Aztech Global Ltd
(Incorporated in the Republic of Singapore)
Company Registration No.: 200909384G

AZTECH GLOBAL ADDRESSES QUESTIONS FROM THE INVESTMENT COMMUNITY POST 1H 2021 RESULTS ANNOUNCEMENT

SINGAPORE, 23 AUGUST 2021 - SGX Mainboard-listed Aztech Global Ltd ("the Company") and its group of subsidiaries ("the Group") would like to address questions from the investment community:

1. **Recent surge in COVID-19 case counts in Malaysia and the impact on our operations;**

   We have minimised any disruption to our production output arising from the recent surge in COVID-19 cases in Malaysia by ramping up our production capacity in China to cover any shortfall in the Malaysia factory. We expect to continue to manage the Group's production output in this manner during the pandemic.

2. **Latest COVID-19 Vaccination status;**

   In China, 100% of our eligible employees have had their COVID-19 vaccination, of which, 87% had completed their second dose.

   For Malaysia, we have applied for PIKAS through MITI for plant-wide vaccination and yet to receive the schedule from the authorities. Meanwhile, we are encouraging our employees to apply through the MySejahtera app for their own vaccination under the national vaccination program. Currently, about 33% of our eligible employees in Malaysia have been vaccinated against the COVID-19 virus,

of which 5% has completed the full vaccination regime. The well-being, health and safety of our employees remains our top priority and we have put in place safe management practices to protect and to mitigate the impact of the pandemic on our operations.

3. **Whether the component shortages will:**
   (i) impact the Group's ability to fulfil customer orders that was announced in its 1H 2021 results announcement; and
   (ii) affect the profit margins;

(i) In its first half results announcement, the Group reported that its outstanding order book was $530.4 million as at 1 July 2021 and it had since received an additional $74 million orders as at 30 July 2021, thus, bringing total order book to $604.4 million, of which $150 million of orders are scheduled for completion in FY2022.

In view of the component shortages that are likely to persist for the next 6 to 12 months, the Group's order lead time from customers has been changed to 9 to 12 months in advance from the usual 3 to 6 months. This has enabled our order placement with suppliers to secure the needed allocation of components for on-time production and delivery of customers' orders. We will continue to leverage on the strong relationships with our customers and long-term collaboration with our suppliers to secure key components, while continuing with our resourceful base of alternative suppliers or supplies that are more readily available with innovative product redesigns.

(ii) Owing to the strong demand, our customers are willing to absorb the additional cost of securing the necessary components for the production of their orders, hence there is minimal impact to the Group's profit margins.

4. **Reasons on recent share price weakness post 1H 2021 results announcement; and**

   The management team is not aware of any reason that might have led to the recent share price weakness post 1H 2021 results announcement.

   For its 1H 2021 performance, the Group reported net profit increase by 126.1% to $24.9 million, while revenue surged 93.4% to $249.7 million. The Group continued to maintain a cautiously optimistic outlook for its FY2021 performance taking into consideration strong order book secured, growth trajectory offered by structural trend and growth opportunities of the Internet of Things especially in North America and Europe where it has presence in. The Group remains confident that the complementary manufacturing facilities in China and Malaysia would strategically position it for opportunities as it seeks to fortify value to customers.

5. **Prospects of share buybacks by the Company.**

   The Company currently has no mandate to conduct share buybacks, and is working to establish its share buyback mandate via an EGM. The Company believes that the mandate would provide the flexibility to purchase or acquire shares when it is in the Company's best interests and as a means of enhancing stakeholder's value. The Company will make the necessary announcement in due course.

About Aztech Global Ltd.

The Group is a key technology enabler for the connected world of tomorrow, with a focus on providing one-stop design and manufacturing services.

Supported by our core strengths in R&D, design, engineering and manufacturing, our key products are IoT Devices, Data-communication products and LED lighting products.

Leveraging on our expertise, we also provide one-stop design and manufacturing services to blue chip customers, technology start-ups and other companies with innovative products.

Headquartered in Singapore, the Group has four R&D centers in Singapore, Hong Kong and the PRC namely in Shenzhen and Dongguan and three manufacturing facilities in Dongguan, PRC and Johor, Malaysia. To date, the Group has close to 3,000 employees worldwide.

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