



### AZTECH ELECTRONICS

Design and manufacture of electronics and communications equipment; provision of ODM/OEM, Contract Manufacturing and Retail Distribution services.

### AZ UNITED / AZ MARINE



Procurement and supply of materials for the building construction materials, supported by our own fleet of vessels and marine logistics services.

### AZ E-LITE

Design and manufacture of quality LED lighting that is eco-friendly, long-lasting and cost-effective; leading LED lighting provider for public housing in Singapore.



### SHIRO CORPORATION

Supply of restaurant grade quality canned abalone and frozen food under the brand name of Jade.

# Aztech

## ANNUAL REPORT

# 2010

## 8 Consecutive Years of Profitability

### Aztech

## Letter to Shareholders

Aztech remains profitable for the eighth consecutive year, this is particularly significant for the Group as we enter our 25<sup>th</sup> anniversary in year 2011. The Group's balance sheet stays healthy even as we continue to reward shareholders with dividend payout. The dividend payout ratio remains high in excess of 50% on average over the last three years in spite of the diversification effort to enhance long-term shareholders' value. This is made possible through our careful management and prudent financial discipline. The Group is well positioned to continue our diversification strategy to enhance shareholders' value as we enter yet another key milestone.

#### The Year in Summary

For FY2010, the Group achieved a turnover of S\$211.34 million with net profit of S\$5.33 million. Our Electronics segment registered a revenue growth of 13.5% compared to FY2009. The growth in Electronics segment was offset by decline in sales in our Materials Supply and Marine Logistics segments, which resulted in lower profitability for FY2010.

Since the diversification strategy that we embarked on two years ago, we have since built up a multi-disciplined business involving Electronics, LED Lighting, Materials Supply, Marine Logistics and Food Supply. We are already seeing results from the various business sectors and we remained positive that our diversification strategy would generate multiple revenue streams in the long run.

To enhance the Group's brand

name in the market and better reflect our transformation and diversification, we have refined our Vision & Mission Statements in 2010. We aspire to be a dynamic corporation recognised for our world-class innovations that bring value to our customers, shareholders and other stakeholders.

**Vision:** A Dynamic Corporation Recognised for Value, Innovation and Excellence

**Mission:** To Add Value for all Stakeholders by:

- Excelling in innovation, product and service quality
- Extending our reach and presence in global market
- Enhancing profitability and shareholders' value
- Engaging our customers and being the partner of choice
- Empowering employees with resources, skills and knowledge

#### Aztech Group Businesses

In FY2010, we continued the momentum in FY2009 and proactively expanded our various business segments. Concurrently, we also expanded our product line in the Electronics, LED Lighting and Food Supply sectors.

#### Electronics (Aztech)

Still our largest revenue contributor, the Electronics sector recorded a revenue of S\$204.37 million. Sales in Contract Manufacturing grew 79.6% to hit S\$116.07 million in FY2010, reflecting the recovery in electronics sectors worldwide.

In the broadband and home networking product category, we continued to innovate with new product developments. We launched the 200Mbps HomePlug AV 2-port Wireless-N Extender (Aztech HL110EW) and the world's smallest 200Mbps HomePlug AV Ethernet Adapter with AC Pass-Through (Aztech HL110EP). In view of the availability of ultra-fast fibre network



in many countries, we also rolled out a suite of fibre-ready Gigabit products, including Asia's first Gigabit Powerline Adapter (Aztech HL280E) and 4-Port Wireless-N Gigabit Router (Aztech GR7000). In 4Q2010, we launched the Portable 300Mbps Wireless-N Repeater (Aztech WL556E).

Aztech products are currently sold in 36 countries and used by 26 telcos & Internet Service Providers worldwide, showing our global reach and strong reputation for our OEM/ODM, Retail Distribution and Contract Manufacturing business.

#### LED Lighting (AZ e-lite)

In the area of LED Lighting, the Group has expanded horizontally into the design and manufacture of energy-saving, long-lasting and eco-friendly LED lighting products to leverage on the growing market opportunity.

Since the launch of our LED lighting products, we have clinched several contracts to provide LED lighting at commercial buildings, public facilities, schools and condominiums in Singapore, Hong Kong and other countries. We were awarded two major contracts by Aljunied Town Council and Jurong Town Council to supply and install LED lighting for public housing. This solidifies our position as the leading LED lighting provider for public housing in Singapore.

#### Materials Supply (Az United) and Marine Logistics (Az Marine)

With the completion of the supply contract in early 2010, the revenue from Az United and Az Marine businesses saw a decline. Nevertheless, the Group expects to improve the performance of these business segments by seeking for more building, materials supply and chartering services contracts.

Az United has expanded its sourcing and procurement capabilities and is now a recognised player in the construction and infrastructure sector. Az Marine has also expanded into third-party chartering and transformed itself into a full-fledged marine transportation player in the market. Both subsidiaries will continue to pursue their long-term growth strategy and position themselves to capitalise on market opportunity.

#### Food Supply (Shiro Corporation)

Shiro Corporation, a fully-owned subsidiary of Aztech Group, ventured into the food industry with a range of canned and frozen food targeting at the Singapore and export markets. Through the year, it has expanded its product offering and made inroads into hotels, restaurants, caterers, wholesalers and supermarkets in Singapore and various countries. The venture is part of the Group's long-term strategy to enhance shareholders' value by creating a new revenue stream for the Group.

#### Looking Ahead

Although the global economy has improved, the Group is facing pressures from rising operating costs, inflation and volatile currency movements. We will continue to work towards our objectives and strengthen our management work to ensure smooth and high-quality operations in all business segments. In the year ahead, we will look at how we can improve our efficiency and productivity to counter the high operating costs.

In line with our mission to extend our reach and presence in the global market, we have set up a representative office in United Arab Emirates (UAE) to broaden our customer base in the Middle East. We will also engage more distributors in different parts of the world to expand our business presence.

#### Dividends Payout

For the seventh consecutive year, we continued to reward shareholders with dividend payout. The Group has proposed a final dividend of 0.3 cents. This added onto the interim dividend paid in August 2010 of 0.3 cents brings the total distribution of dividend for FY2010 to 0.6 cents per share.

#### Special Thanks

I take this opportunity to thank our shareholders, valued customers and business associates for their unwavering support and trust in our Group's products and services, as well as our Board of Directors and staff for their contribution and commitment.

In the year ahead, as we celebrate our 25<sup>th</sup> anniversary, we will press on to work towards our target and realise our vision of achieving Value, Innovation and Excellence.

#### MICHAEL MUN Group CEO and Chairman

### CORPORATE INFORMATION

#### CEO/CHAIRMAN

Michael Mun Hong Yew

#### DIRECTORS

Michael Mun Hong Yew  
Martin Chia Heok Min  
Patricia Ng Sok Cheng  
Jeremy Mun Weng Hung  
Philip Tan Tee Yong  
Colin Ng Teck Sim  
Khoo Ho Tong

#### LEAD INDEPENDENT DIRECTOR

Philip Tan Tee Yong

#### AUDIT COMMITTEE

Philip Tan Tee Yong (Chairman)  
Colin Ng Teck Sim  
Khoo Ho Tong

#### NOMINATING COMMITTEE

Colin Ng Teck Sim (Chairman)  
Khoo Ho Tong  
Michael Mun Hong Yew

#### REMUNERATION COMMITTEE

Khoo Ho Tong (Chairman)  
Philip Tan Tee Yong  
Colin Ng Teck Sim

#### COMPANY SECRETARIES

Pavani Nagarajah  
Pradeep Kumar Singh

#### AUDITORS

Deloitte & Touche LLP  
6 Shenton Way, #32-00 DBS Building,  
Tower Two Singapore 068809

Cheung Pui Yuen  
Partner-in-charge  
Appointed July 21, 2010

#### REGISTRAR

B.A.C.S Pte Ltd  
63 Cantonment Road Singapore 089758

#### REGISTERED OFFICE

31 Ubi Road 1 Aztech Building  
Singapore 408694

#### COMPANY REGISTRATION NO.

198601642R

[www.aztech-group.com](http://www.aztech-group.com)

#### CORE COMPETENCIES & STRENGTHS

State-of-the-art Manufacturing Facilities  
R&D Capabilities with 3 R&D Centres  
Healthy Balance Sheet - Net asset value of S\$106 million\*  
Strong Cash - Cash position of S\$30 million\*  
Consistent Dividend Pay-out from 2005 to 2010  
Diversified Business

\*As at 31 Dec 2010

# Financials at a Glance

FOR THE YEAR ENDED DECEMBER 31, 2010

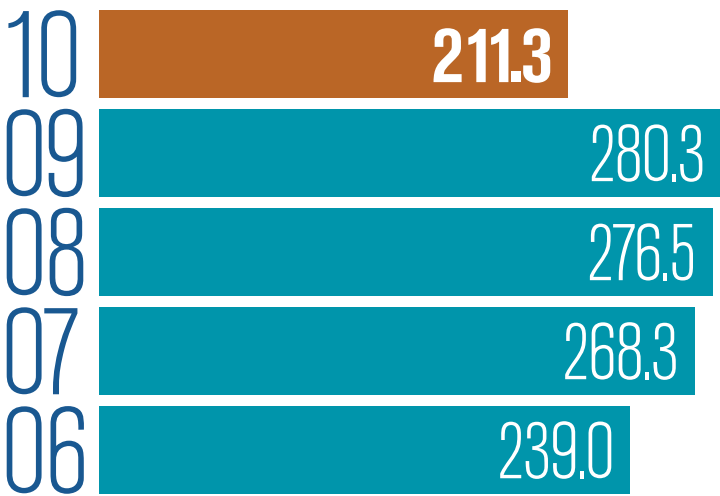
TURNOVER BY GEOGRAPHICAL REGION (%), FY2010



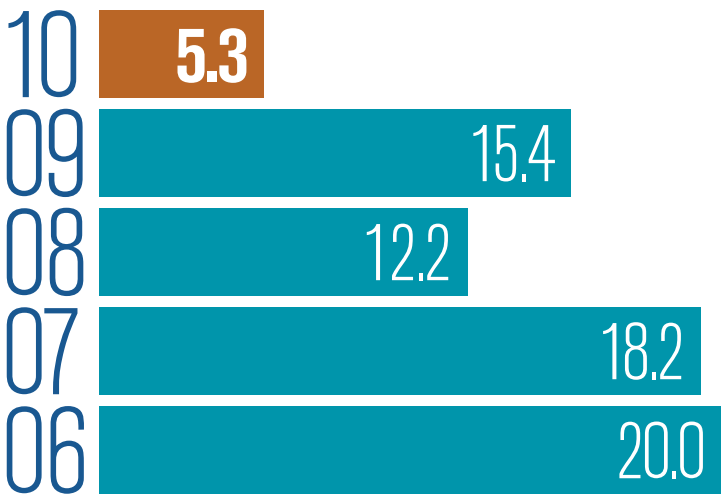
	2010 S\$'000	2009 S\$'000	2008 S\$'000	2007 S\$'000	2006 S\$'000
RESULTS					
Revenue	211,336	280,267	276,453	268,310	238,997
EBITDA	18,413	30,424	24,746	31,286	32,435
Net profit for the year	5,330	15,418	12,233	18,177	20,038
Net cash (outflow) inflow	(4,304)	(1,148)	1,109	7,000	13,852
ASSETS AND LIABILITIES					
Net current assets	39,212	35,847	32,862	50,079	52,320
Total assets	184,204	195,142	200,198	168,583	150,188
Total liabilities	78,127	82,811	105,300	78,937	69,282
Total borrowings	49,679	49,400	69,634	28,065	20,026
Shareholders' equity	106,077	112,331	94,898	89,646	80,906
PER SHARE BASIS (IN CENTS)					
Earnings – basic	1.09	3.75	3.01	4.45	4.94
Gross dividend	0.60	1.75	2.00	1.75	1.50
Net asset value	21.73	23.04	23.78	21.86	19.78
RATIOS					
Net profit margin	2.5%	5.5%	4.4%	6.8%	8.4%
Current ratio	1.62	1.58	1.43	1.72	1.82
Dividend payout ratio	55.0%	46.7%	66.4%	39.3%	30.4%
Dividend cover	1.82	2.14	1.51	2.54	3.29
Gearing ratio	46.8%	44.0%	73.4%	31.3%	24.8%
Return on assets	2.9%	7.9%	6.1%	10.8%	13.3%
Return on equity	5.0%	13.7%	12.9%	20.3%	24.8%

# Financial Highlights

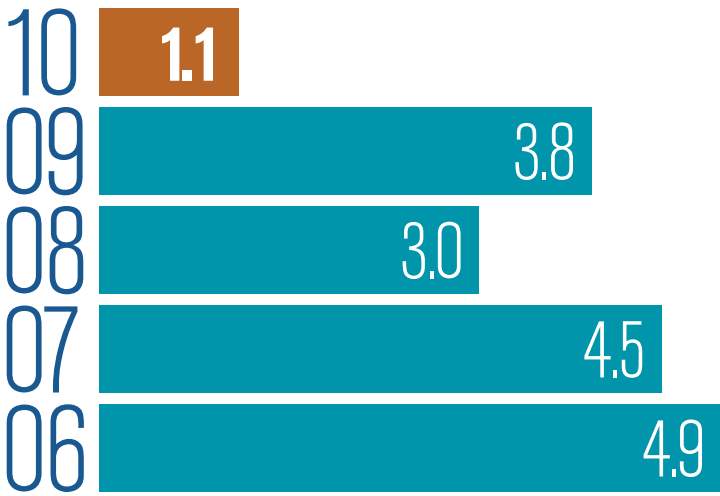
GROUP TURNOVER (S\$'M)



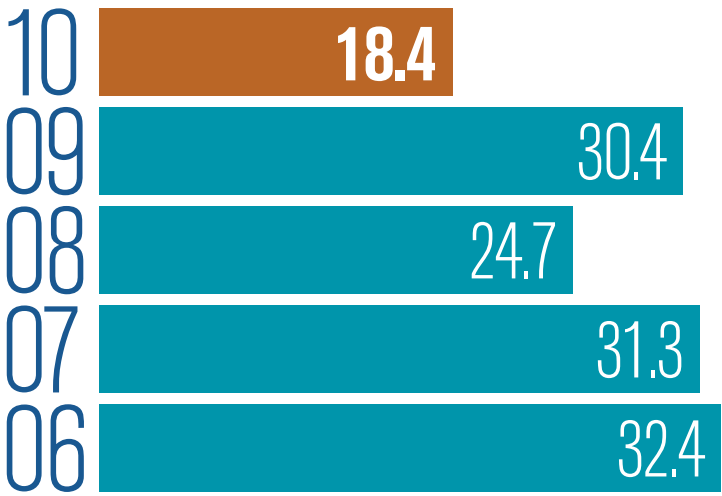
NET PROFIT (S\$'M)



EARNINGS PER SHARE (CENTS)



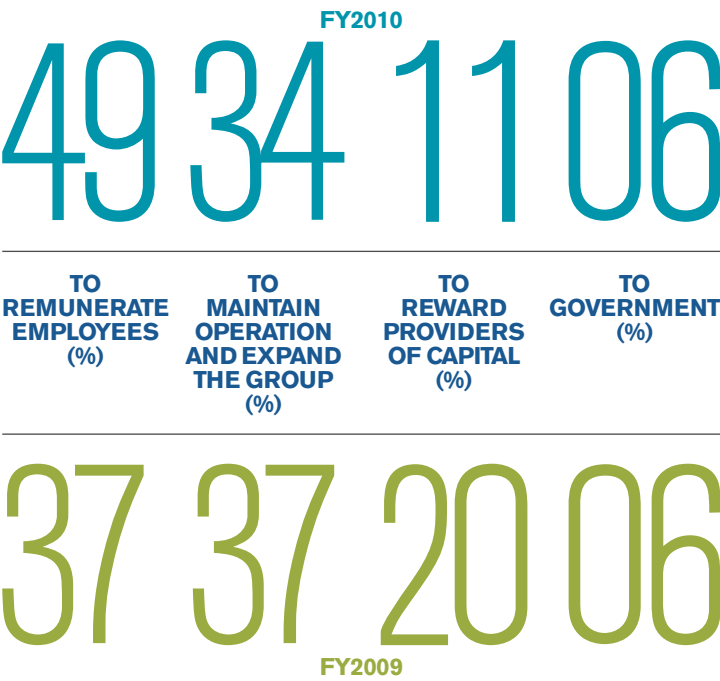
EBITDA (S\$'M)



# Value-Added Statement

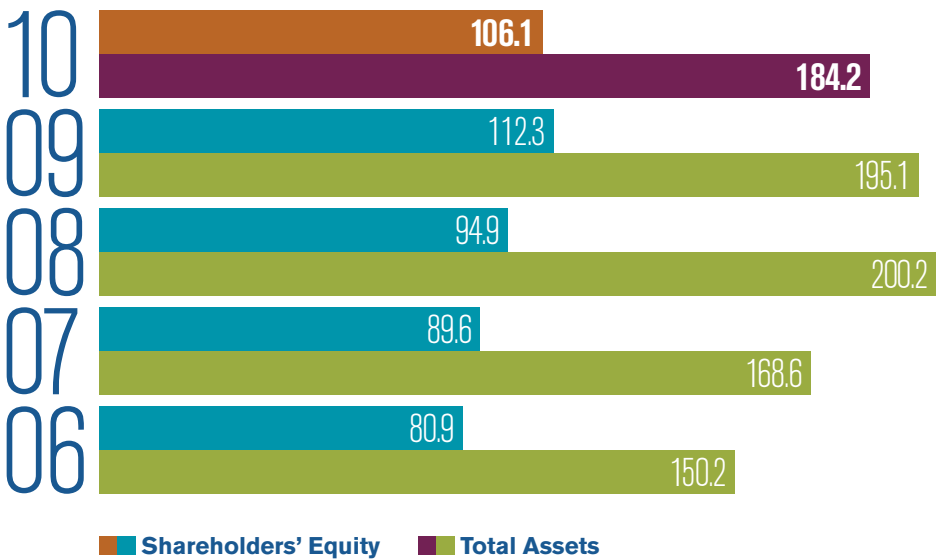
FOR THE YEAR ENDED DECEMBER 31, 2010

Value added statement is the wealth created by the Group by applying its goods and services. This statement shows the total wealth created and how it was allocated.

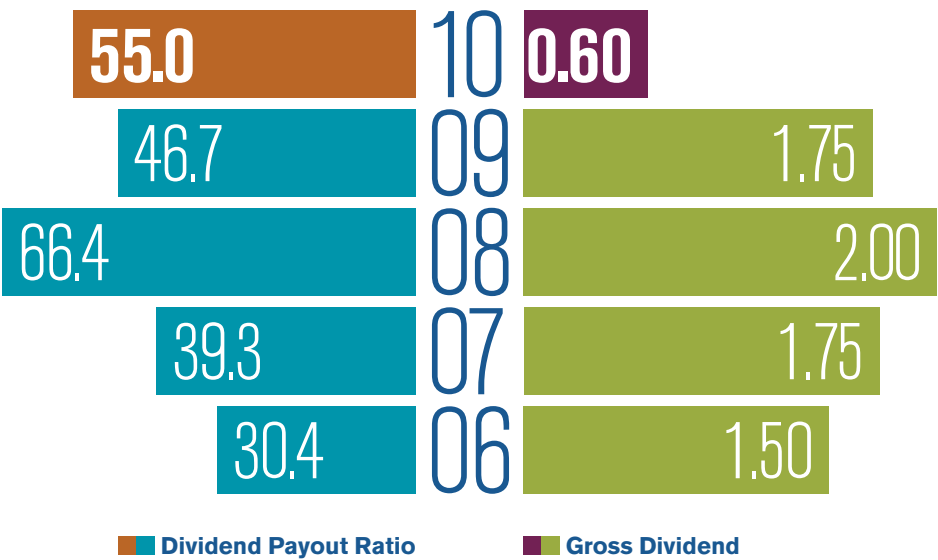


	2010 S\$'000	2009 S\$'000	CHANGES %
Revenue	211,336	280,267	
Suppliers of materials and services	(181,439)	(236,711)	
<b>GROSS VALUE ADDED FROM OPERATIONS</b>	<b>29,897</b>	<b>43,555</b>	
Gain on revaluation of investment properties	800	1,144	
Other operating income	3,365	3,487	
Exchange gain	2,280	1,158	
<b>TOTAL VALUE ADDED</b>	<b>36,342</b>	<b>49,345</b>	<b>(26.4)</b>
Applied as follows:			
<b>TO REMUNERATE EMPLOYEES</b>			
Salaries, wages and other benefits	17,816	18,423	(3.3)
<b>TO GOVERNMENT</b>			
Taxation	2,023	3,118	(35.1)
<b>TO REWARD PROVIDERS OF CAPITAL</b>			
Dividend to shareholders	2,930	8,121	
Interest on borrowings from banks	1,023	1,717	
	3,953	9,838	(59.8)
<b>TO MAINTAIN OPERATION AND EXPAND THE GROUP</b>			
Depreciation and amortisation	10,150	10,669	
Net earnings retained	2,400	7,297	
	12,550	17,966	(30.1)
	<b>36,342</b>	<b>49,345</b>	<b>(26.4)</b>
<b>VALUE ADDED RATIOS</b>			
Number of employees	1,369	1,413	(3.1)
Value added per employee (\$'000)	27	35	(22.9)
Value added per \$ of employment cost	2.04	2.68	(23.9)
Value added per \$ sales	0.17	0.18	(5.6)
Value added per \$ of investment in property, plant and equipment	0.35	0.47	(25.5)
Cost of property, plant and equipment	105,193	104,874	0.3

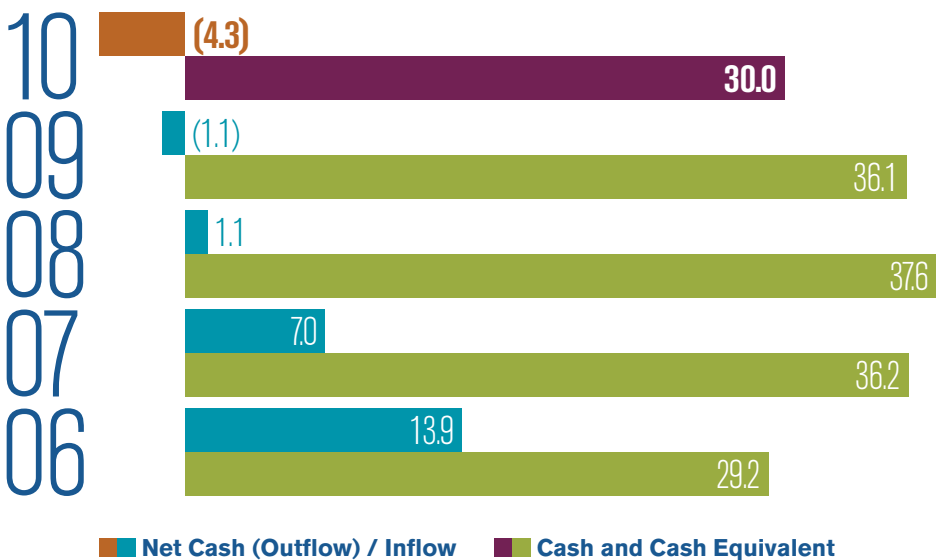
SHAREHOLDERS' EQUITY AND TOTAL ASSETS (S\$'M)



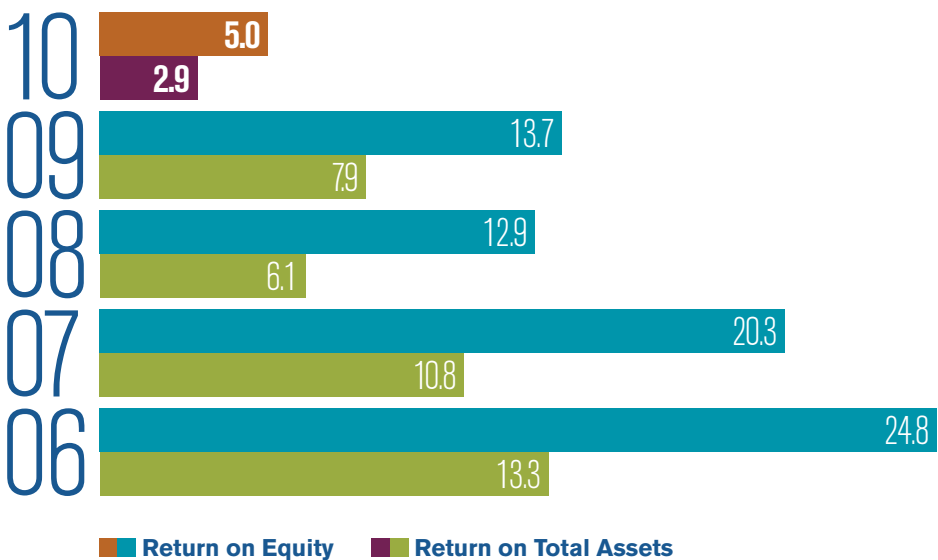
DIVIDEND PAYOUT RATIO (%) AND GROSS DIVIDEND (CENTS/SHARE)



NET CASH (OUTFLOW) / INFLOW AND CASH AND CASH EQUIVALENT (S\$'M)



RETURN ON EQUITY AND TOTAL ASSETS (%)





# Board of Directors



**Michael Mun Hong Yew**  
Group CEO and  
Chairman

**Martin Chia Heok Miin**  
Executive Director  
Senior Vice President

**Patricia Ng Sok Cheng**  
Executive Director  
Senior Vice President

**Jeremy Mun Weng Hung**  
Executive Director  
Vice President

**Philip Tan Tee Yong**  
Lead Independent  
Director  
Chairman of AC and  
Member of RC

**Khoo Ho Tong**  
Independent Director  
Chairman of RC and  
Member of AC and NC

**Colin Ng Teck Sim**  
Independent Director  
Chairman of NC and  
Member of RC and AC

Mr Mun is one of the co-founders of the Company. He started Aztech in 1986 and transformed Aztech from a PC maker to a multi-disciplined company that focuses on Broadband and Home Networking products with in-house R&D and full-fledged manufacturing facilities in Dong Guan, China. Mr Mun is responsible for the overall strategy and direction of the Group and is instrumental for the diversification to Materials Supply and Marine Logistics businesses. He is a member of the Nomination Committee.

Mr Chia joined Aztech in 1989 and was appointed as the Director of the Board in 2006. He is currently responsible for the product marketing and sales activities of the Electronics Sector of the Group. Mr Chia is also involved in the management of the Group's new business sectors of Materials Supply and Marine Logistics. He holds directorships in several of Aztech's subsidiaries.

Ms Ng joined Aztech in 1986 and was appointed as the Director of the Board in 1993. She is currently the General Manager of Shiro Corporation Pte Ltd ("Shiro"), a wholly-owned subsidiary of Aztech. Ms Ng has more than 20 years of experience in Business Development, Marketing and Sales. She is responsible for the overall business development of Shiro. Ms Ng holds directorships in some of Aztech's subsidiaries.

Mr Jeremy Mun joined Aztech in 2002 and was appointed as the Director of the Board in 2006. He is in charge of managing the manufacturing operations of Aztech's Dong Guan factory. His responsibilities include overseeing factory efficiency, procurement and purchasing, human resource and finance of the plant. He holds directorships in some of Aztech's subsidiaries.

Mr Tan is the owner and Managing Director of PTOS Singapore Pte Ltd. He is a Fellow of the Chartered Institute of Management Accountants and a CPA. He has over 40 years of experience in banking, accounting, finance, marketing and sales, commercial and banking software development, consulting, manufacturing and entrepreneurship. Mr Tan was a Member of Parliament for 2 terms aggregating 7 years.

Mr Khoo is a practising Public Accountant for over 20 years. He is a council member of various sub-committees of the Institute of Certified Public Accountants, Singapore. Mr Khoo is the Treasurer and Council member of the Asean Federation of Accountants.

Mr Ng is a practising lawyer with over 25 years of experience. His practice focuses on corporate banking and finance. Mr Ng was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1982 and as a solicitor of the Supreme Court of England & Wales in 2000. He obtained a Master of Business Administration (Accountancy) in 2007 from Nanyang Technological University and is a Notary Public and a Member of the SGX-ST's and Catalyst's Appeals Committee.

# Senior Management



**1 Michael Lee Thiam Seong**  
Senior Vice President,  
Strategic Alliance

Mr Lee joined Aztech in 2006. He is responsible for developing strategic alliances for the Group and assisting in the management of new businesses undertaken by the Group. He brings with him 20 years of business, corporate and financial expertise. He holds a Bachelor's degree in Accounting with Computing from University of Kent, Canterbury, United Kingdom.

**2 Jason Saw Chwee Meng**  
Vice President,  
Research and Development

Mr Saw joined Aztech in May 2005. He is responsible for the planning, coordination, and execution of product designs and development handled by the R&D Centres and heads the technical support service team for the related products. He holds a Diploma in Electronics Engineering from Ngee Ann Polytechnic.

**4 Pavani Nagarajah**  
Vice President,  
Legal and Corporate Affairs

Ms Nagarajah joined Aztech in 1998 and heads the legal and corporate secretarial department, managing all legal matters of the Group. Ms Nagarajah also heads the departments of Investor Relations and Corporate HR, and is the Company Secretary and the Secretary of Aztech's Audit, Nominating and Remuneration Committees. She holds a Bachelor of Laws (Hons) degree and a Graduate Diploma in law from the National University of Singapore.

**3 Herman So Kam Hung**  
Vice President,  
Finance

Mr So joined Aztech in 2003. He is responsible for the Group's financial management and treasury functions. Mr So has over 10 years working experience in the finance, accounting and auditing fields. He holds a Bachelor's degree in Accountancy from Monash University, Australia. He is also an associate member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

**5 Sylvester Saw Cheng San**  
Senior Director,  
Information Technology

Mr Sylvester Saw joined Aztech in 1996. He is responsible for the Group's Information Technology and Communication management and planning. Mr Saw has over 20 years of working experience in the IT field. He holds a Diploma in Computer Studies from University of East London (formerly North East London Polytechnic).



# Aztech Electronics

*Aztech has built its core competencies on electronics products, supported by its manufacturing plant in Dong Guan, China and 3 R&D centres. We now design and manufacture a wide range of electronics, communications equipment and LED lighting products for ODM/OEM, Contract Manufacturing and Retail Brand Distribution.*

In FY2010, the Electronics sector continued to be the main revenue contributor to the Group's revenue with S\$204.37 million (representing 96.7% of Group revenue). This was an increase of 13.5% over the revenue in FY2009. Sales in Contract Manufacturing grew 79.6% to hit S\$116.07 million in FY2010, reflecting the recovery in electronics sectors worldwide.

## OEM/ODM

Aztech continued to work closely with telecommunications companies and Internet Service Providers (ISP) on the manufacturing of ADSL modems, powerline, 3G wireless and GPON products. Today, Aztech products are sold in 36 countries and used by 26 telcos & ISPs worldwide.

In March 2010, Aztech won a major contract to supply more than 180,000 units of 85Mbps HomePlug to a leading satellite television provider in North America. In April 2010, Aztech marked a milestone in its ADSL2/2+ broadband modem product by supplying more than 6 million units of ADSL modem to a leading telco in North America since 2007. This achievement reaffirms the continuous growth of ADSL and solidifies Aztech's long-running track record as a leading ADSL broadband equipment manufacturer and supplier.

In May 2010, Aztech forged a partnership with SoftAtHome to further enhance its product capabilities. SoftAtHome Operating Platform (SOP) has been integrated into Aztech's Home Gateway device, which enables the delivery of broadband and quadruple play services as well as innovative applications such as DLNA (Digital Living Network Alliance) content sharing, IPTV convergent services, advanced voice services and Wi-Fi scheduling in the Home Gateways.

## Contract Manufacturing

Contract Manufacturing is a key part of our electronics business, constituting 56.8% of the Electronics revenue. We provide complete Contract Manufacturing services for electronics PCBA assembly, plastic tooling, plastic injection and complete box built products.

With the Dong Guan plant at the helm of manufacturing operations, Aztech is capable of handling high volume and high mix productions. Aztech is committed to provide design excellence and high performance products with fast turnaround from transfer to mass production. The Group's resources and experience enable the Contract Manufacturing team to deliver vertically integrated manufacturing services that optimise quality and cost-competitive products with on-time shipment to customers.

## Aztech Brand Products

Aztech products reach 36 countries worldwide, with Europe, USA and Asia Pacific constituting the largest markets. In the year, we aggressively rolled out a suite of new products to tap on the burgeoning demand for wireless home networking and fibre-ready Gigabit products. They include:

- **Aztech HL110EW:** 200Mbps HomePlug AV 2-port Wireless-N Extender
- **Aztech HL110EP:** World's Smallest 200Mbps HomePlug AV Ethernet Adapter with AC Pass-Through
- **Aztech HL280E:** Asia's First Gigabit Powerline Adapter
- **Aztech GR7000:** 4-Port Wireless-N Gigabit Router



**With the tagline “Light Up with LED!”, the Group has won several contracts to provide LED lighting at commercial buildings, public facilities, schools and condominiums in Singapore, Hong Kong and other countries.**



AZ e-lite LED lighting



AZ e-Lite LED lighting installed at public housing of Aljunied Town Council

- **Aztech WL556E:** Portable 300Mbps Wireless-N Repeater

To promote the Aztech brand, the Group has intensified its marketing efforts. We sponsored the World Cyber Games 2010 Asian Championship held in July in Singapore, as well as showcased our broadband and home networking products at IDA's Infocomm Experience Centre (iExperience). We also reached out to the tertiary students by sponsoring tertiary Open House events.

## Accolades

In the year, our brand and products received many awards and good reviews from leading consumer technology magazines in Singapore, Hong Kong and Malaysia. Some accolades included:

- **Hardware Magazine Malaysia Brand Survey Awards:** Aztech voted second in “Wireless Networking” brand category.
- **Brand Finance Top 100 Singapore Brands:** Aztech ranked 77 with brand value of S\$39 million, enterprise value of S\$150 million and brand rating A.



Aztech's range of new home networking products

## LED Lighting

A new venture that the Group embarked on in 2010 is the design and manufacture of energy-saving, long-lasting and eco-friendly LED lighting products. The new subsidiary, AZ e-lite Pte Ltd, has expanded very quickly and launched a wide range of LED products, including LED Surface Mounted Lights, Downlights, Tubes, Ceiling Lights, Floodlights and Bulbs, to target both the commercial and retail markets.

With the tagline “Light Up with LED!”, the Group has won several contracts to provide LED lighting at commercial buildings, public facilities, schools and condominiums in Singapore, Hong Kong and other countries. We were awarded two major contracts by Aljunied Town Council and Jurong Town Council

to supply and install LED lighting for public housing, with a combined installation base of 357 blocks of HDB flats and 36 blocks of multi-storey car parks. This solidifies our position as the leading LED lighting provider for public housing in Singapore.

## Aztech Operations Review

Other projects include Singapore Changi Airport, Treelodge@Punggol, Kovan Market, The Heeren, National University of Singapore, Ngee Ann Polytechnic, Orchard Parksuites and Hardrock Hotel etc.

To promote the AZ e-lite brand, the Group also actively participated in several tradeshows and exhibitions in the year, including Hong Kong International Lighting Fair (Spring & Autumn Edition), Guangzhou International Lighting Exhibition, Build Eco Expo (BEX) Asia, International Greentech & Eco Products Exhibition & Conference Malaysia (iGEM), China (Guzhen) International Lighting Fair and Clean Energy Expo Asia.

## Moving Forward

The Group will continue to innovate to expand its product offerings for both broadband, home networking and LED lighting. We will also move more aggressively to launch LED lighting products to the retail market in Singapore, Hong Kong and other countries.





### Az United

Az United was started in 2008 as the Group's first project in its diversification strategy. Since its inception, Az United has secured a major contract and successfully executed and completed the project on time in 1Q2010 and contributed positively to the Group's performance.

Az United has since diversified further to continue the momentum moving forward. Today, it is a recognised player in the construction and infrastructure sector. It has participated in tenders and projects either directly or in partnership with well known players. To date, it has won a S\$2.80 million contract out of those it has participated with the remaining pending the outcome of evaluation. The contract, expected to complete in 2011, is for the supply and delivery of building materials for public infrastructure projects.

In addition, Az United has expanded its sourcing and procurement capabilities. It is now able to source directly across multiple sources and countries with expanded product offerings.

Moving forward, Az United is well

positioned to offer a one-stop solution to service the growing construction and infrastructure sectors. By leveraging on the Group's Marine business unit, it is capable of providing a compelling valued business proposition addressing the need of the construction and infrastructure sectors.

### Az Marine

Az Marine was the second project under the Group's diversification strategy, leveraging on the supply contract of Az United. Since its inception in 2Q2008, Az Marine has successfully recouped significant part of its investment through the supply contract of Az United and/or absorbed into the Group financials. This has positioned Az Marine with lower cost structure to compete effectively moving forward and for the long term.


Az Marine has since expanded into third-party chartering and transformed itself into a full-fledged marine transportation player in the market. As an independent marine transportation provider, Az Marine is being recognised alongside other established players in the

market. It has recently secured a S\$1.16 million contract to provide marine logistics services amidst a tough and challenging year for independent tug and barge operators following the US and European crisis.

Az Marine will continue to pursue its long-term growth strategy,

manoeuvre out of current down market and position itself to capitalise on market opportunity.

Az Marine currently owns a sizable fleet of vessels which will allow it to compete effectively. The 22 vessels include 11 tugs ranging from 2200BHP to 3600BHP, 9 barges between 300ft to

365ft, 1 crane barge and 1 support vessel. Az Marine was also accorded an interim International Safety Management (ISM) Code Certification by Bureau Veritas Singapore. The ISM Code is an international standard for the safe management and operation of ships and for pollution prevention. 



## Shiro Corporation




Another project of the Group's diversification strategy is the venture into the food industry with Shiro Corporation. Shiro targets the retail and food services market in Singapore and overseas with the mission of supplying restaurant grade quality food under the brand name of Jade.

Tapping on the Group's financial strengths, international sales/sourcing experiences and worldwide presence, Shiro has partnered with leading HACCP-certified food processing factories to produce a range of quality products to capture the growing frozen seafood and finger food as well as canned abalone and seafood market.

Through the year, Shiro has expanded its product offering with a range of food items such as canned abalone, canned seafood, canned crab meat, frozen finger food, frozen fish fillet and shrimp, pasta and olive oil. In Singapore, it has made

inroads into hotels, Chinese cuisine restaurants, chain restaurants, caterers, wholesalers, supermarkets and wet markets. For the overseas market, it has penetrated into countries like Malaysia, Philippines, Germany, Netherlands, France, Turkey, Lebanon and Chile.

In FY2010, revenue from food business and other areas contributed S\$4.86 million or 2.3% to the Group turnover. Going forward, Shiro will continue to expand its product offering and customer base both in Singapore and overseas to create a new revenue stream for the Group. 





Aztech staff participated in the "Walk for Our Children" to raise funds for charity

#### To Our Shareholders

The Group remains committed to maintaining open communications with shareholders, analysts and interested parties, and encouraging engagement with its senior management.

During the year, the Group released quarterly, interim and full-year results to the public on the average within 28 days of period end, and all materials relating to results and presentations were immediately made available on our website, after mandatory posting with the Singapore Exchange (SGX).

Through the investor relations team, the Group responded to enquiries from shareholders, media and other interested parties. The website of the Group is regularly updated to ensure shareholders stay on top of the latest happenings of the Group.

In the Governance and Transparency Index (GTI) conducted by The Business Times and National University of Singapore's Corporate Governance and Financial Reporting Centre, Aztech was ranked 33<sup>rd</sup> position, an improvement from our 111<sup>th</sup> position in 2009. The GTI scored 687 companies based on their governance standards, financial transparency and investor relations.

#### To Our Community

In keeping with the Group's philosophy to give back to the society, we participated actively in various community events and initiatives.

##### "Walk for Our Children"

A major fundraising event in support of the Singapore Children's Society was the "Walk for Our Children", an annual walk-cum-carnival event. The event held on 1 August 2010 at West Coast Park raised funds for 46,000 less privileged children, youth and families under the care of the society.

Besides participating in the Walk and raising funds through pledge card donations and sale of carnival coupons, Aztech sponsored a game stall at the Food & Games Carnival with prizes contributed by Aztech staff and partners.

##### Blood Donation Drive

Every year in Singapore, 100,000 units of blood are needed to treat the ill and injured. To do our part to increase blood deposits in Singapore, the Group initiated a blood donation drive among

its staff in the Singapore office. The good Samaritans reported at Health Sciences Authority's blood bank on 29 October 2010 to make the donation.

##### Extending a Helping Hand

2010 was marked by some devastating disasters, such as the Qinghai earthquake on 14 April 2010 that killed more than 2,000 people, Gansu landslide on 8 August 2010 that killed more than 1,000 people and Pakistan floods that left over 2,000 dead and millions homeless.

To express our grief and sympathies for the victims and to support the affected people for relief and rehabilitation,

in our head office in Singapore and non-essential lights at our manufacturing plant in Dong Guan during Earth Hour on 27 March 2010. Nonetheless, we ensured that our OH&S guidelines/standards and emergency lighting and security systems were adhered to and remained on as normal.

Another green event we participated was Earth Day 2010 on 22 April 2010, which marked the 40<sup>th</sup> anniversary of the global initiative intended to raise awareness of environmental issues. In celebration of Earth Day, staff came to office dressed in different shades of green. In addition, all dustbins were removed from the Singapore head office for a week to encourage staff to make use of the recycling bins for recyclable items such as paper, plastic and cans.

#### To Our People

Staying true to our mission of empowering employees with resources, skills and knowledge, the Group continuously

looks to develop the potential of our staff through nurturing and upgrading their skills.

In FY2010, apart from sending our staff for skills upgrading courses and training, we mapped out a series of soft skills and productivity training that helps to improve their interpersonal skills and productivity.

To engage our staff, the Group actively encouraged them to participate in our Corporate Social Responsibility (CSR) activities, such as Aztech Green Movement Drive, charity events and blood donation. Other regular bonding activities, such as Exercise Day, Fruit Day, birthday celebrations, Dinner & Dance and health talks, were also held to ensure that our staff stay healthy and connected.

Recognising that an open communication channel allows for greater motivation, we also conducted employee satisfaction survey and dialogue session with our Group Chairman and CEO during the year. !f



Blood Donation Drive and fundraising in aid of the China landslide and Pakistani flood victims

## Highlights of the Year

### 2010 EVENTS



**JANUARY**  
Sponsorship of  
Polytechnics'  
Open Houses



**MARCH**  
IT Show,  
Sponsorship of  
NUS & NTU  
Open Houses



**APRIL**  
Hong Kong  
International  
Lighting Fair  
(Spring Edition)

**JUNE**  
Guangzhou  
International  
Lighting Exhibition,  
PC Show

**JULY**  
Sponsorship of  
World Cyber  
Games Asian  
Championship,  
Showcase of  
home networking  
products@  
iExperience

**AUGUST**  
Hong Kong  
Computer Show



**SEPTEMBER**  
Comex, Build Eco  
Expo (BEX) Asia,  
China International  
SME Fair



**OCTOBER**  
Hong Kong  
International  
Lighting Fair  
(Autumn Edition),  
China (Guzhen)  
International  
Lighting Fair,  
International  
Greentech &  
Eco Products  
Exhibition &  
Conference  
Malaysia (iGEM)

**NOVEMBER**  
Clean Energy Expo  
Asia, Sitex

## Financial Calendar

FY2010

#### ANNOUNCEMENT OF RESULTS

1st Quarter	22 APR 2010
2nd Quarter	23 JUL 2010
3rd Quarter	20 OCT 2010
Full Year	16 FEB 2011

#### DIVIDEND PAYMENT DATES

Interim	27 AUG 2010
Final	12 MAY 2011
Annual Report and Accounts Issued On	18 MAR 2011

FY2010 Annual General Meeting

8 APR 2011



# A to Z



## Creating Value. Delivering Solutions.

In the world of tomorrow,  
Aztech aspires to be a  
dynamic corporation  
recognised for Value,  
Innovation and Excellence.

**25<sup>th</sup> Aztech Anniversary**  
1986 - 2011  
*Expanding Our Reach*

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