Retained profits		128,026	96,684	25,807	12,638
<b>Total equity</b>		<b>310,021</b>	<b>284,003</b>	<b>242,199</b>	<b>228,900</b>
<b>Total liabilities and equity</b>		<b>625,594</b>	<b>541,393</b>	<b>289,424</b>	<b>245,712</b>



**Condensed interim consolidated statement of comprehensive income for the half year ended 30 June 2023**

	Note	Group		increase/ (decrease) %
		6 months ended 30 June		
		2023 \$'000	2022 \$'000	
Revenue	13	388,583	364,594	6.6
Other income	14	671	367	82.8
Changes in finished goods, work in progress and raw materials used	15	(300,588)	(281,989)	6.6
Employee benefits expense	16	(28,297)	(26,058)	8.6
Depreciation and amortisation expense		(4,140)	(4,414)	(6.2)
Other operating expense	17	(10,112)	(6,021)	67.9
Reversal of/(loss allowance of) trade receivables		5	(291)	(101.7)
Interest income	18	3,457	454	661.5
Other gains and losses	19	1,985	3,995	(50.3)
Finance costs	20	(520)	(219)	137.4
Profit before income tax		<b>51,044</b>	<b>50,418</b>	<b>1.2</b>
Income tax expense	21	(8,123)	(7,569)	7.3
Profit for the period		<b>42,921</b>	<b>42,849</b>	<b>0.2</b>
<b>Other comprehensive income:</b>				
<b>- items that may be reclassified subsequently into profit or loss</b>				
Exchange differences on translation of foreign operations, representing other comprehensive income for the financial period, net of tax		(5,454)	(4,689)	16.3
<b>Total comprehensive income for the financial period</b>		<b>37,467</b>	<b>38,160</b>	<b>(1.8)</b>
<b>Profit attribute to owners of the parent</b>		<b>42,921</b>	<b>42,849</b>	<b>0.2</b>
<b>Total comprehensive income attributable to owners of the parent</b>		<b>37,467</b>	<b>38,160</b>	<b>(1.8)</b>
<b>Earnings per share</b>				
Basic and diluted* (Cents)		5.56	5.55	

\*EPS for 1H 2023 and 1H 2022 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.

## Condensed interim statements of changes in equity for the half year ended 30 June 2023

	Share capital	Treasury share	Capital reserve	Foreign currency translation reserve	Share options reserve	Statutory reserve	Retained profits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>								
<b>Balance as at 1.1.2023</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>
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	-	-	42,921	42,921
Other comprehensive income for the period	-	-	-	(5,454)	-	-	-	(5,454)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,454)</b>	<b>-</b>	<b>-</b>	<b>42,921</b>	<b>37,467</b>
<i>Transactions recognised directly in equity</i>								
Dividend	-	-	-	-	-	-	(11,579)	(11,579)
Share option expense	-	-	-	-	130	-	-	130
	-	-	-	-	130	-	(11,579)	(11,449)
<b>Balance as at 30.6.2023</b>	<b>206,166</b>	<b>(1,843)</b>	<b>(4,670)</b>	<b>(19,330)</b>	<b>418</b>	<b>1,254</b>	<b>128,026</b>	<b>310,021</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 period</i>								
Profit for the period	-	-	-	-	-	-	42,849	42,849
Other comprehensive income for the period	-	-	-	(4,689)	-	-	-	(4,689)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,689)</b>	<b>-</b>	<b>-</b>	<b>42,849</b>	<b>38,160</b>
<i>Transactions recognised directly in equity</i>								
Dividend	-	-	-	-	-	-	(38,598)	(38,598)
	-	-	-	-	-	-	(38,598)	(38,598)
<b>Balance as at 30.6.2022</b>	<b>206,166</b>	<b>(1,843)</b>	<b>(4,670)</b>	<b>(3,881)</b>	<b>-</b>	<b>1,254</b>	<b>95,504</b>	<b>292,530</b>



**Condensed interim statements of changes in equity for the half year ended 30 June 2023**

**(Continued)**

<u>Company</u>	Share capital \$'000	Treasury share \$'000	Capital reserve \$'000	Share options reserve \$'000	Retained profits \$'000	Total equity \$'000
<b>Balance as at 1.1.2023</b>	<b>206,166</b>	<b>(1,843)</b>	<b>11,651</b>	<b>288</b>	<b>12,638</b>	<b>228,900</b>
Profit representing total comprehensive income for the period	-	-	-	-	24,748	24,748
<i>Transactions with owners, recognised directly in equity</i>						
Dividend	-	-	-	-	(11,579)	(11,579)
Share option expense	-	-	-	130	-	130
	-	-	-	130	(11,579)	(11,449)
<b>Balance as at 30.6.2023</b>	<b>206,166</b>	<b>(1,843)</b>	<b>11,651</b>	<b>418</b>	<b>25,807</b>	<b>242,199</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 period	-	-	-	-	9,177	9,177
<i>Transactions with owners, recognised directly in equity</i>						
Dividend	-	-	-	-	(38,598)	(38,598)
	-	-	-	-	(38,598)	(38,598)
<b>Balance as at 30.6.2022</b>	<b>206,166</b>	<b>(1,843)</b>	<b>11,651</b>	<b>-</b>	<b>10,069</b>	<b>226,043</b>



**Condensed interim consolidated statement of cash flows for the half year ended 30 June 2023**

	Group	
	6 months ended 30 June	
	2023 \$'000	2022 \$'000
<b>Operating activities</b>		
Profit before income tax	51,044	50,418
Adjustments for:		
Depreciation of property, plant and equipment	4,140	4,414
Interest expense	520	219
Interest income	(3,457)	(454)
Reversal of/(loss allowance of) trade receivables	(5)	291
Fair value loss on derivative financial instruments	3,458	1,441
Fair value gain on investments	(271)	-
Net unrealised foreign exchange gain	(2,787)	(2,542)
Plant and equipment written off	149	360
Gain on disposal of property, plant and equipment	(63)	(14)
Share option expense	130	-
Write-down for inventories obsolescence	12	855
<b>Operating cash flows before movements in working capital</b>	<b>52,870</b>	<b>54,988</b>
Trade receivables	(13,322)	(10,651)
Other receivables	(797)	(1,796)
Derivative financial instruments	(2,089)	(1,060)
Prepayments	(1,462)	(184)
Inventories	(37,059)	(43,852)
Trade payables	32,881	74,781
Other payables	(10,129)	16,016
<b>Cash from operations</b>	<b>20,893</b>	<b>88,242</b>
Income tax paid	(5,879)	(3,639)
Interest paid	(520)	(219)
<b>Net cash from operating activities</b>	<b>14,494</b>	<b>84,384</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(21,791)	(704)
Proceeds on disposal of property, plant and equipment	175	54
Proceeds from changes in short-term investments, net	5,687	-
Placement of term deposits	(33,922)	-
Interest received	3,457	454
<b>Net cash used in investing activities</b>	<b>(46,394)</b>	<b>(196)</b>
<b>Financing activities</b>		
Repayment of obligations under lease liabilities	(790)	(848)
Proceeds from bank borrowings	35,293	7,638
Repayment of bank borrowings	(5,372)	(12,823)
Dividends paid	(11,579)	(38,598)
<b>Net cash from/(used in) financing activities</b>	<b>17,552</b>	<b>(44,631)</b>



**Condensed interim consolidated statement of cash flows for the half year ended 30 June 2023**  
**(Continued)**

	<b>Group</b>	
	<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net change in cash and cash equivalents</b>	(14,348)	39,557
Effects of exchange rate changes on the balance of cash held in foreign currencies	(551)	576
Cash and cash equivalents at beginning of the period	195,963	201,512
<b>Cash and cash equivalents at end of the period (Note i)</b>	<b>181,064</b>	<b>241,645</b>

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

	<b>Group</b>	
	<b>As at 30 June</b>	<b>As at 30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash in bank	31,307	191,384
Fixed deposits	149,757	50,261
<b>Cash and cash equivalents at end of the period</b>	<b>181,064</b>	<b>241,645</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 unaudited interim consolidated financial statements for the six months ended 30 June 2023 comprised the Company and its subsidiaries (the "Group"). The primary activity of the Company is investment holding.

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

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

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *interim Financial Reporting*. 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 audited financial statements for the financial year ended 31 December 2022.

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

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

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

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



## 2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated audited financial statements as at and for the financial year ended 31 December 2022.

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

## 3. Seasonal operations

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

## 4. Trade receivables

	<b>Group</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Third parties	217,079	200,351
Less: Loss allowance	(2,778)	(2,785)
	<b>214,301</b>	<b>197,566</b>

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

Movements in the loss allowance for trade receivables:

	<b>Group</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance as at beginning of the financial period/year	2,785	2,142
(Reversal of)/allowance provided	(5)	662
Exchange difference	(2)	(19)
Balance as at end of the financial period/year	<b>2,778</b>	<b>2,785</b>

Trade receivables were at \$214.3 million as at 30 June 2023, an increase of \$16.7 million (8.5%) from \$197.6 million as at 31 December 2022, primarily due to the higher revenue of \$227.0 million recognised in second quarter of 2023 (2Q 2023).

## 4. Trade receivables (Continued)

### 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	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Other receivables				
-Non-related parties	563	432	499	334
-Subsidiary	-	-	13,527	10,342
Value added tax receivable	2,524	2,404	15	12
Deposits <sup>1</sup>	630	2,299	11	11
Deposits for land use right	658	680	-	-
Finance lease receivables	-	-	245	488
Total other receivables	<b>4,375</b>	<b>5,815</b>	<b>14,297</b>	<b>11,187</b>

<sup>1</sup> Reduction in deposits due to the reclassification of deposits to property, plant and equipment upon completion of the acquisition of the new plant in Malaysia.

## 6. Short-term investments

	Group		Company	
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Treasury bills-Singapore	24,584	10,050	24,584	10,050
Structured deposits	-	20,212	-	20,212
Term deposits	33,922	-	33,922	-
Total short-term investments	<b>58,506</b>	<b>30,262</b>	<b>58,506</b>	<b>30,262</b>

The treasury bills acquired at discounted price from the face value and bear no coupon. The bills mature within 1 to 6 months from issuance date. Term deposits included under short-term investments, bear interest of 3.94% to 4.60% (2022: nil) per annum with tenure of 4 to 6 months (2022: nil).

## 7. Inventories

	<b>Group</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Finished goods	4,955	3,229
Work-in-progress ("WIP")	27,577	15,740
Raw materials	87,116	66,242
	<b>119,648</b>	<b>85,211</b>

The Group had purchased more raw materials and components as compared to 31 December 2022, to meet the production requirements for 2H 2023.

## 8. Property, plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to \$23,906,000 (30 June 2022: \$875,000). As at 30 June 2023, the net book value of the Malaysia plants secured by borrowings is \$26,772,000 (31 December 2022: \$5,618,000).

## 9. Borrowings

	<b>Group</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Amount repayable within one year or on demand</u>		
Secured		
-Trade finance	16,152	-
-Term loans	3,564	1,347
	19,716	1,347
<u>Amount repayable after one year</u>		
Secured		
- term loans	15,737	3,936
Total borrowing	<b>35,453</b>	<b>5,283</b>

## 10. Trade payables

	<b>Group</b>	
	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Third parties	220,078	185,711

Trade payables were at \$220.1 million as at 30 June 2023, an increase of \$34.4 million (18.5%) from \$185.7 million as at 31 December 2022 primarily due to higher purchase of materials and components for 2H 2023 production needs.

## 11. Other payables

	Group		Company	
	30.6.2023 \$'000	31.12.2022 \$'000	30.6.2023 \$'000	31.12.2022 \$'000
Other payables				
-Non-related parties	814	1,825	5	40
-Subsidiaries	-	-	43,716	13,945
Accrued expenses <sup>1</sup>	10,895	28,159	217	163
Profit-sharing <sup>2</sup>	184	2,078	-	-
Customer deposit <sup>3</sup>	25,965	15,396	-	-
	<b>37,858</b>	<b>47,458</b>	<b>43,938</b>	<b>14,148</b>

<sup>1</sup> The Group's accrued expenses were related to inventories received from suppliers that had not been invoiced as at 31 December 2022 and 30 June 2023. Please refer to Note 7 for total inventories value.

<sup>2</sup> The Group's profit-sharing bonus for FY2022 was paid in April 2023.

<sup>3</sup> The increase in customer deposit mainly due to advancement payment from customer to reserve materials for production in 2H 2023.

## 12. Share capital

	The Group & the Company			
	30.6.2023		31.12.2022	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Beginning and end of period	773,826	206,166	773,826	206,166

The Company holds 1,872,600 (2022: 1,872,600) treasury shares of \$1,843,000 (2022: \$1,843,000) as at 30 June 2023. There was no sale, transfer, disposal, cancellation and use of treasury shares during the financial period ended 30 June 2023. The total number of issued shares excluding treasury shares as at 30 June 2023 was 771,952,945 shares.

## 13. Revenue

	<b>The Group</b>			
	<b>6 months ended 30.6.2023</b>			
	<b>Distribution &amp; trading</b>	<b>Manufacturing</b>	<b>Total</b>	
	<b>Hong Kong</b>	<b>Singapore</b>	<b>China</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Types of goods:				
Sale of goods	35,039	353,126	418	388,583
Timing of revenue recognition:				
At a point in time	35,039	353,126	418	388,583
Geographical information:				
North America	7,166	295,611	-	302,777
China	6,341	33	418	6,792
Europe	20,644	54,139	-	74,783
Singapore	-	1,204	-	1,204
Others	888	2,139	-	3,027
<b>Total revenue</b>	<b>35,039</b>	<b>353,126</b>	<b>418</b>	<b>388,583</b>

	<b>The Group</b>			
	<b>6 months ended 30.6.2022</b>			
	<b>Distribution &amp; trading</b>	<b>Manufacturing</b>	<b>Total</b>	
	<b>Hong Kong</b>	<b>Singapore</b>	<b>China</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total revenue</b>	<b>46,816</b>	<b>317,021</b>	<b>757</b>	<b>364,594</b>

Revenue grew 6.6% in 1H 2023 driven mainly by higher sales volume of IoT devices and Data-communication products as a result of increased demand from customers.

## 14. Other income

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Scrap sales	53	53
Government grants	451	266
Others	167	48
	<b>671</b>	<b>367</b>

## 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 1H 2023.

## 16. Employee benefits expense

	Group	
	1H 2023	1H 2022
	\$'000	\$'000
Employee benefits expense		
Staff costs	25,120	24,123
Defined contributions plans	1,158	448
Other employee benefits	2,019	1,487
	<b>28,297</b>	<b>26,058</b>

More operators were hired arising from higher production activities during 1H 2023. Employee benefits expense as a percentage of revenue was 7.3% (1H 2022: 7.1%).

## 17. Other operating expense

Higher other operating expense mainly due to purchase of tools and equipment for new Malaysia plant in 1H 2023 and reversal of marketing expenses in 1H 2022.

## 18. Interest income

Increase in interest income resulted from higher fixed deposit rate during 1H 2023.

## 19. Other gains and losses

Other gains and losses were lower in 1H 2023 as compared to 1H 2022, mainly due to higher fair value loss on derivative financial instruments in 1H 2023.

## 20. Finance costs

Increase in the utilisation of banking facilities, additional term loans, and higher interest rates led to the increase 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 unaudited interim consolidated statement of comprehensive income are:

	<b>1H 2023</b>	<b>1H 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Current income tax expense	8,158	7,570
Deferred income tax expense relating to origination and reversal of temporary differences	(35)	(1)
	<u>8,123</u>	<u>7,569</u>

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

## 22. Dividend

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



### **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
<b>1H 2023</b>							
<b>Revenue</b>							
Revenue from external customers	35,039	418	353,126	-	-	-	388,583
Inter-segment revenue	216,249	296,081	8,265	193,731	-	(714,326)	-
<b>Total revenue</b>	<b>251,288</b>	<b>296,499</b>	<b>361,391</b>	<b>193,731</b>	<b>-</b>	<b>(714,326)</b>	<b>388,583</b>
<b>Results</b>							
Segment results	3,622	19,962	26,279	3,253	25,246	(26,798)	51,564
Finance costs	(4)	(30)	(170)	(269)	(56)	9	(520)
Profit before income tax	3,618	19,932	26,109	2,984	25,190	(26,789)	51,044
Income tax expense							(8,123)
Profit for the reporting period							42,921
<b>Significant non-cash items</b>							
Amortisation and depreciation expenses	176	2,289	510	1,050	21	94	4,140
<b>Other items of income and expense</b>							
Interest income	80	96	323	15	2,948	(5)	3,457
<b>Expenditures for segment non-current assets</b>							
- Additions to PPE	20	561	5	25,370	-	(2,050)	23,906
<b>Total segment assets*</b>							
30.6.2023	174,655	322,286	273,866	173,553	294,962	(614,188)	625,134
<b>Total segment liabilities**</b>							
30.6.2023	158,945	150,528	229,697	169,643	50,262	(460,074)	299,001

## 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
<b>1H 2022</b>							
<b>Revenue</b>							
Revenue from external customers	46,816	757	317,021	-	-	-	364,594
Inter-segment revenue	222,606	332,159	224	57,595	-	(612,584)	-
<b>Total revenue</b>	<b>269,422</b>	<b>332,916</b>	<b>317,245</b>	<b>57,595</b>	<b>-</b>	<b>(612,584)</b>	<b>364,594</b>
<b>Results</b>							
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
<b>Significant non-cash items</b>							
Amortisation and depreciation expenses	168	3,248	396	703	-	(101)	4,414
<b>Other items of income and expense</b>							
Interest income	1	10	22	-	429	(8)	454
<b>Expenditures for segment non-current assets</b>							
- Additions to PPE	171	542	2	160	-	-	875
<b>Total segment assets*</b>							
30.6.2022	230,387	364,631	326,962	78,709	301,436	(695,313)	606,812
<b>Total segment liabilities**</b>							
30.6.2022	191,704	212,138	281,925	78,359	75,237	(540,533)	298,830

\*Total segment assets exclude deferred tax assets

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

## 23. Segment and revenue information (Continued)

	The Group			Total \$'000
	Distribution & trading	Manufacturing		
	Hong Kong \$'000	Singapore \$'000	China \$'000	
<b>1H 2023</b>				
<u>Product types</u>				
IoT devices and Datacom products	28,585	351,838	292	380,715
LED products	6,428	1,183	-	7,611
Others <sup>(1)</sup>	26	105	126	257
	<b>35,039</b>	<b>353,126</b>	<b>418</b>	<b>388,583</b>
<b>1H 2022</b>				
<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 <sup>(1)</sup>	189	179	462	830
	<b>46,816</b>	<b>317,021</b>	<b>757</b>	<b>364,594</b>

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

## 24. Financial assets and financial liabilities

	Group		Company	
	30.6.2023 \$'000	31.12.2022 \$'000	30.6.2023 \$'000	31.12.2022 \$'000
<b>Financial assets</b>				
Trade receivables	214,301	197,566	-	-
Other receivables	4,375	5,815	14,297	11,187
Cash and cash equivalents	181,064	195,963	137,711	125,296
	<u>399,740</u>	<u>399,344</u>	<u>152,008</u>	<u>136,483</u>
Less: Value added tax receivables	(2,524)	(2,404)	(15)	(12)
Less: Deposits for land use right	(658)	(680)	-	-
Amortised cost	<u>396,558</u>	<u>396,260</u>	<u>151,993</u>	<u>136,471</u>
Short-term investments, representing financial assets measured at fair value through profit or loss				
	<u>58,506</u>	<u>30,262</u>	<u>58,506</u>	<u>30,262</u>
<b>Financial liabilities</b>				
Trade payables	220,078	185,711	-	-
Other payables	37,858	47,458	43,938	14,148
Borrowings	35,453	5,283	-	-
Lease liabilities	2,343	3,169	245	488
Provision for retirement benefit	912	912	912	912
	<u>296,644</u>	<u>242,533</u>	<u>45,095</u>	<u>15,548</u>
Less: Customer deposits	(25,965)	(15,396)	-	-
Amortised cost	<u>270,679</u>	<u>227,137</u>	<u>45,095</u>	<u>15,548</u>
Derivative financial instruments, representing financial liabilities measured at fair value through profit or loss				
	<u>2,357</u>	<u>988</u>	<u>1,486</u>	<u>988</u>

## 25. Profit before taxation

### a. Significant items

	1H 2023 \$'000	1H 2022 \$'000
<b>Amortisation and depreciation expense</b>		
Depreciation of property, plant and equipment	4,140	4,414
<b>Investment revenue</b>		
Interest income	(3,457)	(454)
<b>Other operating expense</b>		
Distribution costs	169	94
Other factory costs	5,372	3,931
Plant and equipment written off	149	360
Utilities costs	1,357	1,103

### b. Related party transactions

There are no material related party transactions.

## 26. Net Asset Value

	Group		Company	
	30.6.2023 \$	31.12.2022 \$	30.6.2023 \$	31.12.2022 \$
Net asset value per ordinary share	0.40	0.37	0.31	0.30

For 30 June 2023 and 31 December 2022, net asset value ("NAV") per Share was computed based on the issued share capital of 771,952,945 Shares.

## 27. Subsequent events

Not applicable



## OTHER INFORMATION

### 1. Financial statements for the half year ended 30 June 2023

The condensed consolidated statement of financial position of Aztech Global Ltd. and its subsidiaries as at 30 June 2023 and the related condensed consolidated statement of comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the six-month period ended and certain explanatory notes have not been reviewed nor audited.

### 2. Review of performance of the Group

For the financial period ended 30 June 2023, the Group reported revenue of \$388.6 million which is an increase of 6.6% compared with the financial period ended 30 June 2022.

The Group recorded an increase in profit before tax ("PBT") amounting to \$51.0 million for 1H 2023 as compared with \$50.4 million for 1H 2022. The Group recorded net profit of \$42.9 million (1H 2022: \$42.8 million), while its net profit margin was 11.0% (1H 2022: 11.8%) for 1H 2023.

## FINANCIAL POSITION AND CASHFLOW

The Group's cash generated from operations for 1H 2023 was \$14.5 million, a decrease of \$69.9 million compared with \$84.4 million 1H 2022. The higher cash generated from operations in 1H 2022 was mainly due to higher trade payables on the Group's purchases of raw materials in anticipation of production needs in 2H 2022.

As at 30 June 2023, the Group's financial position remained strong with \$181.1 million of cash and cash equivalents (31 December 2022: \$196.0 million).

As at 30 June 2023, equity attributable to owners of the Group was \$310.0 million and higher NAV per share at \$0.40 (31 December 2022: \$0.37), computed based on the share capital of 771,952,945 shares.

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

Not applicable.

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

The Group expects the challenging operating environment to persist into the second half of 2023 with on-going uncertainties at the economic and geopolitical fronts<sup>1</sup>. It is cautiously optimistic of its business prospects for the rest of the year.

Notwithstanding the tough business conditions, the Group secured a strong order book of \$594.5 million as at 21 July 2023. A significant portion of the order book is scheduled for completion in 2023 across its manufacturing facilities in Dongguan, China and Johor, Malaysia. Its new manufacturing facility in Pasir Gudang, Johor, Malaysia has commenced pilot plant trials and the team is committed to getting the plant ready for production that is aligned with customers' requirements and schedule to support the Group's growth and production diversification strategy of its customers.

Amidst the high interest rates, volatile foreign exchange and inflationary cost environment, the Group will focus on fortifying its strong balance sheet with prudent working capital, disciplined cost and foreign exchange management, while staying agile to capitalise on opportunities in the IoT industry<sup>2</sup>.

**5. Dividend**

**a. Current financial Period Reported on**

For 1H 2023, the Company declared the following interim dividend:

<b>Name of Dividend</b>	<b>Interim (Declared)</b>
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

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

There was no interim dividend paid in the corresponding period of the immediately preceding financial year.

During the preceding financial year, the Company declared interim one-tier tax-exempt dividend of \$0.03 per ordinary share totaling \$23,158,588 and final one-tier tax-exempt dividend of \$0.015 per ordinary share totaling \$11,579,294 in respect of the financial year ended 31 December 2022.

<sup>1</sup> OECD Economic Outlook, June 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. Verified Market Reports, November 2022: IoT devices market size was valued at US\$83.76 billion in 2021 and is projected to reach US\$508.25 billion in 2030, growing at a 2023-2030 CAGR of 2.19%.

## 5. Dividend (Continued)

### b. Corresponding Period of the Immediately Preceding Financial Year (Continued)

Name of Dividend	Interim (Paid)	Final (Paid)
Dividend Type	Cash	Cash
Dividend Amount per Share (in \$)	0.03 per ordinary share	0.015 per ordinary share
Paid based on total number of ordinary shares	771,952,945	771,952,945
Tax Rate	Exempt	Exempt

Total dividend for FY2022 was 4.5 Singapore cents per ordinary share.

**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	5,955	44,045
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	389	9,611
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	58,600	-
Listing expenses	9,800	9,800	-
	198,400	80,601	117,799



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 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Michael Mun Hong Yew  
Director

Jeremy Mun Weng Hung  
Director

Singapore  
Date: 21 July 2023