



**AUTRON CORPORATION LIMITED**  
Autron Group of Companies

**Annual Report 2001**



**Expanding Horizon**

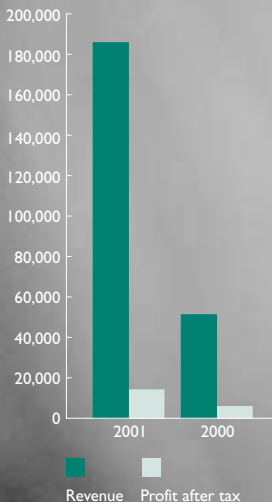
# With another year of significant achievements

## Financial Highlights (A\$)

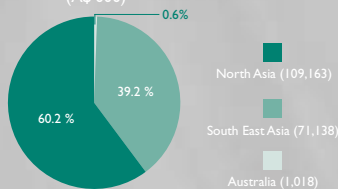
	2001 (\$'000)	2000 (\$'000)	Change
<b>Continuing Operations</b>			
Revenue	181,320	44,523	+307%
EBIT	20,064	8,152	+146%
Profit after tax	15,169	5,615	+170%
* Earnings per Share (¢)	3.2	2.3	
<b>Group</b>			
Revenue	185,723	51,169	+263%
EBIT	18,920	8,349	+127%
Profit after tax	14,015	5,299	+164%
Dividend - Interim (Franked) (0.5¢ per share)	2,472	-	
Final (Unfranked) (0.5¢ per share)	2,582	2,392	
* Earnings per Share (¢)	2.9	2.1	
* Net tangible assets per share (¢)	8.8	8.0	

\* Adjusted for share split

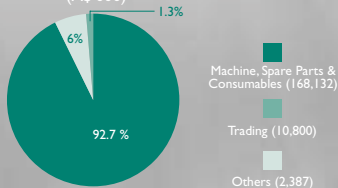
## Revenue and Profit After Tax (A\$'000)



## Revenue by Region (A\$'000)



## Revenue by Division (A\$'000)



# Corporate Philosophy

Our corporate philosophy is centred upon providing higher value-added services to our customers by continuously enhancing our various design, manufacturing, logistics management and technology support capabilities.

We would always strive to uncover new distribution opportunities and to forge creative marketing alliances with major manufacturers through strategic partnerships as in product development, branding and market penetration.

Our aim is to be a fully integrated marketing/distribution group of companies which supply and install capital equipment and provide services to the entire spectrum of the electronics industry on a global basis.



Pursuing a collaborative strategy with our business partners is the key to our significant success and the secret to creating sustainable **value** for our shareholders.

# Corporate Data

## Board of Directors

Leong Yew Cheong (*Executive Chairman*)  
 Tan Cheng Leong (*Group Managing Director*)  
 Elvin Loh Boon Kee (*Executive Director*)  
 Samuel Wu Man Fan (*Executive Director*)  
 Paul Damian McClean  
 Professor Hang Chang Chieh  
 Warwick Desmond Davies  
 Geraldine Ong Siew Ting  
 Michael Chye Hin Fah

## Remunerations Committee

Professor Hang Chang Chieh (*Chairman*)  
 Mr Leong Yew Cheong  
 Mr Warwick Desmond Davies

## Audit Committee

Mr Michael Chye Hin Fah (*Chairman*)  
 Mr Leong Yew Cheong  
 Ms Geraldine Ong Siew Ting

## Company Secretary

Mr Mourice Reginald Garbutt, CPA, FCIS, JP

## Registered Office

Level 9, 432 St. Kilda Road  
 Melbourne, Victoria 3004, Australia  
 Tel : (613) 9820 5322  
 Fax : (613) 9821 4661

## Corporate Office

No. 24 Raffles Place  
 #26-02 Clifford Centre  
 Singapore 048621  
 Tel : (65) 538 7055  
 Fax : (65) 536 9790

## Global Headquarters

10 Upper Aljunied Link, #04-09  
 York International Industrial Building  
 Singapore 367904  
 Tel : (65) 280 6443  
 Fax : (65) 280 1585

## South-east Asia Regional Office

10 Upper Aljunied Link, #02-07/08  
 York International Industrial Building  
 Singapore 367904  
 Tel : (65) 285 9220  
 Fax : (65) 285 6639

## North Asia Regional Office

Units 907-909, Lu Plaza  
 2 Wing Yip Street, Kwun Tong  
 Kowloon, Hong Kong  
 Tel : (852) 2628 0288  
 Fax : (852) 2628 0111

## Share Registrar and Share Transfer Office in Australia

**Gould Ralph Pty Ltd** (ACN 091 560 913)  
 Level 40, AMP Centre  
 50 Bridge Street  
 Sydney, New South Wales 2000, Australia

## Share Transfer Agent and Transfer Office in Singapore

**Lim Associates (Pte) Ltd**  
 10 Collyer Quay, #19-08  
 Ocean Building  
 Singapore 049315

## Auditors

**Ernst & Young**  
 120 Collins Street  
 Melbourne, Victoria 3000, Australia

## Legal Advisers

**Deacons**  
 Level 24, 385 Bourke Street  
 Melbourne, Victoria 3000, Australia

## Rajah & Tann

4 Battery Road, #26-01  
 Bank of China Building  
 Singapore 049908

## Principal Bankers

**Overseas Union Bank Limited**  
 1 Raffles Place  
 OUB Centre  
 Singapore 048616

## Standard Chartered Bank

6 Battery Road  
 #01-00/08-00  
 Singapore 049909

## Development Bank of Singapore

DBS Building Tower One  
 6 Shenton Way  
 Singapore 068809

## Oversea-Chinese Banking Corporation Limited

65 Chulia Street  
 OCBC Centre  
 Singapore 049513

## The HongKong and Shanghai Banking Corporation Limited

Eastern Southern District  
 Commercial Banking Centre  
 15/F Hennessy Centre  
 500 Hennessy Road  
 Causeway Bay, Hong Kong

## National Australia Bank Limited (ACN 004 044 937)

424, St. Kilda Road  
 Melbourne, Victoria 3004, Australia

# Corporate Addresses

The Company has an established Asia Pacific marketing/distribution network which includes:

## SINGAPORE

### Autron Corporation Limited (Global Headquarters)

10 Upper Aljunied Link, #04-09  
York International Industrial Building  
Singapore 367904  
Tel : (65) 280 6443  
Fax : (65) 280 1585  
URL : www.autroncorp.com

### Autron Corporation Limited (Corporate Office)

No. 24 Raffles Place  
#26-02 Clifford Centre  
Singapore 048621  
Tel : (65) 538 0375 / 538 7055  
Fax : (65) 536 9790  
Email : enquiries@autroncorp.com  
URL : www.autroncorp.com

### Niche Tech Pte Ltd

10 Upper Aljunied Link, #02-07/08  
York International Industrial Building  
Singapore 367904  
Tel : (65) 285 9220  
Fax : (65) 285 6639  
Email : enquiries@nichetech.com.sg  
URL : www.nichetech.com.sg

### Niche Tech Pte Ltd

12 Harper Road  
#04-00 Landex House  
Singapore 369677  
Tel : (65) 285 8367  
Fax : (65) 283 4860

### Autron Tech (Semicon) Pte Ltd

10 Upper Aljunied Link, #02-07/08  
York International Industrial Building  
Singapore 367904  
Tel : (65) 285 9220  
Fax : (65) 285 6639  
Email : autrontech@autroncorp.com  
URL : www.autrontech.com

### Smartag (S) Pte Ltd

Block 4010, Ang Mo Kio Avenue 10  
#07-12 Tech Place 1  
Singapore 569626  
Tel : (65) 452 6050 / 451 4875  
Fax : (65) 553 6139  
Email : tslian@smartag.com.sg  
URL : www.smartag.com.sg

## MALAYSIA

### Niche Tech (M) Sdn Bhd

4 Pesiaran Bayan Indah  
Bayan Bay, Sungai Nibong  
11900 Penang, Malaysia  
Tel : (60)(4) 646 4566  
Fax : (60)(4) 646 4559

### Niche Tech (M) Sdn Bhd

S/2D/10/2 South View, One Ampang Avenue  
Jalan Ampang Utama 2/1 6800, Ampang Jaya Selangor  
Kuala Lumpur, Malaysia  
Tel : (60)(3) 457 3995  
Fax : (60)(3) 457 4155

### Austratech Corporation (L) Berhard

Level 2, Lot 18, Lazenda Commercial Centre  
Phase 3, Jalan OKK Abdullah, 87000 Wilayah  
Persekutuan Labuan, Malaysia  
Tel : (6087) 420 255  
Fax : (6087) 420 266

### American Tec Company (L) Berhard

Level 2, Lot 18, Lazenda Commercial Centre  
Phase 3, Jalan OKK Abdullah, 87000 Wilayah  
Persekutuan Labuan, Malaysia  
Tel : (6087) 420 255  
Fax : (6087) 420 266

## INDONESIA

### Representative Office

#### Niche Tech Pte Ltd

PD Pasar Jaya Pasar Pagi, Jl. Petak Baru  
Blok A Lantai L02 No. 009  
Jakarta 11230, Indonesia  
Tel : (6221) 693 0108  
Fax : as above

## THAILAND

### Niche Tech (Thailand) Co. Ltd

34/2 Moo. 3 Soi, Duangthong, Bangkruey-Sainoi Road  
Bangrak-Pattana, Bangbua-Thong  
Nonthaburi 11110, Thailand  
Tel : (662) 920 6355-61  
Fax : (662) 920 6354

### Niche Tech (Thailand) Co. Ltd

122/30 T. Bariklang  
A. Muang, Lumpun, Thailand  
Tel : (6653) 552 133  
Fax : as above

## PHILIPPINES

### Representative Office

#### Niche Tech Pte Ltd

6/F, Unit B, Philamlife Building  
Madrigal Business Park, Alabang  
Muntinlupa City, Philippines  
Tel : (63)(2) 842 7971 / 842 1009  
Fax : (63)(2) 842 4035

## AUSTRALIA

### Autron Corporation Limited (Regional Office)

Level 9, 432 St. Kilda Road  
Melbourne, Victoria 3004, Australia  
Tel : (613) 9820 5322  
Fax : (613) 9821 4661  
Email : enquiries@autroncorp.com.au  
URL : www.autroncorp.com

### Vision Tech Pty Ltd

Level 9, 432 St. Kilda Road  
Melbourne, Victoria 3004, Australia  
Tel : (613) 9820 5322  
Fax : (613) 9821 4661  
Email : ctsim@autroncorp.com.au  
URL : www.autroncorp.com

### Vision Tech Pty Ltd

Unit 3, 50-54 Howleys Road, Notting Hill  
Melbourne, Victoria 3168, Australia  
Tel : (613) 9545 5322  
Fax : (613) 9545 5488

### HONG KONG

#### American Tec Co. Ltd

Units 907-909, Lu Plaza 2  
Wing Yip Street, Kwun Tong  
Kowloon, Hong Kong  
Tel : (852) 2628 0288  
Fax : (852) 2628 0111  
Email : Marketing@AmericanTec.com  
URL : www.americantec.com.hk

### CHINA

#### American Tec Co. Ltd

Tianjin Office, Room AO, 24/F, Yun Xiang Mansion  
No. 72-74, Xikang Road, Heping District  
Tianjin 300074, People's Republic of China  
Tel : (8622) 8385 0410  
Fax : (8622) 8385 0415  
Email : amtectj@public.tpt.tj.cn

#### American Tec Co. Ltd

Shanghai Office, Room 2005-2007  
322 Xianxia Road, Shanghai Singular Mansion  
Shanghai 200336, People's Republic of China  
Tel : (8621) 6219 4580  
Fax : (8621) 6208 0948  
Email : amtec-sh@americantec.com.cn

#### American Tec Co. Ltd

Shenzhen Office, Room 101-106  
Block 2, No. 1001  
Honghua Road International  
Exhibition & Commerce Centre  
Futian Free Trade Zone  
Shenzhen, People's Republic of China  
Tel : (86755) 359 2220 / 359 2900  
Fax : (86755) 359 2221  
Email : amtecsz@public.szptt.net.cn

#### American Tec Co. Ltd

Chengdu Office, Room 515, Tian Tai Hotel  
No. 7, Yushuang Road, Chengdu  
Sichuan, People's Republic of China  
Tel : (8628) 433 8422 / 432 1089  
Fax : (8628) 432 1089  
Email : amteccd@mail.sc.cninfo.net

#### American Tec Co. Ltd

Beijing Office, Room 515-516, Beiao Plaza  
No. 2A, Huixin East Street, Chao Yang District  
Beijing 100029, People's Republic of China  
Tel : (8610) 8488 7509  
Fax : (8610) 8488 7507  
Email : amtecbj@midwest.com.cn

#### American Tec Co. Ltd

Suzhou Office, Room 605, I Flat  
No. 636, Gan Jiang Dong Road  
Suzhou, People's Republic of China  
Tel : (8621) 6219 4580  
Fax : (8621) 6208 0948

### American Tec Co. Ltd

Dongguang Office, Room 501, Tao Yuan Hotel  
No. 101-103, Dong Feng South Road  
Xin Cheng Area, Shi Jie Town, Dongguang City  
Guang Dong Province, People's Republic of China  
Tel : (86769) 6313 288 ext 402  
Fax : (86769) 6312 288

### American Tec Co. Ltd

Nanjing Office, Room 203  
Block I, 203 Ning Hai Road  
Nanjing 210024, People's Republic of China

### American Tec Co. Ltd

Xi'an Office, Room 707, 7/F, Hong Yang Building  
No. B-18, Dong Tao Yuan, South Tuo Road, West Depart Xi'an  
Shanxi 710075, People's Republic of China  
Tel : (8629) 426 7918  
Fax : (8629) 423 3105

### TAIWAN

#### Taiwan Autron Corporation

6F #15, Chin Kuo Road, Taoyuan  
Republic of China, Taiwan  
Tel : (886)(2) 2999 3966  
Fax : (886)(2) 2999 3977 / 2995 4201



## Board of Directors



**Mr Leong Yew Cheong**  
Executive Chairman

Mr Leong Yew Cheong co-founded Niche Tech in 1989. He has more than 12 years experience in the industry. Mr Leong is also a member of the Audit & Remunerations Committees.



**Mr Tan Cheng Leong**  
Group Managing Director

Mr Tan Cheng Leong has more than 13 years of international banking and financial consultancy experience. He is responsible for the growth of Autron Group.



**Mr Elvin Loh Boon Kee**  
Executive Director

Mr Elvin Loh Boon Kee co-founded Niche Tech Group in 1989. He has more than 20 years experience in the industry and is responsible for Group operations in the South-east Asia region.



**Mr Samuel Wu Man Fan**  
Executive Director

Mr Samuel Wu Man Fan co-founded American Tec Group and has extensive experience in the electronics industry and distribution in China. He is responsible for the Group's business in North Asia region.



**Mr Paul Damian McClean**  
Non-Executive Director

Mr Paul Damian McClean has over 18 years experience in the banking, finance and investment industry. As the National Business head director of Citicorp's Private Equity investment business in Australia, he is responsible for the investment and growth of Citicorp's private equity investment portfolio in Australia.



**Mr Warwick Desmond Davies**  
Non-Executive Director

Mr Warwick Desmond Davies was in the hospitality industry, owning and managing several hotels prior to his appointment to the Board in 1997. Mr Davies is also a member of the Remunerations Committee.



**Professor Hang Chang Chieh**  
Non-Executive Director

Professor Hang Chang Chieh is executive deputy chairman of the National Science and Technology Board (NSTB). He is also the Chairman of the Remunerations Committee. He is well renowned in the field of electronic engineering, specifically in the area of adaptive and intelligent control systems.



**Ms Geraldine Ong Siew Ting**  
Non-Executive Director

Ms Geraldine Ong Siew Ting is an advocate and solicitor of the Supreme Court of Singapore. She was a legal adviser with the Singapore Government from 1988-1989. She is also a member of the Audit Committee.



**Mr Michael Chye Hin Fah**  
Non-Executive Director

Mr Michael Chye Hin Fah is Chairman of the Audit Committee. He has more than 16 years of experience in international finance, investment and management. He is the managing director of Silvercord Capital (Singapore) Limited, involved in fund management, direct investments and corporate finance.

## Chairman's Statement

On behalf of the Board of Directors, I am pleased to again announce another year of outstanding performance of the company and its subsidiaries.

Our sales revenue on continuing operations increased by 307% to \$181.3 million and profit after tax increased by 170% to \$15.2 million. Profit before tax rose to \$18.4 million, an increase of 146% compared with the same period in 2000 while EBITDA rose by 140% to \$21.79 million. Earnings per share (EPS) stood at 3.2 cents.

Group profit after tax for the total operations increased to \$14.02 million even after accounting for loss on discontinuing operations. Earnings per share of 2.9 cents compares favourably to 2.1 cents for the preceding year, adjusted for the 4:1 share split in August 2000.

As at 30 June 2001, our financial position remains robust with \$17.2 million in cash and \$1.6 million in borrowings.

These impressive results confirm the success of the Company's business model which is grounded on its fundamental capability in delivering quality products and services to the electronics manufacturing industries in the Asia Pacific by establishing the most extensive distribution network for principals who want to penetrate into this high-growth market.

We have continued to perform satisfactorily since our diversification in January 1999 into the new core business of electronics capital equipment distribution and systems integration. Rewarding shareholders and the maximization of shareholders' value are key to the corporate objectives of Autron along with strong business performance, prudent financial management and good corporate governance. In meeting these objectives over the last few years since its listing, the Company has established a solid track record amongst institutional and retail investors in Australia and was recently re-rated and included as a component stock in the S&P/ASX 200 Index from S&P/ASX 300 Index.

The Company has also made a strong debut on its dual listing in Singapore in May 2001. However, like the share prices of many

companies, Autron's share price has come off to new lows recently in line with current market conditions. As such, the Board of Directors feels very strongly that it is most appropriate at this time to buy back a substantial amount of its shares at current low prices to maximize shareholders' value.

The Company will continue to do its best and believe that as long as it continues to maintain its strong performance, it would attract a good following, especially amongst institutions in Singapore and Australia.

As our Group Managing Director, Mr Tan Cheng Leong explained recently, "It is not easy to understand our business. Simply put, we are in the niche market of equipment supply where the competitors are few, where margins are still the most robust, where North Asia is the fastest growing segment of this niche market which is where Autron has the largest and the most complete network."

The outstanding results would not have been possible if not for the dedication and commitment of management and staff. I would like to thank them for their hardwork and loyalty. I am also grateful to my fellow directors for their support and wise counsel.

On behalf of the Board, I would like to thank all shareholders for their continued support. I would also like to especially welcome our new shareholders from Singapore. Over the last year, the number of shareholders has increased to more than 4,000.



**Leong Yew Cheong**  
Executive Chairman

# Operational Review

## Financial Performance

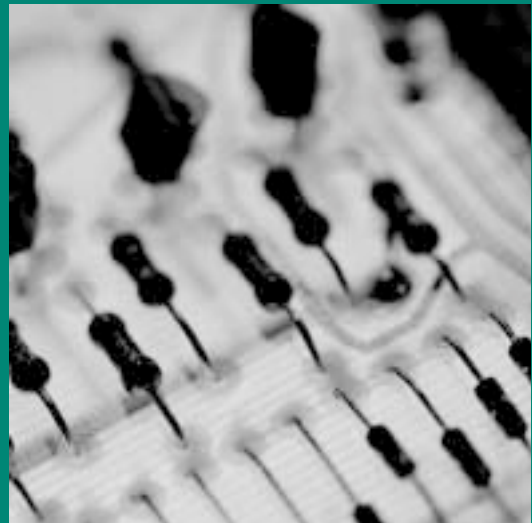
Our company continued to grow from strength to strength with yet another outstanding set of results for the year ended 30 June 2001 with 307% surge in revenue to \$181.3 million and 170% leap in profit after tax to \$15.2 million on continuing operations. Profit before tax rose to \$18.4 million, an increase of 146% compared with the same period in 2000 while EBITDA rose by 140% to \$21.79 million.

In a decisive move amidst the current worldwide recession, the Company closed its consumer IT peripheral distribution business in Australia. All costs associated with closure were provided as at 30 June 2001 and there will be no further expenses associated with this business in the future. The costs arising from the discontinuation of this business amounted to \$1.15 million, resulting in a final profit after tax of \$14.02 million.

This impressive performance comes primarily from a significant increase in equipment sales and servicing income in North Asia, mainly China. In addition, the Group had also secured significant sales of consumable materials through its trading activities which contributed substantially to its profits.

Newly acquired subsidiary company, American Tec was the largest contributor with revenue of \$109.2 million and profit after tax of \$10.3 million.

Niche Tech continued to perform strongly with total revenue up a healthy 62.6%. Net profit after tax was up 14.2% after adjusting for foreign exchange gains.



### Future Growth

The company's strategic decision to focus its efforts and resources in the North Asian Region through the acquisition of American Tec Co. Ltd (AmTec) in July 2000 in anticipation of the huge influx of electronics manufacturers to China from Europe, America, Japan, Taiwan and South-east Asia, is a positive and correct move and we are now reaping the rewards from the acquisition. It also confirms the success of the Company's business model which is grounded on its fundamental capability in delivering quality products and services to the electronics manufacturing industries in the Asia Pacific through the most extensive distribution network for principals who want to penetrate this high growth market."

American Tec Co. Ltd, which it acquired, complete the Group's Asia Pacific network.

Autron is now in the strongest position to service Asia's electronics manufacturing. According to global researchers, Prismark, Asia currently accounts for a quarter of the world's output of electronics worth US\$913 billion. In 10 years' time, world electronics production will increase by four times in Asia. By then, Asia would contribute half of the world's volume.

Even within Asian manufacturing, most of the growth is expected to come from China. Autron's subsidiary based in Hong Kong,



Whilst there are concerns over the current economic outlook in general and the global electronics manufacturing in particular, Autron is uniquely positioned to benefit substantially from its market niche which it dominates in Asia. In terms of timing and location, it is appropriately poised to meet the strong demand from the strongest market in electronics manufacturing today - China.

In particular, there continues to be a shift in manufacturing to the Asia-Pacific Region, especially to China. China's impending entry into the World Trade Organisation will only reinforce this trend. Despite a slowing global economy and while other export-driven Asian economies are adversely affected by the slowdown, China continues to see strong growth this year. The current outlook is positive for companies, especially electronics contract manufacturers (ECMs) and Taiwanese original equipment distributors and manufacturers (ODMs), to expand into lower cost manufacturing bases in China.

In May 2001, Autron announced its acquisition of the businesses of two leading suppliers of electronics equipment in Taiwan. These included Taiwan Sigma Equipment Corporation, an established equipment distributor of 25 years carrying the Speedline range of products; and Info-Tek Technology Corp, which distributes Siemens products in Taiwan. These businesses are now grouped under its newly incorporated Taiwanese subsidiary, Taiwan Autron Corporation. The acquisition was successfully completed on 3 August 2001.

With inroads into Taiwan, Autron will have the most comprehensive distribution network for capital equipment and consumables, supporting Asia's growing electronics and PCBA industry. The Taiwan acquisition, together with Autron's Singapore-based subsidiary, Niche Tech Pte Ltd, and Hong Kong-based

American Tec Co. Ltd, will continue to supply to the indigenous Chinese electronics manufacturers.

Meanwhile, the influx of investments for electronics manufacturing in China from Taiwan will lead to increased demand for electronics capital equipment that will benefit Autron's Taiwan subsidiary. Taiwanese manufacturers are under increasing pressure to cut costs in line with prices and more are setting up shop in China, particularly in Suzhou, Hangzhou, Shanghai, Shenzhen and Dongguan.

The Taiwanese government recently announced plans to raise the ceiling of funds that Taiwanese public listed companies can invest in China from capital raised by selling shares or bonds overseas. The government plans to raise the limit to 50% from 20% and will exempt overseas-raised funds from other restrictions that apply to money generated at home.

These moves will pave the way for Taiwanese electronics manufacturers to maintain their competitiveness by expanding production in China to benefit from lower land and labour costs.

**Tan Cheng Leong**  
Group Managing Director



Constant fine-tuning  
of the operations enables  
greater efficient use of  
resources to **enhance**  
our core business entities.

## Significant Events

### July 2000

Name changed to Autron Corporation Limited to reflect the direction of the Company in the electronics industry.

### August 2000

Effected the second share split, on a four for one basis, increasing the share base from 107,546,279 to 430,185,116 shares.

Convertible Notes Holders exercised their option to fully convert their 12 million Notes into 48 million ordinary shares in advance of the maturity date.

### October 2000

Included in Standard & Poor's Australian Stock Exchange Top 300 Index.

### November 2000

Lodged an Introductory Document with the Singapore Exchange Securities Trading Limited ("SGX-ST") seeking a secondary listing and quotation on the Official List of the SGX-ST.

### April 2001

Announced the payment of 0.5 cent fully franked interim dividend for the 6 months ended 31 December 2000, to be paid on 20 July 2001.

### May 2001

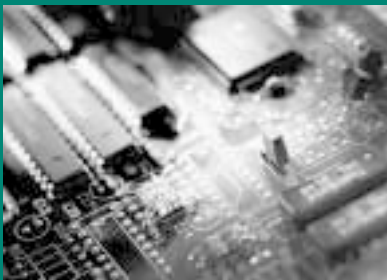
Successfully listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

Announced the intention to acquire two Taiwan companies, Taiwan Sigma Equipment Corporation and Info-Tek Technology Corporation.

### June 2001

Collaborated with Philips Semiconductor to develop a multi-vendor website for iCode Technology. Subsidiary Smartag (S) Pte Ltd is one of the few companies to be chosen by Philips Semiconductor to participate in this strategic partnership programme.

Autron's shares were re-rated and included as a component stock in Standard & Poors Australian Stock Exchange Top 200 Index.



### December 2000

At the Company's 16<sup>th</sup> Annual General Meeting, Ms Geraldine Ong Siew Ting and Mr Michael Chye Hin Fah were elected to the Board of Directors. Mr Tan Cheng Leong and Mr Elvin Loh Boon Kee were re-elected as Directors. Gould Ralph & Company was reappointed as the Company's auditors.

### February 2001

Given approval in-principle to trade and quote its shares on the Singapore Exchange Securities Trading Limited ("SGX-ST").

Mr Tan Cheng Leong was formally appointed as the Group Managing Director.

### March 2001

Mr Mourice Garbutt was appointed as Company Secretary.

Approved the issue of 4,633,830 new ordinary fully paid shares arising from the exercise of 4,633,830 November 2001 options and following the receipt of approximately \$359,400 in exercise monies. The issue of shares increased the Company's quoted ordinary fully paid shares to 494,346,037 shares.

Announced Half Yearly Financial Results for FY2001 (31 Dec 2000) and reported a 357% increase in Revenue to \$96.7 million; EBITDA increased 360% to \$9.9 million; Profit after Tax increased by 549% to \$7.1 million and EPS increased by 361% to 1.7 cents.

### July 2001

Issue of 2,749,100 new ordinary shares fully paid arising from the exercise of 1,013,944 November 2001 Options and the participation of shareholders in the Company's Dividend Reinvestment Plan (1,735,156 shares at \$0.3749 per share).

Entered into a strategic alliance with Sembawang Corporation Logistics to collaborate in the area of Supply Chain Management for the electronics industry.

### August 2001

Successfully completed the acquisition of the businesses of two leading suppliers of electronics equipment in Taiwan. These included Taiwan Sigma Equipment Corporation, an established equipment distributor of 25 years carrying Speedline products and Info-Tek Technology Corporation which distributes Siemens products. These businesses are currently grouped under a newly incorporated Taiwanese subsidiary, Taiwan Autron Corporation.

### September 2001

Ernst & Young appointed as auditors at a General Meeting.

Company's Constitution amended to accord depositors of Autron shares in the register of the Central Depository (Pte) Limited of Singapore ("CDP") rights as shareholders.



Putting our shareholders' interests first and fulfilling the commission with **integrity.**

# Directors' Report

The directors present their report together with the financial statements of Autron Corporation Limited and the consolidated financial statements of the economic entity, being the company and its controlled entities, for the year ended 30 June 2001 and the Auditor's Report thereon.

## Directors

The directors of the company in office at the date of this report are:

### Mr Leong Yew Cheong

Executive Chairman

Mr Leong Yew Cheong co-founded Niche Tech Pte Ltd in 1989. He was appointed a director on 4 November 1998 and is presently the Executive Chairman. He also serves on the Audit and Remunerations Committees of the Group.

### Mr Tan Cheng Leong

*B.A. (Singapore)*

Group Managing Director

Mr Tan Cheng Leong was first appointed an executive director on 4 November 1998 and subsequently as the Group Managing Director on 1 February 2001. With his extensive experience in Global Investment Banking, Mr Tan is responsible for developing strategies for the growth of the Group and in creating shareholder value.

### Mr Elvin Loh Boon Kee

*BSc (Mechanical Engineering), MBA (Leicester University)*

Executive Director

Mr Elvin Loh Boon Kee is a co-founder of Niche Tech Pte Ltd in 1989. He was appointed to the Board as an executive director on 4 November 1998. He is currently the Managing Director of Niche Tech Pte Ltd.

### Mr Samuel Wu Man Fan

Executive Director

Mr Samuel Wu Man Fan was appointed as an executive director on 3 July 2000 following the sale of his company, American Tec Co. Ltd. He is currently the Managing Director of wholly-owned subsidiary, American Tec Co. Ltd.

### Mr Warwick Desmond Davies

Non-Executive Director

Mr Warwick Desmond Davies is a retired businessman and is a non-executive director. He was appointed on 21 May 1997 and is a member of the Remunerations Committee.

### Mr Paul Damian McClean

Non-Executive Director

Mr Paul Damian McClean is the managing director of Citicorp Equity Capital Limited and was appointed as a non-executive director on 4 November 1999.

### Professor Hang Chang Chieh

*PhD (Warwick)*

Non-Executive Director

Professor Hang Chang Chieh is an internationally renowned scholar in the area of adaptive and intelligent control systems. He is currently the executive deputy chairman of Singapore's National Science and Technology Board. Professor Hang was appointed as a non-executive director on 4 November 1999 and is Chairman of the Remunerations Committee.

### Mr Michael Chye Hin Fah

Non-Executive Director

Mr Michael Chye Hin Fah was appointed as a non-executive director on 27 December 2000 and is Chairman of the Audit Committee. He is currently managing director of Silvercord Capital (Singapore) Limited, a fund management company.

### Ms Geraldine Ong Siew Ting

Non-Executive Director

Ms Geraldine Ong Siew Ting was appointed as a non-executive director on 27 December 2000. She serves as a member of the Audit Committee. She is an advocate & solicitor of the Supreme Court of Singapore.

## Directors' Report (cont'd)

### Directors' Meeting

The number of Directors' Meetings and Board Committee Meetings and number of meetings attended by each of the Directors during the financial year were:

	Board		Audit Committee		Remunerations Committee	
	A	B	A	B	A	B
Warwick Desmond Davies	1	4	–	–	0	0
Leong Yew Cheong	4	4	1	1	0	0
Elvin Loh Boon Kee	4	4	–	–	–	–
Tan Cheng Leong	4	4	–	–	–	–
Samuel Wu Man Fan	2	4	–	–	–	–
Paul Damian McClean	4	4	–	–	–	–
Professor Hang Chang Chieh	2	4	–	–	0	0
Michael Chye Hin Fah	2	2	1	1	–	–
Geraldine Ong Siew Ting	1	2	0	1	–	–

A = No. of meetings attended

B = No. of meetings held while a member

Since 30 June 2001, one Remunerations Committee meeting and three Audit Committee meetings have been held.

### Nature of Operations and Principal Activities

The principal activities during the year of entities within the consolidated entity were those of agency representation, distributorship of capital equipment, systems integrator, installation and servicing of equipment and development, design and manufacture of RFID labels.

There have been no significant changes in the nature of those activities during the year.

### Group Results

The consolidated profit of the economic entity for the year in respect of continuing operations and after providing for income tax was \$15,169,000 ( 2000: \$5,615,000 ) on total revenue of \$181,320,000 ( 2000: \$44,523,000 ). Losses incurred on discontinuing operations were \$1,147,000 ( 2000: Profit of \$177,000 ) on total revenue of \$4,403,000 ( 2000: \$6,646,000 ). The consolidated profit attributable to members was \$14,015,000 ( 2000: \$5,299,000 ) on total revenue of \$185,723,000 ( 2000: \$51,169,000 )

### State of Affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- On 1 July 2000, the company acquired 100% of American Tec Co. Ltd, a Hong Kong-based company with strong marketing presence in Hong Kong and China and broadly representing the same principals for the North Asia markets.
- On 3 July 2000, 9,850,600 ordinary shares were issued to the vendors of American Tec Co. Ltd. Samuel Wu Man Fan was at the same time appointed as an executive director of the company.
- On 5 July 2000, the company changed its name from Australasian Technology Corporation Limited to Autron Corporation Limited.
- In July 2000, 394,024 options over unissued ordinary shares were issued as part of the consideration for American Tec Co. Ltd. These options are exercisable at any time on or before 1 November 2001.
- On 3 August 2000, there was a four to one share split which increased the share capital of the company from 107,546,279 to 430,185,116 ordinary shares.
- On 28 August 2000, 3,000,000 convertible notes at \$2.00 each issued on 24 September 1999 were fully converted into 48,000,000 ordinary shares.
- In August 2000, 1,920,000 options over unissued ordinary shares were issued in respect of the conversion of the convertible notes. These options are exercisable at any time on or before 1 November 2001.

## Directors' Report (cont'd)

### State of Affairs (cont')

- Pursuant to the note holders agreement, 10,343,225 options were issued to note holders in October 2000 which were exercisable at 5.0 cents on or before 1 December 2000.
- On 15 November 2000, a final dividend of 0.5 cent per share was declared for the financial year ended 30 June 2000.
- On 15 November 2000, there was an issue of 1,183,865 shares relating to the dividend reinvestment plan.
- In February 2001, the Singapore Exchange Securities Trading Limited (SGX-ST) gave an in-principle approval to the company for its dual listing in Singapore. The shares commenced trading on SGX-ST on 3 May 2001.
- On 17 April 2001, the company announced an interim dividend of 0.5 cent per share payable on 20 July 2001.
- On 3 May 2001, the company's shares made its debut on the Singapore Exchange Securities Trading Ltd.
- On 30 May 2001, the company announced its intention to acquire two Taiwanese businesses to complement the North Asia operations of the Group.

### Events Subsequent To Balance Date

- Subsequent to year-end, on 17 July 2001, wholly-owned subsidiary, Autron Tech (Semicon) Pte Ltd increased its authorized share capital from 100,000 ordinary shares of S\$1 each to 2,000,000 ordinary shares of S\$1 each. On 18 July 2001, the company issued 1,999,998 ordinary shares of S\$1 each to Autron Corporation Limited, for cash to provide additional working capital.
- On 20 July 2001, the interim dividend 0.5 cent per share provided for in respect of the financial year ended 30 June 2001 was paid.
- On 3 August 2001, the company completed its acquisition of two equipment distribution businesses in Taiwan and grouped them under its newly incorporated subsidiary, Taiwan Autron Corporation. The total consideration amounted to US\$11.95 million. This was satisfied by way of US\$7.25 million in cash and the balance of US\$4.7 million in Autron shares based on the performance of these businesses for the year ending 30 June 2002. Of the US\$7.25 million cash portion, US\$4.25 million has been paid and the balance of US\$3 million on deferred payment term. The cash consideration was funded through a bank acquisition loan amounting to US\$ 6 million and internal cash resources. The new acquisitions are expected to contribute towards Group profit in the new financial year.
- On 24 September 2001, the directors declared payment of a final, unfranked dividend of 0.5 cent per share in respect of the 2001 year.

### Likely Developments and Expected Results

The company is continuously working towards increasing shareholder value and rewarding its stakeholders through organic growth and acquisitions. The newly acquired businesses in Taiwan are expected to contribute significantly towards group profit in the new financial year. While the Group's distribution business in South-east Asia will be adversely affected by the global economic slowdown, its North Asia operation is expected to continue to perform satisfactorily as a result of relocation of manufacturing operations by MNCs and Taiwanese companies into China as well as growth of Chinese indigenous electronics manufacturing companies for their domestic market. In addition, the company is continuously on the search for new agencies to add to its present portfolio. In the meantime, it is reviewing areas of operations affected by the economic slowdown with a view towards taking appropriate steps to maintain profitability.

The high-tech manufacturing business of subsidiary company, Smartag, is expected to perform better than the year under review as new orders have been received from customers following the successful completion of evaluation of its products by potential customers.

The year ending 30 June 2002 will be a challenging year. Despite the slowing global economy, the directors remain confident of the company's performance in the new year.

### Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental regulations or legislation in the countries it operates in. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements as they apply to the consolidated entity.

## Directors' Report (cont'd)

### Directors' and Senior Executives' Emoluments

The Remunerations Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to Board members and senior executives of the company. The Board's remuneration policy is to ensure that remuneration package properly reflects the person's duties and responsibilities; and that remuneration is competitive in attracting, retaining and motivating employees of the highest quality.

Executive directors and senior executives may receive bonuses based on the achievement of specific goals related to the performance of the consolidated entity (including operational results and cash flows). Non-executive directors do not receive any performance related remuneration.

Details of the nature and amount of each major element of the emoluments of each director of the company and each of the five most highly paid executive officers of the company and the consolidated entity are:

	Base Emolument \$	Bonuses \$	Pension Contributions \$	Other Benefits \$	Total \$
<b>Directors</b>					
Leong Yew Cheong	199,269	24,909	14,513	49,713	288,403
Elvin Loh Boon Kee	199,269	24,909	14,513	39,164	277,855
Tan Cheng Leong	199,269	24,909	14,513	28,395	267,085
Samuel Wu Man Fan	290,272	24,113	1,642	–	316,027
Warwick Desmond Davis	34,026	–	2,722	–	36,748
Professor Hang Chang Chieh	37,598	–	–	–	37,598
Paul Damian McClean	–	–	–	–	–
Michael Chye Hin Fah	18,799	–	–	–	18,799
Geraldine Ong Siew Ting	18,799	–	–	–	18,799
<b>Executive Officers</b>					
Samuel Wu Man Fan	290,272	24,113	1,642	–	316,027
Leong Yew Cheong	199,269	24,909	14,513	49,713	288,403
Elvin Loh Boon Kee	199,269	24,909	14,513	39,164	277,855
Tan Cheng Leong	199,269	24,909	14,513	28,395	267,085
Dick Kam Yu Kwong	95,206	6,550	3,050	172,944	277,750

### Options

During and since the end of the financial year, the company did not grant options over unissued ordinary shares to any directors or any employees.

Options (expiring November 2001) over unissued ordinary shares at the date of this report:

Exercise Price (\$)	Number of Options
0.0313	26,640
0.0500	3,273
0.2413	213
0.2425	5,973
0.2898	116
0.1250	2,817
0.4402	1,894
0.3749	69,400

These options do not entitle the holder to participate in any share issue of the company or any other body corporate.

## Directors' Report (cont'd)

### Indemnification and Insurance of Officers and Auditors

Since the end of the previous year, the company has not paid any insurance premiums in respect of directors' personal liability nor has the company indemnified any of its directors or officers against any liability arising in the course of their duties.

The Company has not, other than as provided for under its constitution, during or since the financial year, indemnified or agreed to indemnify a director or auditor of the company or any related body corporate against a liability as such.

### Directors' Interests

The relevant interest of each director in the share capital of the companies within the consolidated entity, as notified by the directors to the Australian Stock Exchange in accordance with S235(l) of the Corporations Act 2001, at the date of this report is as follows:

#### Autron Corporation Limited

	Ordinary Shares	Options
Leong Yew Cheong	64,715,721	–
Elvin Loh Boon Kee	15,847,154	–
Tan Cheng Leong	63,471,768	–
Samuel Wu Man Fan	21,075,712	–
Warwick Desmond Davis	–	–
Paul Damian McClean	–	–
Professor Hang Chang Chieh	–	–
Michael Chye Hin Fah	–	–
Geraldine Ong Siew Ting	1,394,816	–

### Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Dated at Singapore, 30 September 2001.

Signed in accordance with a resolution of the Board of Directors.



**Leong Yew Cheong**  
Executive Chairman



**Michael Chye Hin Fah**  
Director

# Corporate Governance

Autron Corporation Limited is a holding company and its main corporate governance practices as applied to all Autron Group of Companies are summarised below.

## Board Composition

The Board is responsible to shareholders for overall corporate governance. The Board currently comprises of four executive directors and five non-executive directors. Leong Yew Cheong, an executive director is the Chairman of the Board.

The Board's responsibilities include:

- establishing the criteria for Board membership;
- reviewing the composition of the Board;
- identifying and nominating possible new candidates for the Board and assessing proposed new appointments;
- reporting to shareholders;
- reviewing and determining strategic direction and policy; and
- establishing management goals and monitoring their achievement.

In addition to the scheduled full meetings each year, other meetings may be held on short notice as required.

## Appointment and Retirement of Non-Executive Directors

It is the Board's policy to consider the appointment and retirement of non-executive directors on a case by case basis. In doing so, the Board must take into account the requirements of the ASX and SGX Listing Rules and the Corporations Act.

Currently, the Board requires non-executive directors to be re-elected by rotation at least every two years, and each must retire at the annual general meeting following their seventieth birthday.

## Remuneration Arrangements for Directors and Senior Executives

The Remunerations Committee currently comprises Professor Hang Chang Chieh as Chairman, Leong Yew Cheong and Warwick Desmond Davies.

The Remunerations Committee meets once a year and is responsible for:

- reviewing and approving the remuneration of directors; and
- reviewing the remuneration policies of the Group generally.

Leong Yew Cheong will not be present during any discussion and deliberation by the Remunerations Committee in relation to his remuneration. In determining the remuneration to be paid to non-executive directors, consideration is given to the level of remuneration given by companies of comparable size and type.

Retiring non-executive directors are not entitled to receive a retiree allowance.

## Investment and Business Risk Management

Decisions on investments are made by the Board, based on the recommendations of the executive management, and the directors' own enquiries. The Board considers that the general retention by it of the power to make the final investment or divestment decision by majority vote provides an effective review of the investment strategy.

A majority of the directors must approve any modification to the investment parameters applying to the company's assets.

Any modification to the investment strategy will be notified to the exchange(s) that the company is listed on, and any proposed major change(s) in investment strategy is first put to shareholders for their approval.

The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- Monthly reporting to the Board in respect of operations and the Group's financial position, with a comparison of actual results against budget; and
- Regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures that are either in place or can be adopted to manage or mitigate those risks.

The Board will also put in place appropriate procedures allowing it to monitor compliance with the continuous disclosure requirements of the Listing Rules of the exchanges that the company is listed on.

## Corporate Governance (cont'd)

### Audit Committee

The Audit Committee comprises of three directors, the majority being non-executive directors. The Committee currently comprises of Michael Chye Hin Fah (Chairman), Geraldine Ong Siew Ting and Leong Yew Cheong.

The Audit Committee shall meet at least twice yearly to perform the following functions:

- recommending to the Board nominees for appointment as external auditors, and the terms and conditions of their appointment;
- reviewing the performance of the external auditors and monitoring the level of fees charged;
- monitoring compliance with the Corporations Act 2001, the ASX Listing Rules, the SGX Listing Rules and other legal requirements, including reviewing all interested persons' transactions;
- reviewing external audit reports and evaluating for the Board the adequacy of internal controls and management responses, including identifying any deficiencies or breakdowns in controls and ensuring that appropriate remedial action is taken; and
- assisting the Board to prepare financial statements and related releases to the ASX and SGX.

### Independent Professional Advice

In fulfilling their duties, each director and each committee of the Board dealing with corporate governance matters may obtain independent professional advice at the company's expense. Prior approval of the Chairman is required, which approval must not be unreasonably withheld.

### Shareholdings by Directors

Our policy restricts trading by the directors in their shares to certain times and circumstances. Subject always to the insider trading laws of Australia, Singapore and other jurisdictions which the company's shares may be listed in, the directors and senior executives will only be allowed to trade their shares without restriction for short periods following announcement by ASX and/or SGX of the company's half yearly and preliminary final results and after the annual general meeting.

### Ethical Standards

The Board endeavors to ensure that directors, officers and employees of Autron and the Group act with integrity and observe the highest standards of behavior and business ethics in relation to their corporate activities. All officers and employees are expected to:

- comply with the law;
- act in the best interests of Autron;
- be responsible and accountable for their actions; and
- observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.



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financial stability  
to realize maximum  
**growth** potential.

## **Financial Statements**

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## Statements of Financial Performance for the Year Ended 30 June 2001

(In Australian dollars)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>CONTINUING OPERATIONS</b>				
<b>Total revenue from ordinary activities</b>	<b>181,320</b>	<b>44,523</b>	<b>6,910</b>	<b>1,468</b>
Sales revenue	165,845	35,511	-	-
Cost of sales	(136,383)	(28,062)	-	-
<b>Gross profit</b>	<b>29,462</b>	<b>7,449</b>	<b>-</b>	<b>-</b>
Other revenue from ordinary activities	15,475	9,012	6,910	1,468
	<b>44,937</b>	<b>16,461</b>	<b>6,910</b>	<b>1,468</b>
Selling & distribution expenses	(2,888)	(1,104)	-	-
General & administrative expenses	(12,329)	(2,884)	(2,283)	(941)
Salaries expenses	(7,280)	(3,353)	-	-
Office rental expenses	(1,239)	(453)	-	-
Other expenses from ordinary activities	(1,132)	(499)	-	-
	<b>(24,868)</b>	<b>(8,293)</b>	<b>(2,283)</b>	<b>(941)</b>
Borrowing expenses	(1,630)	(651)	(38)	(233)
Share of net loss of associate accounted for using the equity method	(5)	(16)	-	-
<b>Profit from ordinary activities before income tax expense</b>	<b>18,434</b>	<b>7,501</b>	<b>4,589</b>	<b>294</b>
Income tax expense relating to ordinary activities	(3,265)	(1,886)	-	-
<b>Profit from ordinary activities after income tax expense</b>	<b>15,169</b>	<b>5,615</b>	<b>4,589</b>	<b>294</b>
<b>DISCONTINUING OPERATIONS</b>				
<b>Total revenue from ordinary activities</b>	<b>4,403</b>	<b>6,646</b>	<b>-</b>	<b>-</b>
Sales revenue	4,381	5,925	-	-
Cost of sales	(4,333)	(5,679)	-	-
<b>Gross profit</b>	<b>48</b>	<b>246</b>	<b>-</b>	<b>-</b>
Other revenue from ordinary activities	22	721	-	-
	<b>70</b>	<b>967</b>	<b>-</b>	<b>-</b>
Selling & distribution expenses	(2)	(129)	-	-
General & administrative expenses	(863)	(164)	-	-
Salaries expenses	(299)	(425)	-	-
Office rental expenses	(50)	(52)	-	-
	<b>(1,214)</b>	<b>(770)</b>	<b>-</b>	<b>-</b>
Borrowing expenses	(3)	(20)	-	-
<b>Profit from ordinary activities before income tax expense</b>	<b>(1,147)</b>	<b>177</b>	<b>-</b>	<b>-</b>
Income tax expense relating to ordinary activities	-	-	-	-
<b>Profit from ordinary activities after income tax expense</b>	<b>(1,147)</b>	<b>177</b>	<b>-</b>	<b>-</b>

## Statements of Financial Performance for the Year Ended 30 June 2001

(In Australian dollars)

	Note	Consolidated		The Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>TOTAL OPERATIONS</b>					
<b>Total revenue from ordinary activities</b>		<b>185,723</b>	51,169	<b>6,910</b>	1,468
Sales revenue	2	170,226	41,436	-	-
Cost of sales	3	(140,716)	(33,741)	-	-
<b>Gross profit</b>		<b>29,510</b>	7,695	-	-
Other revenue from ordinary activities	2	15,497	9,733	6,910	1,468
		<b>45,007</b>	17,428	<b>6,910</b>	1,468
Selling & distribution expenses		(2,890)	(1,233)	-	-
General & administrative expenses		(13,192)	(3,048)	(2,283)	(941)
Salaries expenses		(7,579)	(3,778)	-	-
Office rental expenses		(1,289)	(505)	-	-
Other expenses from ordinary activities		(1,132)	(499)	-	-
<b>Total operating expenses</b>		<b>(26,082)</b>	(9,063)	<b>(2,283)</b>	(941)
Borrowing expenses	3(a)	(1,633)	(671)	(38)	(233)
Share of loss of associate accounted for using the equity method	2	(5)	(16)	-	-
Profit from ordinary activities before income tax expense		17,287	7,678	4,589	294
Income tax expense relating to ordinary activities	4	(3,265)	(1,886)	-	-
<b>Profit from ordinary activities after income tax expense</b>		<b>14,022</b>	5,792	<b>4,589</b>	294
Loss from extraordinary item after income tax benefit	5	-	(536)	-	-
<b>Net profit</b>		<b>14,022</b>	5,256	<b>4,589</b>	294
Net profit attributable to outside equity interest		(7)	43	-	-
<b>Net profit attributable to members of Autron Corporation Limited</b>		<b>14,015</b>	5,299	<b>4,589</b>	294
<b>Adjustments recognised directly in equity</b>					
Net exchange difference on translation of financial report of foreign controlled entity		3,944	845	-	(68)
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>17,959</b>	6,144	<b>4,589</b>	226

## Statements of Financial Position as at 30 June 2001

(In Australian dollars)

	Note	Consolidated		The Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Current Assets</b>					
Cash assets	7	17,218	22,036	1,558	15,456
Receivables	8	50,895	28,234	-	1
Inventories	9	20,634	6,798	-	-
Lease receivable	10	2,226	-	-	-
Dividends receivable		-	-	6,859	-
<b>Total Current Assets</b>		<b>90,973</b>	<b>57,068</b>	<b>8,417</b>	<b>15,457</b>
<b>Non-Current Assets</b>					
Receivables	8	1,403	1,875	7,958	4,697
Investment accounted for using the equity method	11	-	44	-	-
Other financial assets	12	-	3	35,117	10,818
Property, plant and equipment	13	4,166	2,754	-	-
Intangible assets	14	22,003	3,698	-	-
Other assets	15	1,329	544	1,031	487
<b>Total Non-Current Assets</b>		<b>28,901</b>	<b>8,918</b>	<b>44,106</b>	<b>16,002</b>
<b>Total Assets</b>		<b>119,874</b>	<b>65,986</b>	<b>52,523</b>	<b>31,459</b>
<b>Current Liabilities</b>					
Payables	16	44,758	20,742	4,200	67
Interest bearing liabilities	17	784	913	-	-
Current tax liabilities	4	3,418	2,088	-	-
Provisions		-	20	-	-
Dividends payable	6	2,472	-	2,472	-
<b>Total Current Liabilities</b>		<b>51,432</b>	<b>23,763</b>	<b>6,672</b>	<b>67</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	17	797	7,011	1,436	5,860
Deferred tax liabilities	4	171	70	-	-
<b>Total Non-Current Liabilities</b>		<b>968</b>	<b>7,081</b>	<b>1,436</b>	<b>5,860</b>
<b>Total Liabilities</b>		<b>52,400</b>	<b>30,844</b>	<b>8,108</b>	<b>5,927</b>
<b>Net Assets</b>		<b>67,474</b>	<b>35,142</b>	<b>44,415</b>	<b>25,532</b>
<b>Equity</b>					
<b>Parent Entity Interest</b>					
Contributed equity	19	44,138	25,115	44,138	25,115
Reserves	20	4,780	836	(68)	(68)
Retained profits	20	18,014	8,728	345	485
Total parent entity interest in equity		66,932	34,679	44,415	25,532
Outside entity interest	21	542	463	-	-
<b>Total Equity</b>		<b>67,474</b>	<b>35,142</b>	<b>44,415</b>	<b>25,532</b>

## Statements of Cash Flows for the Year Ended 30 June 2001

(In Australian dollars)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Cash flow from operating activities</b>				
Receipts from customers	165,017	33,356	-	-
Payments to suppliers and employees	(152,614)	(29,952)	(86)	(98)
Interest received	607	120	51	29
Interest and other cost of finance paid	(1,634)	(451)	(38)	(233)
Income tax paid	(3,399)	(1,543)	-	-
Goods and services tax (paid)/received	(213)	145	-	-
Others	-	12	-	-
<b>Net cash flows from/(used in) operating activities</b>	<b>7,764</b>	<b>1,687</b>	<b>(73)</b>	<b>(302)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	175	92	-	-
Purchase of property, plant and equipment	(3,615)	(1,333)	-	-
Purchase of controlled entity (Note 32(iii))	(8,003)	(435)	(11,948)	(662)
Loans to controlled entities	-	-	(2,092)	-
Loans repaid by controlled entities	-	-	409	-
Loans to other entities	-	(1,456)	-	-
Loans repaid by other entities	-	786	-	-
Cost of dual listing	(895)	-	(895)	-
<b>Net cash flows from/(used in) investing activities</b>	<b>(12,338)</b>	<b>(2,346)</b>	<b>(14,526)</b>	<b>(662)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issues of securities	2,573	16,291	2,573	15,732
Proceeds from borrowings - others	-	5,751	-	2,647
Repayment of borrowing - others	(476)	(79)	-	-
Repayment of finance lease principal	(224)	(137)	-	-
Dividends paid	(1,872)	(861)	(1,872)	(861)
Loans - Associated Company	(793)	(389)	-	-
Loans - Group Company	-	-	-	(698)
<b>Net cash flows (used in)/from financing activities</b>	<b>(792)</b>	<b>20,576</b>	<b>701</b>	<b>16,820</b>
<b>Net (decrease)/increase in cash held</b>	<b>(5,366)</b>	<b>19,917</b>	<b>(13,898)</b>	<b>15,856</b>
Cash as at beginning of financial year	21,392	1,273	15,456	(400)
Effects of exchange rate changes on cash held in foreign currencies at the beginning of the financial year	742	202	-	-
<b>Cash as at the end of the financial year</b>	<b>16,768</b>	<b>21,392</b>	<b>1,558</b>	<b>15,456</b>

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 1. Summary of Significant Accounting Policies

#### a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with. It has been prepared in accordance with the historical cost convention and does not take into account changing money values or, except where stated, current valuations of non-current assets.

#### b) Changes in accounting policies

The accounting policies adopted have been consistently applied by each entity in the economic entity and, except where stated, are consistent with those of the previous year.

The consolidated entity has early adopted Accounting Standard AASB 1042 "Discontinuing Operations" and applied it to the Australian IT peripherals business, as described in Note 36.

#### c) Principles of consolidation

The consolidated financial statements are those of the economic entity comprising Autron Corporation Limited, being the parent entity and its controlled entities. Information from the financial statements of controlled entities is included from the date the parent entity obtains control until such time as control ceases. Where there is loss of control of an entity, the consolidated financial statements include the results for the part of the reporting period during which the parent entity has control.

Controlled entity acquisitions are accounted for using the purchase method of accounting.

The financial statements of controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Unrealised losses are eliminated unless costs cannot be recovered.

Outside interests in the equity and results of the entities that are controlled by the parent entity are shown as a separate item in the consolidated financial statements.

#### d) Foreign currencies

##### Translation of foreign currency transactions

Transactions in foreign currencies of entities within the consolidated entity are converted to Australian currency at the rate of exchange ruling at the date of the transaction.

Amounts payable to and by the entities within the consolidated entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the financial year.

##### Translation of financial reports of overseas operations

All overseas operations are deemed self-sustaining as each is financially and operationally independent of Autron Corporation Limited. The financial reports of overseas operations are translated using the current rate method and any exchange differences are taken directly to the foreign currency translation reserve.

#### e) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at the lower of cost or net realisable value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

#### f) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

Bills of exchange and promissory notes are measured at the lower of cost or net realisable value.

#### g) Inventories

Inventories are valued at the lower of cost or net realisable value. The costs of manufactured products include direct materials, direct labour and an appropriate portion of variable and fixed overhead which is applied on the basis of normal operating capacity.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 1. Summary of Significant Accounting Policies (cont'd)

#### h) Intangibles

##### Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Goodwill is amortised on a straight-line basis over a 20 year period of time during which benefits are expected to be received.

The unamortised balance of goodwill is reviewed at least annually. Where the balance exceeds the value of expected future benefits, the difference is recorded as an expense.

#### i) Investments

Investments in controlled entities are carried in the parent entity financial statements at the lower of cost or recoverable amount. Dividends are brought to the account as revenue when they are declared by the controlled entities.

Investments in associates are carried at the lower of the equity-accounted amount or recoverable amount in the consolidated financial report.

#### j) Recoverable amount

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets, are written down. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

#### k) Property, plant and equipment

##### Cost and valuation

Property, plant and equipment are measured at cost.

##### Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than freehold land. Major depreciation rates are:

		2001	2000
• Freehold and leasehold property	–	1%	1%
• Plant and equipment	–	6% - 27%	6% - 27%
• Leasehold improvements	–	13% - 22%	13% - 22%
• Motor vehicles	–	15%	15%

#### l) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

##### Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

The lease incentive liability in relation to the non-cancellable operating lease is being reduced on an imputed interest basis over the lease term (5 years) at the rate implicit in the lease.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

##### Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the group are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets or the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recorded as an expense.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

#### m) Other non-current assets

##### Research and development costs

Research and development costs are expensed as incurred, except where future benefits are expected, beyond any reasonable doubt, to exceed those costs. Where research and development costs are deferred, such costs are amortised over future periods on a basis related to expected future benefits. Unamortised costs are reviewed at each balance date to determine the amount (if any) that is no longer recoverable and any amount identified is written off.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 1. Summary of Significant Accounting Policies (cont'd)

#### m) Other non-current assets (cont'd)

##### **Expenditure carried forward**

Significant items of carry forward expenditure having a benefit or relationship to more than one period are written off over the periods to which such benefit relates. In the case of dual listing costs, the benefit will be written off over 1 year to June 2002.

#### n) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

#### o) Income tax

Tax effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax.

The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised. Where assets are revalued, no provision for potential capital gains tax has been made.

#### p) Loans and borrowings

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Bills of exchange and promissory notes are carried at the principal amount plus deferred interest.

#### q) Provisions

Dividends payable are recognised when a legal or constructive obligation to pay the dividend arises, typically following approval of the dividend at a meeting of shareholders.

#### r) Convertible notes

Convertible notes are recognised when issued at the amount of the net proceeds received, with the premium or discount on issuance amortised over the period of maturity. Interest on the notes is recognised as an expense. Convertible notes are treated as compound financial instruments where there is an obligation to make scheduled payments of interest and principal as long as the instrument is not converted and there is also an option held by the holder to convert the note to equity. The present value of the interest and principal payable discounted at the market rate is classified as debt. The difference between the net proceeds received and the value of the debt is assigned to the component of the option to convert the liability into equity and is classified as equity.

#### s) Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the parent entity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### t) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

##### **Sales of goods**

Control of the goods has passed to the buyer.

##### **Rendering of services**

When the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours incurred to date as a percentage to total estimated labour hours for each contract. When the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

##### **Interest**

Control of the right to receive the interest payment.

##### **Dividends**

Control of the right to receive the dividend payment.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 1. Summary of Significant Accounting Policies (cont'd)

#### u) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used.

Employee entitlements expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave entitlements; and
- other types of employee entitlements

are charged against profits on a net basis in their respective categories.

Any contributions made to the superannuation funds by entities within the consolidated entity are charged against profits when due.

#### v) Earnings per share

Basic earnings per share is determined by dividing the profit from ordinary activities after related income tax expense and after preference dividends by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by dividing the profit from ordinary activities after related income tax expense and after preference dividends adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial year.

### 2. Revenue from ordinary activities

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Revenues from operating activities</b>				
Revenue from sale of goods	170,226	41,436	-	-
<b>Revenues from non-operating activities</b>				
Rent	342	-	-	-
Royalties	-	150	-	-
Commission	9,799	8,572	-	-
Management fees	874	859	-	-
Interest - others	606	118	51	29
Proceeds from sale of non-current assets	28	-	-	-
Dividends - controlled entities	-	-	6,859	1,439
Exchange gain	2,464	(165)	-	-
Others	1,384	199	-	-
Total revenues from outside the operating activities	15,497	9,733	6,910	1,468
Total revenues from ordinary activities	185,723	51,169	6,910	1,468
Share of net losses of associate accounted for using the equity method				
Share of associate's losses	(5)	(16)	-	-

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 3. Expenses and losses/(gains)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>a) Expenses</b>				
Cost of sales	140,716	33,741	-	-
<b>i) Depreciation of non-current assets</b>				
Plant and equipment	538	351	-	-
Motor vehicles	77	61	-	-
Freehold and leasehold property	16	13	-	-
Leasehold improvements	164	-	-	-
Total depreciation of non-current assets	795	425	-	-
<b>ii) Amortisation of non-current assets</b>				
Goodwill	960	499	-	-
Preliminary expenses	197	9	-	-
Research and development costs	-	65	-	65
Total amortisation of non-current assets	1,157	573	-	65
<b>Total depreciation and amortisation expenses</b>	<b>1,952</b>	<b>998</b>	<b>-</b>	<b>65</b>
<b>Borrowing expenses</b>				
Bank overdraft interest	648	664	38	233
Finance lease interest	24	7	-	-
Term loan interest	81	-	-	-
Convertible notes/discount bill interest	23	-	-	-
Trade financing interest	857	-	-	-
Total borrowing expenses	1,633	671	38	233
Less: Borrowing expenses capitalised	-	-	-	-
<b>Total borrowing expenses</b>	<b>1,633</b>	<b>671</b>	<b>38</b>	<b>233</b>
<b>Bad and doubtful debts</b>				
- trade receivable	1,934	273	-	-
- non-trade receivable - associate	1,147	-	-	-
<b>Operating lease rentals</b>				
- minimum lease payments	24	7	-	-
- contingent rentals	-	-	-	-
Total operating lease rentals	24	7	-	-
Research and development costs	172	-	-	-
<b>Pension and superannuation contributions</b>				
- Central Provident Fund	528	261	-	-
- Superannuation Guarantee	56	65	-	-
- Mandatory Provident Fund	27	-	-	-
<b>b) Losses/(gains)</b>				
Net loss/(gain) on disposal of property, plant and equipment	(28)	-	-	-
Net foreign currency (gains)/losses	(2,237)	165	-	-

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 3. Expenses and losses/(gains) (cont'd)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>(c) Significant items</b>				
Revenue (expenses) from ordinary activities continuing operations includes the following revenues whose disclosure is relevant in explaining the financial performance of the group:				
Non recurring commissions received	1,897	-	-	-
Cost recharged for the use of People's Republic of China facilities and service income - non recurring	2,817	-	-	-
	<b>4,714</b>	-	-	-

### 4. Income tax

The prima facie tax, using tax rates applicable in the country of operation, on operating profit and extraordinary items differs from the income tax provided in the financial statements as follows:

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Prima facie tax on profit from ordinary activities	3,146	1,486	1,560	106
<b>Tax effect of permanent difference:</b>				
Amortisation of intangible assets	21	180	4	23
Non-deductible expenses	1,265	124	-	-
Provision for diminution in value of investments	749	-	749	274
Research and development costs	172	-	-	-
Underprovision in previous year	74	-	-	-
Deferred tax	226	-	-	-
Others	184	-	-	-
<b>Decrease in income tax expenses due to:</b>				
Franking rebate	(578)	-	(578)	(403)
Extraordinary items	-	(193)	-	-
Non-taxable income	(2,258)	-	(1,695)	-
Capital allowance	(227)	-	-	-
Overprovision in current year	(80)	-	-	-
<b>Income tax losses</b>				
Future income tax benefit arising from tax losses of controlled entities not brought to account at balance date as realisation of the benefit is not regarded as virtually certain	571	289	(40)	-
<b>Total income tax attributable to operating profit</b>	<b>3,265</b>	<b>1,886</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets and liabilities</b>				
Current tax payable	3,418	2,088	-	-
Provision for deferred income tax - current	-	-	-	-
Provision for deferred income tax - non-current	171	70	-	-
Future income tax benefit - non-current	4	7	-	-

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 4. Income tax (cont'd)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Income tax losses</b>				
Future income tax benefit arising from tax losses of controlled entities not brought to account at balance date as realisation of the benefit is not regarded as virtually certain	679	108	-	-

This future income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

### 5. Extraordinary item

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Closure costs of personal computer assembly business	-	536	-	-

### 6. Dividends

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>a) Dividends paid or provided for on ordinary shares during the year</b>				
<b>i) Current year interim</b>				
Franked dividends				
- provided 0.5¢ per share	2,472	-	2,472	-
- paid 1.0¢ per share	-	317	-	317
<b>ii) Previous year final-paid</b>				
Franked dividends (0.5¢ per share) (2000: 1.75¢ per share)	2,257	904	2,257	904
	<b>4,729</b>	<b>1,221</b>	<b>4,729</b>	<b>1,221</b>
<b>b) Dividends provided for but paid after the end of the financial year</b>				
<b>i) Current year interim</b>				
Franked dividends (0.5¢ per share) (2000: Nil)	2,472	-	2,472	-

Subsequent to year-end, the directors have announced their intention to declare and pay a final dividend in respect of the year 2001 of approximately \$2,582,000 (2000: \$2,392,000), at a rate of 0.5¢ unfranked dividend per share (2000: 0.5¢ franked dividend per share).

This amount has not been provided for in the financial report.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 6. Dividends (cont'd)

	The Company	
	2001 \$'000	2000 \$'000
<b>c) Franking credit balance</b>		
The amount of franking credits available for the subsequent financial year are:		
- franking account balance as at the end of financial year (at 34%)	(447)	243
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	-	-
- franking debits that will arise from the payment of dividends as at the end of the financial year	(2,472)	-
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	-	-
- franking credits that the entity may be prevented from distributing in the subsequent financial year	-	-
	<b>(2,919)</b>	<b>243</b>

The franking account shows a deficit as at 30 June 2001, but it is the directors' intention that this situation will be remedied by the transfer of retained profits by way of dividends from controlled entities to the parent entity and the payment of Australian income taxes in 2001 - 2002 that will ensure that sufficient franking credits are available to meet the franked dividend obligations.

### 7. Cash

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Current</b>				
Cash at bank and on hand	10,322	1,654	11	4
Deposits at call	5,349	4,930	-	-
Cash share account	1,395	15,446	1,395	15,446
Cash dividend account	152	6	152	6
	<b>17,218</b>	<b>22,036</b>	<b>1,558</b>	<b>15,456</b>

At 30 June 2001, one of the controlled entities (American Tec Co. Ltd) bank accounts with a balance of \$3,500,000 (HK\$14,000,000) was pledged to a banker to secure general banking facilities.

### 8. Receivables

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Current</b>				
Trade debtors	41,950	23,963	-	-
Less: Provision for doubtful debts	(1,556)	(473)	-	-
Bills receivable	5,428	-	-	-
	<b>45,822</b>	<b>23,490</b>	<b>-</b>	<b>-</b>
Other debtors	3,430	4,354	-	1
Deposits	1,619	248	-	-
Staff accounts	17	-	-	-
Prepayments	7	142	-	-
	<b>5,073</b>	<b>4,744</b>	<b>-</b>	<b>1</b>
	<b>50,895</b>	<b>28,234</b>	<b>-</b>	<b>1</b>

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 8. Receivables (cont'd)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Non-Current</b>				
Loans to associated entities	2,624	1,875	-	-
Less: Provision for doubtful debts	(1,221)	-	-	-
Loans to controlled entities	-	-	7,958	4,697
	<b>1,403</b>	<b>1,875</b>	<b>7,958</b>	<b>4,697</b>

### 9. Inventories

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Finished goods - at cost	20,507	6,798	-	-
Work-in-progress - at cost	357	-	-	-
Provision for diminution in value	(230)	-	-	-
	<b>20,634</b>	<b>6,798</b>	<b>-</b>	<b>-</b>

### 10. Lease receivable

One of the controlled entities leases out a number of items of machinery under finance leases. The leases typically run for a period of nine to seventeen months, with an option granted to the lessee to purchase the machinery at a pre-determined price at any time on or before the expiry of the leases. The leases include contingent rentals that are based on the quantity of products that are produced by the leased machinery but the monthly payments should not be less than the minimum amounts specified in the leases.

	Consolidated	
	2001 \$'000	2000 \$'000
Minimum future lease payments receivable		
i) not later than one year	2,280	-
ii) later than one year and not later than five years	-	-
iii) later than five years	-	-
Total lease payments receivable	<b>2,280</b>	<b>-</b>
Less: Revenue not yet recognised	<b>(54)</b>	<b>-</b>
Total lease commitments receivable	<b>2,226</b>	<b>-</b>

### 11. Investment accounted for using the equity method

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Unquoted shares, at cost	73	73	-	-
Less: Share of post acquisition losses	(73)	(62)	-	-
Currency alignment	-	33	-	-
	<b>-</b>	<b>44</b>	<b>-</b>	<b>-</b>

The investment in associate company relates to the 40% interest in Niche Tech Thailand whose principal activity is the distribution of capital equipment in Thailand. This associate is considered as immaterial and the investment cost value has been fully provided for. The non-trade receivable from associate company has been partially provided for (Note 8).

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 12. Other financial assets

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Investments in controlled entities - at cost	-	-	38,079	11,578
Less: Provision for diminution in value of investments	-	-	(2,962)	(760)
Investments in other entities	-	3	-	-
	-	3	35,117	10,818

Refer to note 25 for information regarding the future increase in the value of investments in controlled entities.

	Interest held in ordinary shares		Country of incorporation
	2001 %	2000 %	
<b>Controlled Entities of Autron Corporation Ltd</b>			
Australian Technology Corporation (Properties) Pty Ltd	100	100	Australia
Australasian Technology Corporation NZ Ltd	100	100	New Zealand
Vision Tech (Australia) Pty Ltd	80	80	Australia
Microtel Australia Pty Ltd	60	60	Australia
Niche Tech Pte Ltd	100	100	Singapore
Austratech Corporation (L) Bhd	100	100	Malaysia
Smartag (S) Pte Ltd	52	52	Singapore
Vision Tech Enterprise Pte Ltd	100	100	Singapore
American Tech Company Ltd ( <i>interest acquired 3 July 2000</i> )	100	-	Hong Kong
Autron Tech (Semicon) Pte Ltd ( <i>incorporation 11 July 2000</i> )	100	-	Singapore
Crescent Tech International Pte Ltd	100	100	Singapore
Autron Corporation Pte Ltd ( <i>incorporation 11 July 2000</i> )	100	-	Singapore
<b>Controlled Entity of Niche Tech Pte Ltd</b>			
Niche Tech (Malaysia) Sdn Bhd	100	100	Malaysia
<b>Controlled Entity of Australasian Technology (Properties) Pty Ltd</b>			
Australasian Technology Corporation (Australia) Pty Ltd	100	100	Australia
<b>Controlled Entities of American Tec Company Ltd</b>			
Ouye Meiya Science and Technology (Shenzhen) Co. Ltd	100	-	People's Republic of China
American Tech Co (L) Bhd ( <i>incorporation 8 February 2001</i> )	100	-	Malaysia

### 13. Property, plant and equipment

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Plant and equipment - at cost	2,535	1,127	-	-
Less: Accumulated depreciation	(1,294)	(526)	-	-
	1,241	601	-	-
Plant and equipment under lease	705	519	-	-
Less: Accumulated depreciation	(203)	(88)	-	-
	502	431	-	-
Motor vehicles - at cost	105	325	-	-
Less: Accumulated depreciation	(21)	(294)	-	-
	84	31	-	-

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 13. Property, plant and equipment (cont'd)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Motor vehicles under lease	312	253	-	-
Less: Accumulated depreciation	(108)	(115)	-	-
	204	138	-	-
Freehold and leasehold property				
- at deemed cost	1,449	-	-	-
- at directors' valuation	-	1,261	-	-
Less: Accumulated depreciation	(88)	(63)	-	-
	1,361	1,198	-	-
Leasehold improvements				
- at cost	1,139	507	-	-
Less: Accumulated depreciation	(365)	(152)	-	-
	774	355	-	-
	4,166	2,754	-	-

The controlled entity's freehold and leasehold properties were revalued in 1998 by the directors based on valuation by a firm of professional valuers and are stated at revaluation in 2000.

#### Reconciliations

Reconciliations of the carrying amounts of freehold and leasehold property, plant and equipment, motor vehicles and leasehold improvements at the beginning and end of the current financial year.

	Consolidated 2001 \$'000	The Company 2001 \$'000
<b>Plant and equipment - at cost</b>		
Carrying amount at beginning	601	-
Additions	806	-
Additions through acquisition of controlled entity	267	-
Disposals	(82)	-
Depreciation expenses	(437)	-
Net foreign currency movements arising from self-sustaining foreign operations	86	-
	1,241	-
<b>Plant and equipment under lease</b>		
Carrying amount at beginning	431	-
Additions	120	-
Additions through acquisition of controlled entity	-	-
Disposals	-	-
Depreciation expenses	(101)	-
Net foreign currency movements arising from self-sustaining foreign operations	52	-
	502	-
<b>Motor vehicles - at cost</b>		
Carrying amount at beginning	31	-
Additions	43	-
Additions through acquisition of controlled entity	-	-
Disposals	(14)	-
Depreciation expenses	(21)	-
Net foreign currency movements arising from self-sustaining foreign operations	45	-
	84	-

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 13. Property, plant and equipment (cont'd)

	Consolidated		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
<b>Motor vehicles under lease</b>				
Carrying amount at beginning	138		-	
Additions	178		-	
Additions through acquisition of controlled entity	-		-	
Disposals	(30)		-	
Depreciation expenses	(56)		-	
Net foreign currency movements arising from self-sustaining foreign operations	(26)		-	
	<b>204</b>		<b>-</b>	
<b>Freehold and leasehold property</b>				
Carrying amount at beginning	1,198		-	
Additions	-		-	
Additions through acquisition of controlled entity	-		-	
Disposals	-		-	
Depreciation expenses	(16)		-	
Net foreign currency movements arising from self-sustaining foreign operations	179		-	
	<b>1,361</b>		<b>-</b>	
<b>Leasehold improvements</b>				
Carrying amount at beginning	355		-	
Additions	241		-	
Additions through acquisition of controlled entity	252		-	
Disposals	(20)		-	
Depreciation expenses	(164)		-	
Net foreign currency movements arising from self-sustaining foreign operations	110		-	
	<b>774</b>		<b>-</b>	

### 14. Intangible assets

	Consolidated		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Goodwill on consolidation	23,420	4,155	-	-
Less: Accumulated amortisation	(1,417)	(457)	-	-
	<b>22,003</b>	<b>3,698</b>	<b>-</b>	<b>-</b>

Refer to Note 25 for information regarding future increase in goodwill on consolidation.

### 15. Other assets

	Consolidated		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Future income tax benefits	4	7	-	-
Deferred Costs				
Dual listing costs	1,031	537	1,031	487
Others	291	-	-	-
Pre-operating expenses	3	-	-	-
	<b>1,329</b>	<b>544</b>	<b>1,031</b>	<b>487</b>

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 16. Payables (Current)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Trade creditors	24,607	11,439	-	-
Bills payable	11,279	7,337	-	-
Goods and services tax	104	-	-	-
	<b>35,990</b>	<b>18,776</b>	<b>-</b>	<b>-</b>
Other creditors and accruals	4,568	1,963	-	67
Consideration payable	4,200	-	4,200	-
Advance and deposit	-	3	-	-
	<b>44,758</b>	<b>20,742</b>	<b>4,200</b>	<b>67</b>

### 17. Interest bearing liabilities

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Current</b>				
Term loan (secured) (a)	113	93	-	-
Hire purchase creditors	221	176	-	-
	<b>334</b>	<b>269</b>	<b>-</b>	<b>-</b>
Bank overdraft	450	644	-	-
	<b>784</b>	<b>913</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Loan from controlled entities	-	-	1,436	2,860
Term loan (secured) (a)	489	532	-	-
Hire purchase creditors	308	218	-	-
Convertible notes (Note 18)	-	5,597	-	3,000
Other loans	-	664	-	-
	<b>797</b>	<b>7,011</b>	<b>1,436</b>	<b>5,860</b>

(a) The term loans are secured by way of legal mortgage over Niche Tech Pte Ltd's long term leasehold property and a pledge of fixed deposits.

### 18. Convertible notes

On 28 August 2000, 3,000,000 convertible notes issued by the parent entity in previous financial year were converted into 48,000,000 ordinary shares.

### 19. Contributed equity

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
a) Issued and paid up capital				
Ordinary shares fully paid	44,138	25,115	44,138	25,115

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 19. Contributed equity (cont'd)

	2001		2000	
	Number of shares	\$'000	Number of shares	\$'000
<b>b) Movements in shares on issue</b>				
Beginning of the financial year	97,695,679	25,115	18,285,160	8,260
Purchases of American Tec <sup>(i)</sup>	9,850,600	10,343	–	–
Four for one share split <sup>(ii)</sup>	322,638,837	–	54,855,480	–
Dividend reinvestment scheme <sup>(iii)</sup>	1,183,865	386	987,732	240
Share purchase plan <sup>(iv)</sup>	–	–	373,927	361
Rights issue	–	–	15,606,980	15,306
Exercise of share options	37,028,372	2,573	–	–
Purchases of Niche Tech	–	–	7,586,400	948
Note conversion <sup>(v)</sup>	48,000,000	5,721	–	–
End of the financial year	516,397,353	44,138	97,695,679	25,115

(i) On 3 July 2000, 9,850,600 ordinary shares were issued as part consideration in acquiring 100% of American Tech Co. Ltd. The value place on the issue is \$1.05 per share.

(ii) On 3 August 2000, there was a four for one share split.

(iii) On 15 November 2000, 1,183,865 ordinary shares were issued relating to the dividend re-investment plan.

(iv) With effect from 14 March 2001, the share purchase plan was resolved to be terminated.

(v) On 28 August 2000, 48,000,000 ordinary shares were issued for the conversion of convertible notes.

### c) Share options

#### Options over ordinary shares

At the end of the year, there were 1,014,274 (2000: 22,674,790) unissued ordinary shares in respect of which options were outstanding, at exercise prices ranging from 3.13 cents to 44.02 cents principally expiring in November 2001.

### d) Terms and condition of contributed equity

#### Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the parent entity.

### 20. Reserves and retained profits

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Capital profits reserve	571	571	–	–
Foreign currency translation reserve	4,209	265	(68)	(68)
	4,780	836	(68)	(68)
Retained profits	18,014	8,728	345	485

#### a) Capital profits reserve

##### i) Nature and purpose of reserve

The capital profits reserve was used to accumulate realised capital profits.

The reserve can be used to pay dividends or issue bonus shares.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 20. Reserves and retained profits (cont'd)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>a) Capital profits reserve (cont'd)</b>				
<b>ii) Movements in reserve</b>				
Balance at end of year	571	571	-	-
<b>b) Foreign currency translation reserve</b>				
<b>i) Nature and purpose of reserve</b>				
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.				
	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>ii) Movements in reserve</b>				
Balance at beginning of year	265	(580)	(68)	-
Gain/(loss) on translation	3,944	845	-	(68)
Balance at end of year	4,209	265	(68)	(68)
<b>c) Retained profits</b>				
Balance at the beginning of year	8,728	4,650	485	1,412
Net profit attributable to members of Autron Corporation Limited	14,015	5,299	4,589	294
Total available for appropriation	22,743	9,949	5,074	1,706
Dividends provided for or paid	(4,729)	(1,221)	(4,729)	(1,221)
Balance at end of year	18,014	8,728	345	485

### 21. Outside equity interest

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Ordinary share capital of controlled entities issued to outside equity interests is:				
Smartag (S) Pte Ltd	362	362	-	-
Vision Tech Australia Pty Ltd	20	20	-	-
Microtel Australia Pty Ltd	201	201	-	-
	583	583	-	-
Interest in retained profits and reserves	(41)	(120)	-	-
Total outside equity interests	542	463	-	-
Reconciliation of outside equity interest in controlled entities:				
Opening balance	463	506	-	-
Currency realignment	72	-	-	-
Add: Share of operating profit/(loss)	7	(43)	-	-
Closing balance	542	463	-	-

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 22. Remuneration of directors and executives

	Consolidated		The Company	
	2001 \$	2000 \$	2001 \$	2000 \$
a) <b>Remuneration of directors</b>				
Income paid or payable, or otherwise made available to directors of the chief entity from the chief entity or any related party			<u>1,254,591</u>	646,098

The number of directors of the parent entity whose income from the parent entity or any related party falls within the following bands

	No.	No.
\$ 0 - \$ 9,999	1	2
\$ 10,000 - \$ 19,999	-	1
\$ 20,000 - \$ 29,999	2	1
\$ 30,000 - \$ 39,999	2	1
\$ 170,000 - \$ 179,999	-	1
\$ 190,000 - \$ 199,999	-	2
\$ 260,000 - \$ 269,999	1	-
\$ 270,000 - \$ 279,999	1	-
\$ 280,000 - \$ 289,999	1	-
\$ 310,000 - \$ 310,999	1	-

Income paid or payable, or otherwise made available to directors of each entity in the economic entity from the chief entity or any related party	<u>1,468,297</u>	646,098
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#### b) Remuneration of executives

The income of executives who work wholly or mainly outside Australia is not included in this disclosure.

Total remuneration received, or due and receivable from the parent entity or related parties by Executive Officers of the parent entity whose income is \$100,000 or more and who work mainly in Australia	<u>Nil</u>	Nil
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Total income received or due and receivable from entities in the economic entity or related parties by Executive Officers of the economic entity whose income exceeds \$100,000 and who work mainly in Australia	<u>Nil</u>	Nil
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## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 23. Remuneration of auditors

	Consolidated		The Company	
	2001 \$	2000 \$	2001 \$	2000 \$
Amounts received or due and receivable for audit services by:				
- auditors of the chief entity	138,000	43,000	60,000	15,000
- other auditors	302,000	25,750	-	-
Amount receivable or due and receivable for other services by:				
- auditors of the chief entity	8,469	150,107	8,469	80,000
	<b>448,469</b>	<b>218,857</b>	<b>68,469</b>	<b>95,000</b>

### 24. Hire purchase commitments

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Hire purchase payments are payable as follows:				
- Not later than 1 year	236	230	-	-
- Later than 1 year but not later than 5 years	302	188	-	-
- Later than 5 years	41	31	-	-
	<b>579</b>	<b>449</b>	<b>-</b>	<b>-</b>
Less: Amounts provided for in the financial statements				
- Current (Note 17)	221	176	-	-
- Non-current (Note 17)	308	218	-	-
Total hire purchase liability	<b>529</b>	<b>394</b>	<b>-</b>	<b>-</b>
Future finance charges not provided for in the financial statements	<b>50</b>	<b>55</b>	<b>-</b>	<b>-</b>

### 25. Contingent liabilities

In connection with the acquisition of American Tec Co. Ltd in July 2000, the parent entity will have to issue up to 16,000,000 "AmTec Vendor's Performance Shares", being ordinary shares in the parent entity, in the six months following 30 June 2002 and up to 16,000,000 ordinary shares in the six months following 30 June 2003 at 80% of the average market price at these dates if the future profits of American Tec Co. Ltd in the financial years ended 2002 and 2003 meet minimum targets. In addition, the parent entity will have to pay HK\$10 million in each in the financial year 2002 and 2003 as additional purchase consideration in cash if certain performance targets are met.

This future issuance of shares and cash payments, if made, will increase the cost of investment in American Tec Co. Ltd and the goodwill on consolidation.

### 26. Earnings per share

	Consolidated	
	2001	2000
Basic earnings per share (cents per share) - continuing operations		
Diluted earnings per share is not materially different to basic earnings per share	3.2	9.1*
Basic earnings per share (cents per share) - total operations		
Diluted earnings per share is not materially different to basic earnings per share	2.9	8.5*
Weighted average number of shares used in the calculation of basic earnings per share	479,008,230	62,222,786

\* Before adjustment for share split of 4:1 in August 2000.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 26. Earnings per share (cont'd)

	Consolidated	
	2001 \$'000	2000 \$'000
Reconciliation of earnings used in the calculation of earnings per share		
Profit from ordinary activities after income tax expense	14,022	5,256
Less: Outside equity interests	(7)	43
Earnings used in the calculation of basic earnings per share	14,015	5,299

### 27. Amounts payable/receivable in foreign currencies

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
The Australian dollar equivalents of unhedged amounts payable/receivable in foreign currencies, calculated at year end exchange rates, are as follows:				
<b>United States Dollars</b>				
Amounts payable				
Current	11,766	11,753	-	-
Amounts receivable				
Current	29,441	12,786	-	-
Non-current	285	-	-	-
<b>Japanese Yen</b>				
Amounts payable				
Current	665	1,026	-	-
Amounts receivable				
Current	264	10	-	-
<b>British Pounds</b>				
Amounts payable				
Current	56	70	-	-
Amounts receivable				
Current	2	2	-	-
<b>Singapore Dollars</b>				
Amounts payable				
Current	2,566	1,435	-	-
Amounts receivable				
Current	4,406	608	-	-
<b>German Mark</b>				
Amounts payable				
Current	778	-	-	-
Amounts receivable				
Current	58	365	-	-
<b>New Zealand Dollars</b>				
Amounts payable				
Current	-	97	-	-
Amounts receivable				
Current	-	142	-	-

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 27. Amounts payable/receivable in foreign currencies (cont'd)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Euros</b>				
Amounts payable				
Current	19,884	3,167	-	-
Amounts receivable				
Current	11,879	1,046	-	-
Non-current	620	-	-	-
<b>Hong Kong Dollars</b>				
Amounts payable				
Current	2,866	24	-	-
Amounts receivable				
Current	1,192	892	-	-
<b>Ringgit Malaysia</b>				
Amounts payable				
Current	90	76	-	-
Amounts receivable				
Current	118	105	-	-
<b>People's Republic of China Reminbi</b>				
Amounts payable				
Current	-	-	-	-
Amounts receivable				
Current	950	-	-	-

### 28. Economic dependency

As a capital equipment distribution company, the economic entity enjoys good relationships with its customers and principals. Its prospects are dependent on the renewal of its distribution agreements which are automatically effected annually. Its principal agencies have been with the economic entity for more than ten years.

### 29. Employee superannuation commitments

Neither the parent entity, nor any entity within the economic entity has established or sponsored a superannuation or retirement or benefit plan. Entities contribute superannuation or pension contributions to third party funds in relation to statutory requirements.

Contributions at the required rates are made in respect of Australian employees to accumulation plans maintained by third parties on behalf of employees.

Employees in Singapore are required to contribute to a government approved social insurance programme, the Central Provident Fund ("CPF"). The maximum contribution for employee is 20% for wages and for employer is 12% from 1 July 2000 to 31 December 2000 and 16% from 1 January 2001 onwards.

Employees in Hong Kong come under a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance. The Scheme became effective from 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are recorded as an expense as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the economic entity in an independently administered fund. The economic entity's employer contributions vest fully with the employees when contributed into the Scheme.

As at 30 June 2001, the economic entity had 353 (2000: 200) employees.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 30. Related party disclosures

a) The directors of Autron Corporation Limited during the financial year were:

Warwick Desmond Davies	
Tan Cheng Leong	
Paul Damian McClean	
Leong Yew Cheong	
Professor Hang Chang Chieh	
Elvin Loh Boon Kee	
Samuel Wu Man Fan	(Appointed 3 July 2000)
Michael Chye Hin Fah	(Appointed 27 December 2000)
Geraldine Ong Siew Ting	(Appointed 27 December 2000)

#### Wholly owned group transaction

##### Loans

As at 30 June 2001, the parent entity received loans amounted to \$1.355 million (2000: \$1.363 million) from one of its controlled entities, Australasian Technology Corporation NZ Limited. The loan bears an interest of 8% per annum and is not expected to be repaid in the next twelve months.

b) Equity Instruments of directors

##### Interest at balance date

Interest in the entity instruments of Autron Corporation Limited held by directors of the reporting entity and their director-related entities.

	Ordinary shares fully paid Directly held		Ordinary shares fully paid Indirectly held		Ordinary shares fully paid Total	
	2001 Number	2000 Number	2001 Number	2000 Number	2001 Number	2000 Number
Leong Yew Cheong	6,174,812	14,543,703	54,323,909	574,452	60,498,721	15,118,155
Elvin Loh Boon Kee	14,731,508	13,160,627	41,175,025	813,692	55,906,533	13,974,319
Tan Cheng Leong	18,827,692	14,034,188	44,644,076	1,833,754	63,471,768	15,867,942
Samuel Wu Man Fan	21,075,712	-	-	-	21,075,712	-
Paul Damian McClean	-	-	-	-	-	-
Professor Hang Chang Chieh	-	-	-	-	-	-
Warwick Desmond Davies	-	-	-	-	-	-
Micheal Chye Hin Fah	-	-	-	-	-	-
Geraldine Ong Siew Ting	-	-	1,394,816	-	1,394,816	-
	<b>60,809,724</b>	41,738,518	<b>141,537,826</b>	3,221,898	<b>202,347,550</b>	44,960,416

#### Movements in directors' equity holdings

During the financial year, the total direct shareholding by directors in Autron increased from 44,960,416 to 202,347,550, primarily due to the share split in 2000, in addition to the transactions referred to below.

During the financial year, there have been no other transaction concerning equity instruments with directors or their director-related entities, other than the issue of shares under the dividend re-investment plan in November 2000. All equity dealings with directors have been entered into with terms and conditions no more favorable than those that the entity would have adopted if dealing at arm's length.

Under the terms of the acquisition of American Tec Co. Ltd ("AmTec") in July 2000, Samuel Wu Man Fan was issued with 21,075,712 shares at a value of \$0.2625 each and will be entitled to a proportion of up to a further 32,000,000 ordinary shares of the parent entity and a proportion of additional cash consideration of up to HK\$20 million if the future profits of AmTec in financial years ended 2002 and 2003 meet minimum targets.

c) Loans to directors

There were no loans to directors during the year or existing at the end of the financial year.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 30. Related party disclosures (cont'd)

d) Balance with Entities within the wholly-owned group

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>i) Amount owing to the Company</b>				
Australasian Technology Corporation (Properties) Pty Ltd	-	-	2,280	2,280
Australasian Technology NTM Electronics Sdn Bhd	-	-	-	149
Niche Tech Pte Ltd	-	-	7,616	1,276
Vision Tech (Australia) Pty Ltd	-	-	733	233
Microtel Australia Pty Ltd	-	-	759	759
Austratech Corporation (L) Bhd	-	-	3,429	-
	-	-	14,817	4,697
<b>ii) Amount owing by the Company</b>				
Australasian Technology Corporation NZ Ltd	-	-	672	1,363
Australasian Technology Corporation (Australia) Pty Ltd	-	-	764	1,397
Vision Tech Enterprises Pte Ltd	-	-	-	100
	-	-	1,436	2,860

### 31. Acquisition/disposal of controlled entities

The following controlled entities were acquired or disposed of during the financial year.

	Consideration \$'000	Net tangible assets at date of disposal/ acquisition \$'000	Consolidated profit on disposal \$'000	The Company's interest %
<b>Acquisitions</b>				
<b>2001</b>				
American Tech Co. Ltd	26,478 (a)	7,224	N/A	100
Autron Corporation Pte Ltd	-	-	N/A	100
Autron Tech (Semicon) Pte Ltd	-	-	N/A	100
<b>2000</b>				
Microtel Australia Pty Ltd	500	500	N/A	60
Vision Tech Enterprise Pte Ltd	-	-	N/A	100
Smartag (S) Pte Ltd	771	1,046	N/A	52
Austratech Corporation (L) Bhd	4	-	N/A	100

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 31. Acquisition/disposal of controlled entities (cont'd)

	Consideration	Net tangible assets at date of disposal/ acquisition	Consolidated profit on disposal	The Company's interest
	\$'000	\$'000	\$'000	%
<b>Disposals</b>				
<b>2001</b>				
No disposals	-	-	-	-
<b>2000</b>				
No disposals	-	-	-	-

(a) see also Note 25

### 32. Statement of cash flows

	Consolidated		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
<b>i) Reconciliation of cash</b>				
Cash at the end of the year is shown in the balance sheet as:				
Cash at bank and on hand	10,322	1,653	12	4
At call deposits with financial institutions	6,896	20,383	1,546	15,452
Bank overdraft - unsecured	(450)	(644)	-	-
	<b>16,768</b>	<b>21,392</b>	<b>1,558</b>	<b>15,456</b>
<b>ii) Reconciliation of cash flows from operations with profit from ordinary activities after income tax expense</b>				
Profit/(loss) from ordinary activities after income tax expense	14,022	5,256	4,589	294
Non-cash items:				
Depreciation and amortisation	1,755	931	-	65
Dividend from controlled entity	-	-	-	(1,439)
Profit on sale of property, plant and equipment	(28)	-	-	-
Income tax expense	(134)	147	-	-
Increase in doubtful debts provision	3,081	273	-	-
Provision for diminution in value of investment	-	-	2,202	760
Amortisation of cost of issuing convertible notes capitalised	32	-	12	-
Share of loss from associate company	(5)	-	-	-
Foreign exchange difference	-	201	49	-
Development expenditures	(283)	-	-	-
Changes in assets and liabilities:				
Debtors	(10,082)	(11,756)	(6,859)	-
Inventories	(9,277)	(3,400)	-	-
Creditors	8,303	10,032	(66)	18
Advances and deposits	245	3	-	-
Hire purchase creditors	135	-	-	-
Net cash flows from operating activities	<b>7,764</b>	<b>1,687</b>	<b>(73)</b>	<b>(302)</b>

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

## 32. Statement of cash flows (cont'd)

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>iii) Purchase of controlled entity</b>				
Acquisition of controlled entity				
Property, plant and equipment	-	-	(519)	-
Inventories	-	-	(3,030)	-
Debtors	-	-	(13,853)	-
Cash balances	-	-	(3,950)	-
Bank loans	-	-	13	-
Bank overdraft	-	-	17	-
Creditors	-	-	12,526	-
Provision for taxation	-	-	1,572	-
Net assets acquired	-	-	(7,224)	-
Goodwill arising from acquisition	-	-	(19,254)	-
Consideration	-	-	(26,478)	-
Less: Share issued	-	-	10,343	-
Less: Amounts due	-	-	4,200	-
Cash paid	-	-	(11,935)	-
Less: Cash of controlled equity	-	-	3,932	-
Net cash flows from acquisition of controlled entity	-	-	(8,003)	-

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>iv) Financing facilities available</b>				
At balance date, the following financing facilities had been negotiated and were available:				
<b>Total facilities</b>				
Bank overdraft	5,917	1,150	-	-
Bank loans	12,938	951	-	-
Trade finance/letters of credit	50,461	8,085	-	-
	<b>69,316</b>	<b>10,186</b>	<b>-</b>	<b>-</b>
<b>Facilities used at balance date</b>				
Bank overdraft	450	644	-	-
Bank loans	602	625	-	-
Trade finance/letters of credit	19,053	7,593	-	-
	<b>20,105</b>	<b>8,862</b>	<b>-</b>	<b>-</b>
<b>Facilities unused at balance date</b>				
Bank overdraft	5,467	506	-	-
Bank loans	12,336	326	-	-
Trade finance/letters of credit	31,408	492	-	-
	<b>49,211</b>	<b>1,324</b>	<b>-</b>	<b>-</b>

The trade finance of the controlled entity are secured by corporate guarantee from parent entity - Autron Corporation Limited.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 33. Commitments and contingencies

	Consolidated		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
a) At 30 June 2001, one of the controlled entities, American Tec Co. Ltd had the following capital commitments in respect of investment in a People's Republic of China controlled entity which had not been provided for in the financial statements:				
Contracted for	275	-	-	-
b) At 30 June 2001, there were commitments under operating leases of land and buildings to make payments in the following years as follows:				
Leases expiring:				
Within 1 year	118	-	-	-
After 1 year but within 5 years	333	-	-	-
	451	-	-	-

### 34. Events subsequent to balance date

- On 10 July 2001, the acquisition of the businesses of Taiwan Sigma Equipment Corporation (Sigma), an established equipment distributor of 25 years carrying the Speedline range of products, and Info-Tek Technology Corporation Group (Info-Tek), which distributes Siemens' products in Taiwan, became effective. The company acquired the business of Sigma for a total purchase price of US\$7.5 million (approximately \$14.15 million based on an exchange rate of \$1.00 = US\$0.53), whereof US\$5 million is payable in cash and up to US\$2.5 million in value of Autron shares, subject to certain performance targets being achieved in the financial years 2002, 2003, 2004. Sigma's net assets as at acquisition date were \$0.57 million. Autron paid US\$4.45 million (approximately \$8.4 million) as consideration for the business of Info-Tek, whose net assets at acquisition date were \$2.28 million. The consideration comprises of US\$2.25 million in cash and US\$2.2 million in shares subject to certain performance target being achieved in the financial year ending 30 June 2002. In acquiring the business of Info-Tek, Autron is also acquiring all the equity of its related entities, Info-Tek Technology (Suzhou) Company Limited and Harmony Technology Corporation.
- On 20 July 2001, the interim fully franked dividend for 2001 was paid at 0.5 cents per share; this amount was provided for in the financial report.
- On 17 July 2001, the authorised share capital of the controlled entity Autron Tech (Semicon) Pte Ltd increased from 100,000 ordinary shares of S\$1 each to 2,000,000 ordinary shares of S\$1 each. On 18 July 2001, the Company issued 1,999,998 ordinary shares of S\$1 each to Autron Corporation Limited for cash to provide additional working capital.

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

## 35. Segment information

## GEOGRAPHICAL SEGMENTS

	Sales outside the group		Other revenue		Total	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>CONTINUING OPERATIONS</b>						
Australia	-	-	1,019	26	1,019	26
South East Asia	68,776	40,281	3,201	987	71,977	41,268
North Asia	106,864	3,802	1,460	93	108,324	3,895
Elimination	-	-	-	-	-	-
Sub-Total	175,640	44,083	5,680	1,106	181,320	45,189
<b>DISCONTINUING OPERATIONS</b>						
Australia	4,385	5,925	18	55	4,403	5,980
<b>COMBINED</b>	<b>180,025</b>	<b>50,008</b>	<b>5,698</b>	<b>1,161</b>	<b>185,723</b>	<b>51,169</b>

	Profit from ordinary activities before income tax expense		Segment assets	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>CONTINUING OPERATIONS</b>				
Australia	(878)	(827)	24,871	24,313
South East Asia	7,964	7,803	51,013	33,662
North Asia	12,307	685	43,437	5,709
Elimination	(959)	(160)	-	-
Sub-Total	18,434	7,501	119,321	63,684
<b>DISCONTINUING OPERATIONS</b>				
Australia	(1,147)	177	553	2,302
<b>COMBINED</b>	<b>17,287</b>	<b>7,678</b>	<b>119,874</b>	<b>65,986</b>

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 35. Segment information (cont'd)

#### INDUSTRIAL SEGMENTS

	Sales outside the group		Other revenue		Total	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>CONTINUING OPERATIONS</b>						
Machine, Spare parts & Consumables	164,646	37,018	3,482	–	168,128	37,018
Trading	9,847	2,694	955	–	10,802	2,694
Other	1,147	164	1,243	1,161	2,390	1,325
Elimination	–	–	–	–	–	–
Sub-Total	175,640	39,876	5,680	1,161	181,320	41,037
<b>DISCONTINUING OPERATIONS</b>						
Computer & Peripherals	4,385	10,132	18	–	4,403	10,132
<b>COMBINED</b>	<b>180,025</b>	<b>50,008</b>	<b>5,698</b>	<b>1,161</b>	<b>185,723</b>	<b>51,169</b>

#### Profit from ordinary activities before income tax expense

	Profit from ordinary activities before income tax expense		Segment assets	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>CONTINUING OPERATIONS</b>				
Machine, Spare parts & Consumables	13,147	8,271	82,559	47,870
Trading	7,382	84	9,633	3,668
Other	(1,136)	271	27,129	970
Elimination	(959)	(160)	–	–
Sub-Total	18,434	8,466	119,321	52,508
<b>DISCONTINUING OPERATIONS</b>				
Computer & Peripherals	(1,147)	(788)	553	13,478
<b>COMBINED</b>	<b>17,287</b>	<b>7,678</b>	<b>119,874</b>	<b>65,986</b>

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 36. Discontinuing operation

a) In May 2001, the board decided to terminate, by an orderly wind-down, within a year the operations of the IT peripherals business in Australia conducted by the controlled entities Microtel Australia Pty Ltd and Vision Tech (Australia) Pty Ltd. The business is highly competitive and these two operations suffered losses of \$1,147,000 after provision for stocks and debtors. These companies had negative shareholders' equity which were funded by the parent entity and a related company.

b) Net assets of discontinuing operations

	2001	2000
Total assets	2,183	3,659
Total liabilities	(3,070)	(3,398)
Net assets	(887)	261

c) Cash flows from discontinuing operations

Net cash flows used in operating activities	(707)	(974)
Net cash flows used in investing activities	(13)	(126)
Net cash flows from financing activities	633	1,255
	(87)	155

### 37. Financial instruments

a) Interest rate risk

The economic entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities at the balance date are as follows:

Fixed Interest Maturing in 2001	Weighted Average Interest Rate %	Floating Interest Rate \$'000	1 Year or less \$'000	1-5 Years \$'000	5 Years or greater \$'000	Non- interest bearing \$'000	Total \$'000
<b>Financial Assets</b>							
Cash	3.1	10,322	6,896	-	-	-	17,218
Receivables	N/A	-	-	-	-	50,895	50,895
Loans	N/A	-	-	-	-	1,403	1,403
Investments	N/A	-	-	-	-	2,226	2,226
		10,322	6,896	-	-	54,524	71,742
<b>Financial Liabilities</b>							
Bank overdraft	8.3	450	-	-	-	-	450
Payables	N/A	-	-	-	-	44,758	44,758
Loans	8.5	-	113	489	-	-	602
Hire purchase liabilities	5.2	-	221	274	34	-	529
		450	334	763	34	44,758	46,339

## Notes to the Financial Statements for the Year Ended 30 June 2001

(In Australian dollars)

### 37. Financial instruments (cont'd)

Fixed Interest Maturing in 2000	Weighted Average Interest Rate %	Floating Interest Rate \$'000	1 Year or less \$'000	1-5 Years \$'000	5 Years or greater \$'000	Non- interest bearing \$'000	Total \$'000
<b>Financial Assets</b>							
Cash	3.0	1,653	20,383	-	-	-	22,036
Receivables	N/A	-	-	-	-	28,234	28,234
Loans	N/A	-	-	-	-	1,875	1,875
Investments	N/A	-	-	-	-	47	47
		1,653	20,383	-	-	30,156	52,192
<b>Financial Liabilities</b>							
Bank overdraft	5.5	644	-	-	-	-	644
Payables	N/A	-	-	-	-	20,742	20,742
Loans	7.5	-	93	1,196	-	-	1,289
Hire purchase liabilities	4.3	-	176	188	30	-	394
Convertible Notes	5.7	-	-	5,597	-	-	5,597
		644	269	6,981	30	20,742	28,666

#### b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

##### On-balance sheet financial instruments

The credit risk on financial assets, excluding investments, of the economy entity which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts.

The economic entity minimises concentration of credit risks by undertaking transactions with a large number of customers and counterparties in various countries.

#### c) Net fair value of financial assets and liabilities

##### Recognised financial instruments

The carrying amounts of all financial assets and liabilities approximate their net fair values at balance date.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying value.

Monetary financial assets and liabilities not readily traded in organised financial markets are determined by valuing them at the present value of contractual future cash flows on amount due from customers or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows.

##### Unrecognised financial instruments

At the balance date, no unrecognised financial instruments existed.

### 38. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

## Directors' Declaration

In the opinion of the Directors of Autron Corporation Limited:

- a) the financial statements and notes, set out on pages 22 to 53, are in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2001 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
  - ii) complying with Accounting Standards and the Corporations Regulations 2001 and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Singapore, 30 September 2001.

Signed in accordance with a resolution of the Directors,



**Leong Yew Cheong**  
Executive Chairman



**Michael Chye Hin Fah**  
Director

## Independent Auditors' Report to the Members of Autron Corporation Limited

### Scope

We have audited the financial report of Autron Corporation Limited for the financial year ended 30 June 2001, as set out on pages 22 to 54, including the Directors' Declaration. The financial report includes the financial statements of Autron Corporation Limited, and the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at year end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial report of Autron Corporation Limited is in accordance with:

- a) the Corporations Act 2001 including:
  - i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2001 and of their performance for the year ended on that date; and
  - ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements.

  
Ernst & Young



David N Balcombe  
Partner  
Melbourne  
30 September 2001

## Additional Information

### 1. Distribution of shareholders as at 9 October 2001

Category (Size of holding)	Number of ordinary shareholders
1 - 1,000	269
1,001 - 5,000	567
5,001 - 10,000	1,776
10,001 - 100,000	1,424
100,001 - and over	390
	<b>4,426</b>

### 2. Details of holders of less than a marketable parcel of shares as at 9 October 2001

Number of holders holding less than a marketable parcel of shares	:	269
Aggregate number of shares held	:	289,015

### 3. The names of the substantial shareholders as at 9 October 2001

	Number of ordinary shares held	% of ordinary shares held
Citibank Nominees S'pore Pte Ltd	46,945,619	9.04
United Overseas Bank Nominees	34,301,000	6.61
Tan Cheng Leong	27,175,324	5.23

### 4. 20 Largest shareholders as at 9 October 2001 - Ordinary capital

Shareholder	Number of ordinary shares held	% of ordinary shares held
Citibank Nominees S'pore Pte Ltd	46,945,619	9.04
United Overseas Bank Nominees	34,301,000	6.61
Tan Cheng Leong	27,175,324	5.23
SBS Nominees Pte Ltd	19,500,000	3.76
Citibank Consumer Nominees Pte Ltd	16,060,000	3.09
Wu Mun Fu	14,753,000	2.84
Overseas Chinese Banks Nominees Pte Ltd	14,500,000	2.79
Ying Tze Wah	12,159,688	2.34
UOB Kay Hian Pte Ltd	9,431,000	1.82
Citicorp Investment Bank (S'pore) Ltd	9,297,000	1.79
Wee Boo Tee	8,945,000	1.72
Citicorp Nominees Pty Ltd	8,467,925	1.63
Kim Eng Securities Pte Ltd	8,119,125	1.56
J S Lundgren	7,896,573	1.52
OCBC Securities Pte Ltd	6,520,000	1.26
Man Fan Wu	6,322,712	1.22
Fraser Securities Pte Ltd	6,145,000	1.18
Wong Swee Chun	6,130,000	1.18
Singapore Nominees Pte Ltd	4,565,000	0.88
J M Sassoon & Co Pte Ltd	4,270,000	0.82
	<b>271,503,966</b>	<b>52.28</b>

### 5. Voting rights

Members have one vote for every share registered in their names. Options carry no voting right.

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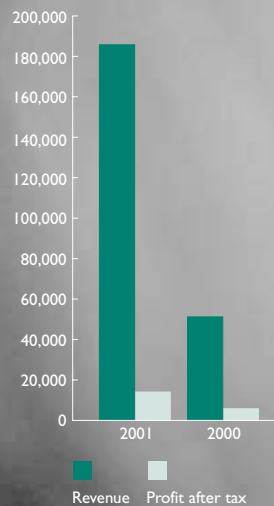
# With another year of significant achievements

## Financial Highlights (A\$)

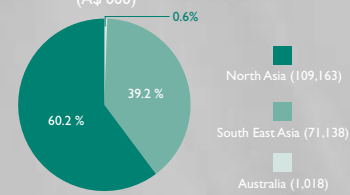
	2001 (\$'000)	2000 (\$'000)	Change
<b>Continuing Operations</b>			
Revenue	181,320	44,523	+307%
EBIT	20,064	8,152	+146%
Profit after tax	15,169	5,615	+170%
* Earnings per Share (¢)	3.2	2.3	
<b>Group</b>			
Revenue	185,723	51,169	+263%
EBIT	18,920	8,349	+127%
Profit after tax	14,015	5,299	+164%
Dividend - Interim (Franked) (0.5¢ per share)	2,472	-	
Final (Unfranked) (0.5¢ per share)	2,582	2,392	
* Earnings per Share (¢)	2.9	2.1	
* Net tangible assets per share (¢)	8.8	8.0	

\* Adjusted for share split

## Revenue and Profit After Tax (A\$'000)



## Revenue by Region (A\$'000)



## Revenue by Division (A\$'000)

