



1 Q 2007 Analyst & Media briefing
26th April 2007

Michael Mun
Chairman & CEO
Aztech Systems Ltd

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Agenda

1. 1Q 2007 Review & Financial Highlights
2. Outlook for 2Q 2007
3. Corporate Updates



Data Communications



Voice Communications

A Strong Start for 2007

Comparing 1Q 2007 with 1Q 2006

❖ Turnover up 21% to

S\$55.83 million



❖ Net profit up 79% to

S\$3.81 million



❖ EBITDA up 39% to

S\$6.37 million



❖ Basic EPS up 75% to


0.93 cents





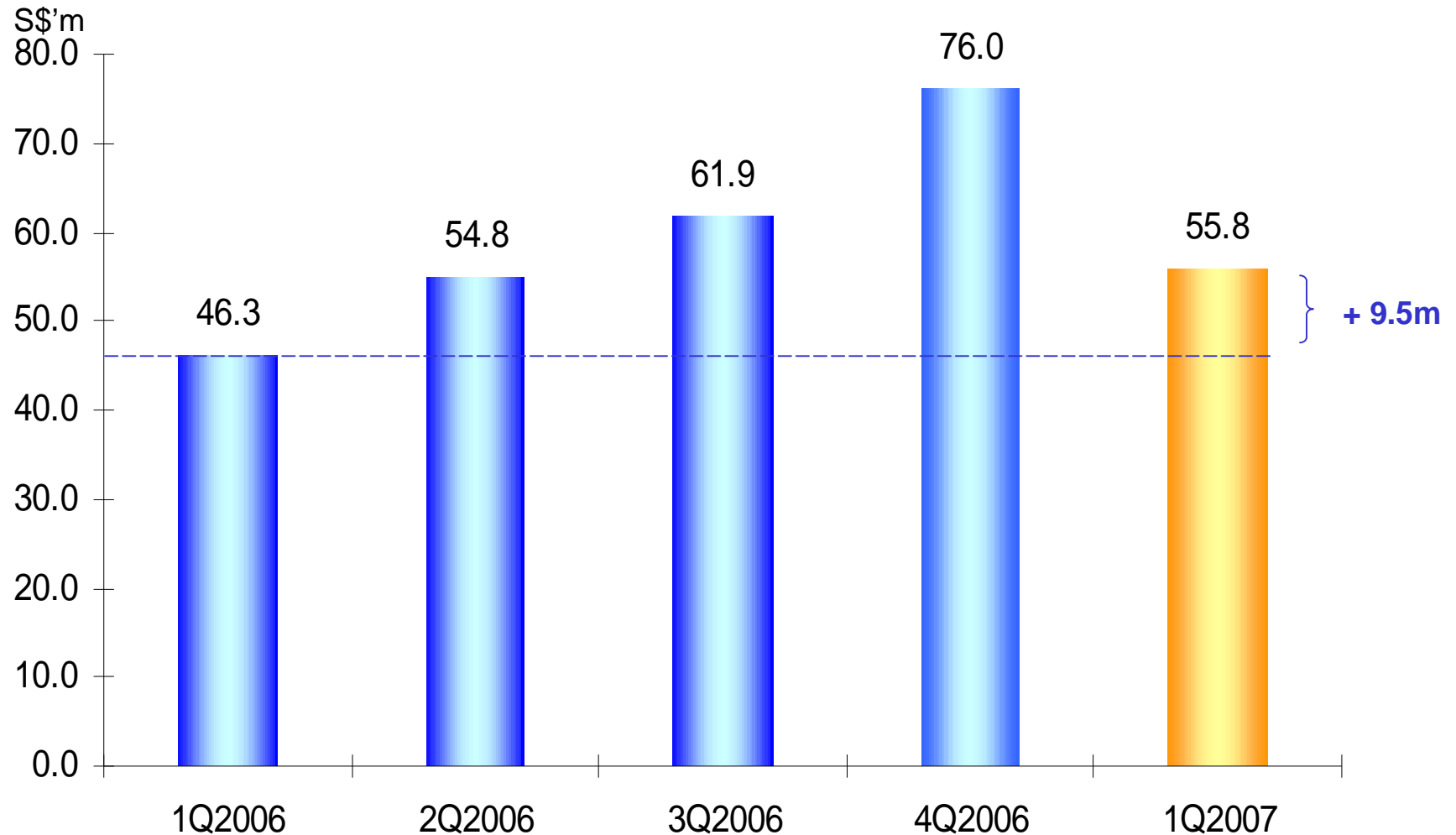
1Q 2007 Review

Contributors to a continuous growth

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- ❖ ODM/OEM accounted strongest contribution while Contract Manufacturing remains on its strong growth path
 - ❖ Continued success in focusing on providing higher margin products and Contract Manufacturing services
 - ❖ Witness continuous repeat orders from existing customers

1Q 2007 Turnover

1Q 2007  **21% vs 1Q 2006**

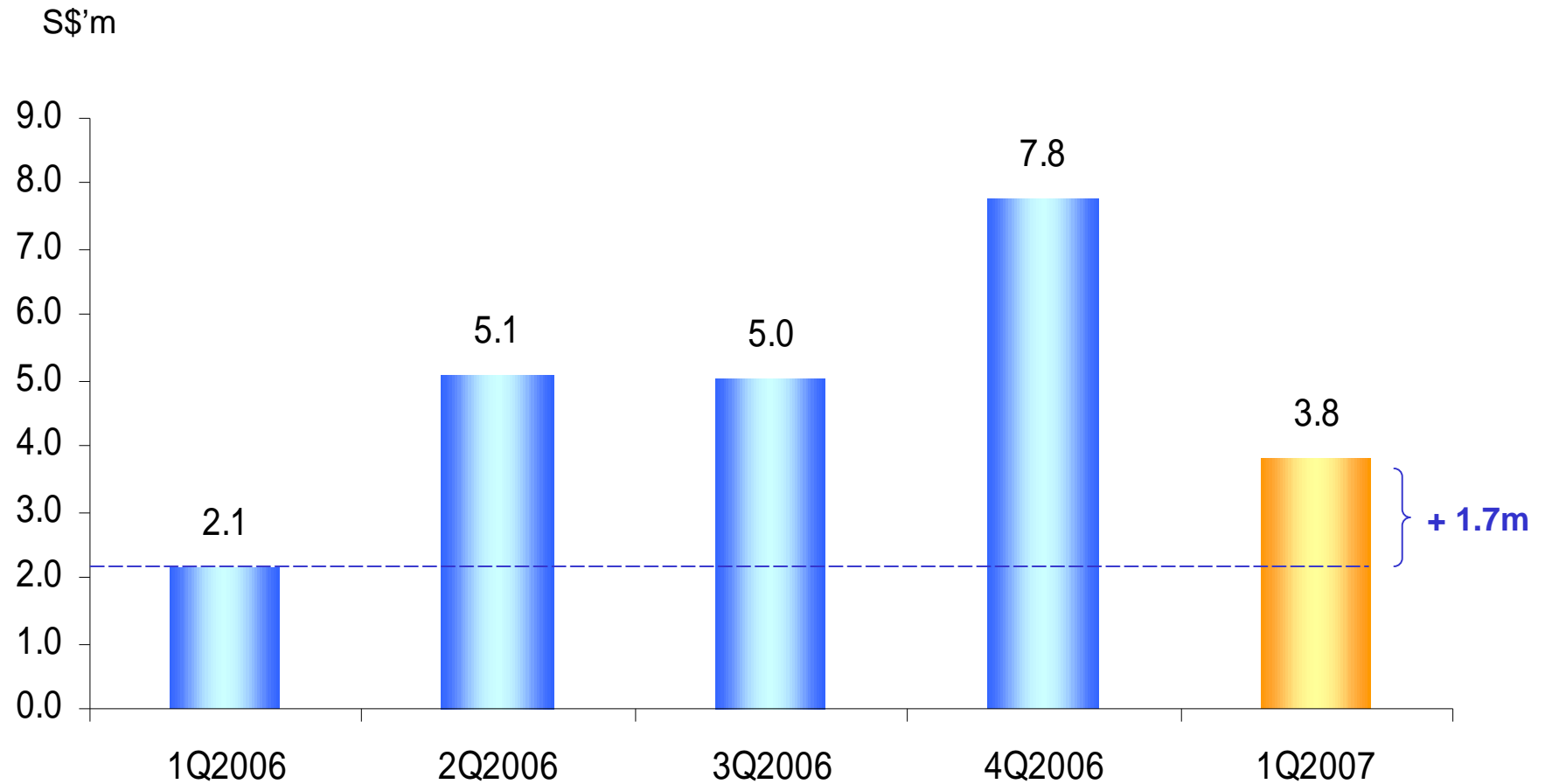


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**1st quarter factory only operated 2.5 months instead of 3 months
due to Chinese New Year holidays in China**

1Q 2007 Net Profit


1Q 2007  **79% vs 1Q 2006**





Improved margin

•Improved profitability due to:

- 
- ❖ Selling products with latest technology and improved features to the upgrade market
 - ❖ Providing value added service and vertically integrated manufacturing technology to its Contract Manufacturing customers
 - ❖ Improving the efficiency of the Group's manufacturing operation
 - ❖ Continued cost down program through reduction of bill of materials costs and design optimization by in-house R&D



Financial Highlights

	1Q 2007	1Q 2006	Change
	(S\$' m)	(S\$' m)	(%)
Turnover	55.83	46.32	21%
Gross Profit	10.68	7.76	38%
Gross Profit Margin (%)	19%	17%	2%
Profit from Operations	4.67	2.83	65%
Net Profit After Tax	3.81	2.13	79%
EBITDA*	6.37	4.58	39%
Basic EPS (cents)*	0.93	0.53	75%

*Refers to 1Q 2007 result



Balance Sheet Highlights

	1Q 2007	FY2006	Change
	(S\$' m)	(S\$' m)	(%)
Current Assets	114.41	116.00	(1%)
>> Including cash & bank balance	34.50	29.18	18%
Current Liabilities	59.07	63.68	(7%)
Working Capital	55.34	52.32	6%
Non-Current Assets	33.89	34.19	(1%)
Non-Current Liabilities	4.51	5.61	(20%)
Total Assets	148.30	150.19	(1%)
Total Liabilities	63.58	69.28	(8%)
Shareholders' Funds	84.73	80.91	5%

Key Financial Ratios

	1Q 2007	FY2006
Net Profit Margin	6.8%	8.4%
Current Ratio (x)	1.9	1.8
Quick Ratio (x)	1.2	1.2
Inventory (S\$m)	44.1	36.6
Inventory turnover(Day)	90	74
Debtors (S\$m)	33.2	48.0
Debtor turnover(Day)	65	61
Creditors (S\$m)	31.9	36.3
Creditors turnover(Day)	76	62
Gearing ratio (x)	0.25	0.25
ROE*	4%	25%
ROA*	3%	13%
Capital Expenditure (S\$m)	0.7	6.2

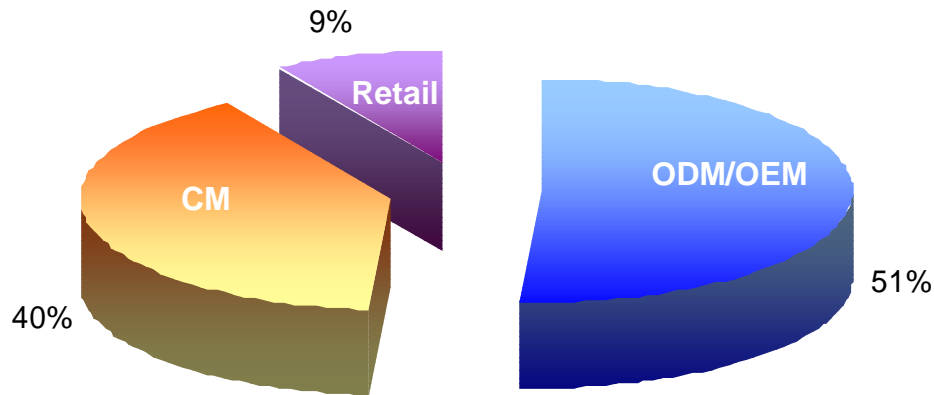


Cash Flow

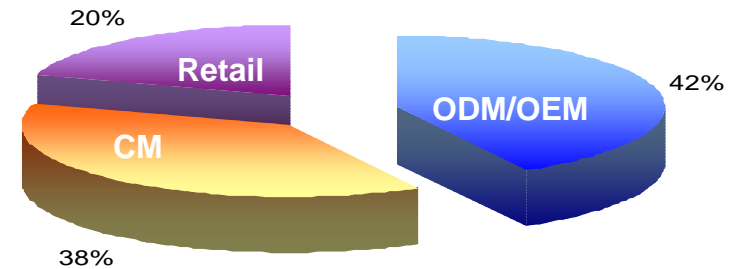
	1Q 2007	1Q 2006
	(S\$,000)	(S\$,000)
Profit before income tax	4,238	2,222
Depreciation and amortisation	1,831	1,885
Working capital changes	360	(517)
Interest & tax paid	(327)	(496)
Others	127	(126)
Net cash from operating activities	6,229	2,968

Turnover by Business Segments

1Q 2007



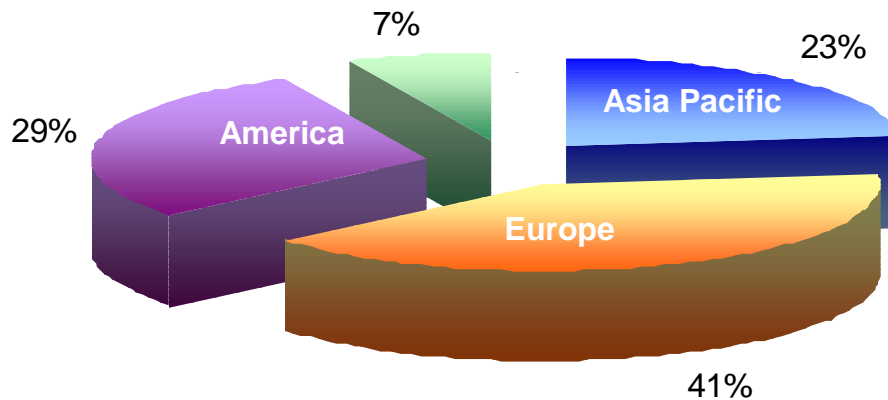
1Q 2006



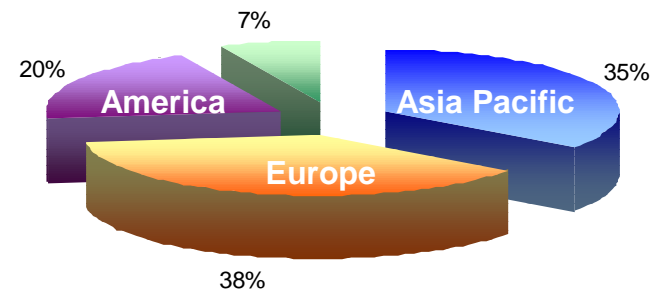
	1Q 2007		1Q 2006		% Change
	(S\$' m)	%	(S\$' m)	%	
ODM/OEM	28.3	51%	19.6	42%	44%
Contract Manufacturing	22.6	40%	17.6	38%	28%
Retail	4.9	9%	9.1	20%	(46%)
Total	55.8	100%	46.3	100%	21%

Turnover by Geographical Segment

Q1 2007



Q1 2006



	1Q 2007		1Q 2006		% Change
	(S\$' m)	%	(S\$' m)	%	
Europe	22.8	41%	17.4	38%	31%
North & South America	16.3	29%	9.4	20%	73%
Asia Pacific	13.0	23%	16.3	35%	(20%)
Others	3.7	7%	3.2	7%	16%
Total	55.8	100%	46.3	100%	21%



Outlook



Order Book

(S\$m)

Year to Date orders (as of 25th April 07)

138

- ❖ 1Q 2007 sales = S\$55.83 million
- ❖ 1H 2006 sales = S\$101.08 million



Prospect & Market Outlook

2Q 2007 Outlook

- ❖ Foresee sustainable demand for our products and services

- ❖ New Contract Manufacturing customers
 - ❖ Bluetooth headset
 - ❖ DECT phone

- ❖ New product launch (e.g. RC-helicopter, Skype™ products)

- ❖ Continued focus and emphasis on improving manufacturing efficiency and productivity

New Business Division

Youth Electronics

- ❖ To diversify into new product line, Aztech enters into new business for the youth electronics – Aztech remote control helicopter
- ❖ 1st preview in April at Hong Kong Electronic Fair (Spring) 2007
- ❖ Unique feature of 4-channel remote control



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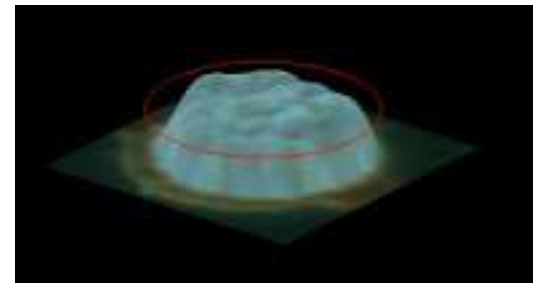
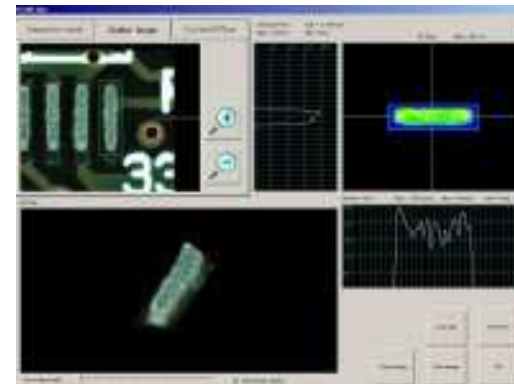
Corporate Update

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Factory Updates

- ❖ Installation of new Automated Optical Inspection (AOI) equipment
- ❖ Reduce manufacturing costs and automate quality control



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*Performs highly precise post-printing, post-placement
and soldered component inspections*



Investor Relations

- ❖ Aztech ranked 14th in the recent Corporate Transparency Index by Singapore Business Times

- ❖ Participated in the following road shows
 - ❖ DBS Corporate Day 2007 in Hong Kong, 5th March 07
 - ❖ CIMB Technology Conference in Singapore, 23rd March 07

- ❖ Recruited new Investment Relations Manager
 - ❖ Mr Tay Chiew Sheng
 - ❖ Email: tay.chiew.sheng@aztech.com



Thank You

This Presentation is available on our website, please visit
www.aztech.com/investor.htm

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