

**AUTRON
CORPORATION
NOW**

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MISSION STATEMENT

Maintain our dominant position and performance as the leading pipeline in Asia to the satisfaction of our customers and business partners and for the ultimate benefit of our employees and shareholders.

Our vision is to become an internationally recognised brand leader for sales and distribution of equipment and services in the electronics manufacturing industry in Asia. We want to be known for our competency, reliability and the experience in the successful delivery of comprehensive manufacturing process solutions to our customers.

GATEWAY TO ASIA FOR MANUFACTURING EQUIPMENT IN THE ELECTRONICS INDUSTRY

We're covering more. We have more than 30 regional engineering centres in Asia Pacific.

Chairman's Message

To Our Valued Shareholders, Employees and Stakeholders

Business conditions continued to remain challenging in FY2003. We were faced by unprecedented challenges. While companies grappled with the slowly recovering economy after the economic crunch in 2001, the business conditions were dampened by the outbreak of Severe Acute Respiratory Syndrome (SARS) regionally in March 2003, followed by the unrest in Middle East.

With a strong determination to undertake austere measures to control costs and to deal with the uncertainties, the management has managed to overcome all these and report a profitable year for the Group.

The Group's turnover rose 12% to A\$180 million and gross profit jumped by 38% to A\$33.3 million. With the improved performance, the Group was able to reverse from a loss of A\$17.2 million in FY2002 to a net profit after tax of A\$11.5 million in FY2003.

We were encouraged by the fact that most of the growth was organic. Regionally, our business operations in the North Asia rose 13% from A\$128 million in FY2002 to A\$145 million in FY2003, while sales turnover from South Asia increased 21% from A\$38 million in FY2002 to A\$46 million in FY2003. Consequently, commissions climbed 28% to A\$8.9 million.

Growth for FY2003 was broad based – operationally and financially.

We entered the new financial year with the introduction of the new operation unit – Reconditioned Equipment business – which contributed positively to FY2003. Subsequently, we acquired IC Equipment in the second quarter of FY2003, as this complements the Company's core distribution business. The manufacturing arm now paves new roads for Autron Corporation's future growth – by extending its operations to value-add design and manufacturing capabilities to customers and principals.

Simultaneously, we opened new distribution and engineering centers in China in anticipation of new growth areas in Dalian, Wuhan and Chong Qing. These are in addition to the widespread regional centers which are already present in other major cities of Greater China. We aim to maintain our competitive advantage by strengthening our network of engineering centers.

Towards the close of the financial year, the Company attracted the attention of some financial partners and successfully managed to raise approximately A\$15.3 million with major financial institutions from Singapore, Hong Kong and Europe.

The Company intends to build on our successful business model and replicate it for other parts of the region. Plans are already afoot to enter into new markets in India and Vietnam.

It is prudent to assume that the business climate will remain challenging for the new financial year. We have demonstrated resilience and were able to ride through the turbulence of the last financial year. While we believe that companies are not immune to economic and political uncertainties, we believe we can scale greater heights this year, together.

Many have contributed to the success of FY2003 for the Group. On behalf of the Board of Directors, I thank all management and staff for their dedication and teamwork in a difficult year. In addition, I would also like to take this chance to thank all our customers, bankers, business associates, suppliers and shareholders for their strong and continuing support.



Professor Hang Chang Chieh
Non-Executive Chairman

**SALES
REVENUE
INCREASED TO
A\$180
MILLION**

We're selling more! All three business units in South East Asia, Taiwan and China saw significant sales performance.

Managing Director's Report

Financial Performance

I am pleased to present you the Company's financial performance for the fiscal year ended 30 June 2003. The strong performance was notwithstanding the numerous challenging events that took place – the continuation of economic slowdown from 2001 following September 11 attack, the SARS (Severe Acute Respiratory Syndrome) outbreak in Asia earlier this year, as well as the war in Iraq in Middle East.

The Company reported profit after tax of A\$11.5 million for its fiscal year ended 30 June 2003 on revenue of A\$180 million. In comparison, the Group's sales revenue was A\$160 million with loss after tax of A\$17.2 million for the fiscal year FY02 ended 30 June 2002.

The North Asia business units reported 13% rise in sales revenue to A\$145 million from A\$128 million in FY02. Similarly, sales from the South East Asia business units increased 21% from A\$38 million in FY02 to A\$46 million in FY03. For FY03, our South East Asian sales included new revenue streams from our Reconditioned Equipment business and the acquisition of IC Equipment, of which about A\$15 million were sales to Greater China.

Across the board, all key performance indexes have moved up the scale – gross profit jumped 37.6% to A\$33.3 million and gross margin widened 4% to 19% due to a better product mix as well as increased demand for the company's value added services; commissions rose 28% to A\$8.9 million. Meanwhile, we have also achieved success in reducing the cost of our daily operations - operating expenses fell 37% to A\$30.4 million - this is mainly attributed to the consolidation efforts over the last 2 years as the Company continues to streamline and better manage its business activities.

In order to comply with the listing requirements of the Australian Stock Exchange which is our primary listing, we have to report our financial results in their local currency Australian dollars. As this was not our functional currency, the Company registered a foreign exchange charge of A\$4.3 million, most of which was unrealized.

Corporate Development

We announced the acquisition of IC Equipment, a well-established contract design and manufacturing company for the backend semiconductor industry in December 2002. The inclusion of IC Equipment complements the Company's core business of distribution. We are now able to adopt a complete solution strategy in the relationship with our customers by offering design, manufacturing as well as sales and distribution services for their products.

Leveraging on the core competencies of IC Equipment's high-speed high precision contract design and manufacturing capabilities which will be marketed throughout the Company's network, Autron Corporation will now also co-manufacture and develop products with its principals. The co-manufacturing activities will yield better profit margins to the Company and its principals as well as better prices to its customers. These equipment are targeted specifically for the lower end of the electronics manufacturing industry and will be distributed via the Company's well established network of over 500 customers located in Asia Pacific.

With the economic slowdown in 2001 globally, especially in South East Asia, Central Europe and Mexico, we saw and identified our next profitable area of growth – the Reconditioned Equipment Business. As the market plummeted in these regions after the manufacturing concentration were shifted to North Asia, what followed was a huge supply of inexpensive and used machines. Our well-trained and accredited engineers were able to refurbish these equipment and upgrade them to the desired level of performance necessary to our customers.

A 10,000 square feet new reconditioned facility was established in the Eastern part of Singapore at Tai Seng Drive in anticipation of the expected growth. This unit was initiated in May '02 at a capital investment of US\$2 million. Warranties would be provided by Autron Corporation for a period of 6 months to a year, and sold mainly on cash terms. These machines will be sold throughout the Company's network, as well as through agents in Europe and North America. Our customers can now enjoy better financial and operational efficiency of using both new and used capital equipment for their assembly line.

More recently, we recognized that our customers are moving into new areas in Asia, mainly India and Vietnam, to take advantage of lower costs of production. We will also move alongside with our customers by establishing sales and engineering centers in these new locations to provide the necessary back up and servicing that is required. In the last 6 months, we have set up new engineering centers in provinces of China in Dalian, Wuhan and Chongqing. Increasingly, this will extend the coverage of our entrenched network, strengthening our market presence.

Growth Prospects

Moving forward, we are confident of the Company's prospects. Management intends to build upon the fundamentals of the business in the areas of distribution, reconditioning and manufacturing. We will further develop the design and technical skills of the manufacturing unit. The Reconditioned Equipment business, which has already reaped benefits in the balance sheet this fiscal year will see more momentous growth going ahead.

We have proven that our business strategy works, even under the most challenging market conditions. We have stayed in focus, and have capitalized on our strengths. The Board and Management will continue to preserve the Company's leading position as the most sought after equipment sales and distribution channel in the electronics manufacturing industry in Asia Pacific.



Tan Cheng Leong
Group Managing Director

**GROSS PROFIT
MARGIN
INCREASED TO**

19%

We are working harder. Our well-established pipeline in Asia, especially China, continues to attract international major suppliers anxious to tap into the world's fastest growing market.

Board of Directors

Professor Hang Chang Chieh

Non-Executive Chairman

Professor Hang is Deputy Chairman of Agency for Science, Technology and Research (A*STAR). He is well renowned in the field of electronic engineering, specifically in the area of adaptive and intelligent control systems. He is also the Chairman of another statutory board - the Intellectual Property Office of Singapore (IPOS). He has served as board member of several public and private companies in Singapore. Professor Hang is the Chairman of the Remuneration Committee.

Mr Tan Cheng Leong

Group Managing Director

Mr Tan served as the Executive Director on the Board prior to being appointed Group Managing Director. He has more than 13 years of experience in international banking and financial consultancy. Mr Tan sets the vision for the Company and is responsible for corporate planning and developing strategies for the growth of the Group and its operations. He is a member of the Remuneration Committee.

Dr Lim Boh Soon

Group Corporate Director

Dr Lim is a highly regarded and experienced professional from the banking and finance industry in Asia. He has been in the venture and development capital industry in Asia for more than 13 years. He brings with him more than 20 years of corporate experience, having worked for various large local and multinational blue chip organizations. He sits on the Board of several major organizations locally and in overseas. Dr Lim is a member of the Audit Committee.

Mr Samuel Wu Man Fan

Group President & CEO

Mr Wu is a co-founder of the American Tec Group. He has extensive experience in the distribution of electronics equipment, especially in China. He is responsible for the entire business operation and development of the Company.

Mr Michael Chye Hin Fah

Non-Executive Director

Mr Michael Chye is the Executive Director and Group CFO of Pacific Spirits Group Ltd. He is currently involved in property funds management, mergers & acquisitions, joint ventures and financial & tax management. He has more than 17 years of experience in international finance, investments and corporate restructuring. Mr Chye is the Chairman of the Audit Committee.

Ms Geraldine Ong Siew Ting

Non-Executive Director

Ms Ong is an advocate and solicitor of the Supreme Court of Singapore. She served as a legal adviser with the Singapore Government from 1988-1989. Ms Ong is a member of the Audit Committee.

Mr Warwick Desmond Davies

Non-Executive Director

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

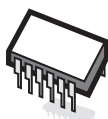
Mr Christopher Tsim Lo Fai

Non-Executive Director

Mr Tsim has extensive experience in the importation development and distribution of electronics products. He was Director of the Company's Australian controlled entities, Microtel Australia Pty Ltd and Vision Tech (Aust) Pty Ltd prior to his current appointment.

OPERATING EXPENSES DOWN 37%

We're working our money harder. For every dollar of sales revenue, operating expenses were reduced to A\$0.18 from A\$0.32.



The Acquisition & Collaboration Trail...

October 2002

- Subsidiary Taiwan Autron awarded US\$5 million sales contract from Advanced Semiconductor Engineering Inc.
- Subsidiary Smartag (S) Pte Ltd attain ISO Certification of RFID Operations
- Announced the acquisition of IC Equipment Pte Ltd at a consideration of S\$5 million which is to be settled by the issue of 16,666,667 new ordinary fully paid Autron shares at S\$0.30 each

December 2002

- Awarded the distribution rights for Palomar Technologies line of automated assembly equipment for North Asia, specifically in Taiwan and China.
- Successfully completed the acquisition of IC Equipment.

February 2003

- Announced the Share Placement of 59,047,000 new ordinary shares in the share capital of Autron Corporation Limited to Seletar Investments Private Limited to raise approximately S\$10.3 million at the Placement Price of S\$0.175 or the volume weighted average price of the Company's shares traded on the Singapore Exchange Securities Trading Limited over a 30-market-day period immediately prior to approval from the Australian Foreign Investment Review Board, whichever is lower. The net proceeds will be used for the expansion of the Company's distribution, contract manufacturing and design facilities in China, and for the expansion of its Reconditioned Equipment business.

March 2003

- Announced the half yearly financial results for FY2003 (31 December 2002) with a 127% increase in pre-tax profit of A\$4.4 million and 56% increase in revenue to A\$87.1 million.

April 2003

- Entered into a Share Placement with Deutsche Securities Asia Limited for 30,418,000 new ordinary fully paid shares in the share capital of Autron Corporation Limited at A\$0.16761 in cash for each new Placement Share. The expected net proceeds of A\$4.95 million will be used for the Company's working capital requirements.
- Awarded sales contracts worth US\$53 million from several China-based electronics manufacturers.

June 2003

- Reported the recovery of about A\$4 million from the debt which was fully provided for in FY2002. The Company also appointed Dr Lim Boh Soon, previously a Non-Executive Director to its day-to-day Executive Management team, and accepted the resignation of Mr Leong Yew Cheong from the Board of Directors and its controlled entities.

September 2003

- Announced the full year financial results for FY2003 (30 June 2003) and reported an increase in profit after tax to A\$11.5 million on revenue of A\$180 million.
- Subsidiary IC Equipment entered into a strategic partnership with Japan's largest venture capital company Jafco Investment (Asia Pacific) Limited ("Jafco Asia"). Jafco Asia will inject approximately S\$8 million into IC Equipment for 255,793 convertible preference shares of S\$0.01 each. The convertible preference shares will represent approximately 26.67 percent of the total enlarged share capital of IC Equipment. S\$3 million of the proceeds will be used for the expansion of the manufacturing and engineering facilities in Singapore and Shanghai in China, while S\$1 million will be used to repay certain loans with the rest of the proceeds to remain as working capital for IC Equipment.

LARGEST SYSTEM INTEGRATOR IN ASIA

We're conquering a larger market share. With more than 500 customers, Autron Corporation now has 25 - 30% of the entire Asian market for electronics capital equipment.

LEADING SUPPLIER IN CHINA

We're leading the market. Autron Corporation supplies electronics capital equipment and solutions to nearly a third of electronic manufacturers in China - the largest and fastest growing electronics sector in the world.

Corporate Directory



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A\$15.3
MILLION RAISED.
SHARES
100%
OVERSUBSCRIBED.

We're **HOT**. The Company completed two fund raising exercises in April with major financial institutions from Singapore, Hong Kong and Europe.

Corporate Information

Board of Directors

Professor Hang Chang Chieh
(*Non-Executive Chairman*)

Tan Cheng Leong
(*Group Managing Director*)

Dr Lim Boh Soon
(*Group Corporate Director*)

Samuel Wu Man Fan
(*Group President & CEO*)

Michael Chye Hin Fah
(*Non-Executive Director*)

Geraldine Ong Siew Ting
(*Non-Executive Director*)

Warwick Desmond Davies
(*Non-Executive Director*)

Christopher Tsim Lo Fai
(*Non-Executive Director*)

Remuneration Committee

Professor Hang Chang Chieh
(*Chairman*)

Tan Cheng Leong

Warwick Desmond Davies

Audit Committee

Michael Chye Hin Fah
(*Chairman*)

Lim Boh Soon

Geraldine Ong Siew Ting

Company Secretary

Mourice Reginald Garbutt, CPA, FCIS, JP

Stock Exchange Listings

Australian Stock Exchange Limited (Code: AAT)
Singapore Exchange Securities Trading Limited
(Code: AUTRON)

Registered Office

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Share Registrar and Share Transfer Office in Australia

Gould Ralph Pty Ltd (ACN 091 560 913)
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Depository Registrar in Singapore

The Central Depository (Pte) Limited
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Share Transfer Agent and Transfer Office in Singapore

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Deacons
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Rajah & Tann

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Yeo Wee Kiong Law Corporation
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Singapore 049909

Development Bank of Singapore

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Maybank

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The Hongkong and Shanghai Banking Corporation Limited

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Financial Review

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Report of the Directors

The directors are pleased to 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 2003 and the Auditor's Report thereon.

Directors

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

Professor Hang Chang Chieh	(55 years; appointed in March 2000)
Tan Cheng Leong	(48 years; appointed in November 1998)
Samuel Wu Man Fan	(52 years; appointed in July 2000)
Dr Lim Boh Soon	(47 years; appointed in November 2002)
Warwick Desmond Davies	(66 years; appointed in May 1997)
Michael Chye Hin Fah	(44 years; appointed in December 2000)
Geraldine Ong Siew Ting	(40 years; appointed in December 2000)
Christopher Tsim Lo Fai	(49 years; appointed in May 2002)

Directors who have resigned since 1 July 2002:

Paul D McClean	(54 years; resigned 11 July 2002)
Elvin Loh Boon Kee	(44 years; resigned 02 December 2002)
Leong Yew Cheong	(52 years; resigned 05 June 2003)

Directors' Meetings

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

	Board		Audit Committee		Remuneration Committee	
	A	B	A	B	A	B
Prof Hang Chang Chieh	4	5	-	-	-	-
Tan Cheng Leong	5	5	-	-	-	-
Samuel Wu Man Fan	5	5	-	-	-	-
Dr Lim Boh Soon	3	3	-	-	-	-
Warwick Desmond Davies	5	5	-	-	-	-
Michael Chye Hin Fah	4	5	3	3	-	-
Geraldine Ong Siew Ting	3	5	3	3	-	-
Christopher Tsim Lo Fai	5	5	-	-	-	-
Leong Yew Cheong *	5	5	2	3	-	-
Elvin Loh Boon Kee *	2	2	-	-	-	-

A = No. of meetings attended

B = No. of meetings held while a member

There were no meetings of the Remuneration Committee held during the year ended 30 June 2003.

* *Directors who have resigned during the financial year.*

Earnings Per Share

	Cents
Basic earnings per share	2.0
Diluted earnings per share	2.0

Dividends

Final dividends recommended:	Cents	\$'000
On ordinary shares	0.5	3,430

Earnings from the group will be repatriated to the Company via inter-company dividend payment.

No dividends were paid, declared or provided for during the financial year ended 30 June 2003.

Report of the Directors (cont'd)

Corporate Structure

Autron Corporation Limited is a company limited by shares that is incorporated in Australia and principally domiciled in Singapore. Autron Corporation Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in note 11 to the financial statements. The consolidated entity employed 549 employees as at 30 June 2003 (2002: 372 employees).

Nature of Operations and Principal Activities

The principal activities during the year of entities within the consolidated entity were those of agency representation, distribution of capital equipment, project management and consultancy, servicing, installation & logistical support, manufacturing of electronics accessories 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 A\$11,452,000 (2002: loss of A\$16,973,000) on total revenue of A\$179,255,000 (2002: A\$160,415,000).

The consolidated profit attributable to members was A\$11,508,000 (2002: loss of A\$17,242,000) on total revenue of A\$179,255,000 (2002: A\$160,415,000).

State of Affairs

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

- On 22 January 2003, 15,087,871 ordinary shares were issued at A\$0.144 per share pursuant to the terms of the share sale agreement dated 16 May 2000 and varied by Deed dated 24 October 2002, both as approved by shareholders in the meeting on 29 June 2000 and 28 November 2002 respectively, in regard to the performance milestones for financial year 2002 for American Tec Co. Ltd (2002: 16,000,000 at A\$0.2625 per share)
- Between 9 October and 27 November 2002, both dates inclusive, a total of 1,413,000 shares bought back on market pursuant to the Company's Share Buy-Back Scheme were cancelled. The cost of these buy-backs was A\$285,228.90. These cancellations bring the aggregate total shares bought back since October 2001 to 4,393,000 shares. The present Share Buy-Back Scheme unless terminated earlier will expire on 21 October 2003.
- On 24 December 2002, 16,666,667 ordinary shares were issued as total consideration in acquiring 100% of IC Equipment Pte Ltd. In addition, Mr T Y Lim, who is the major vendor shareholder of IC Equipment and who has provided certain performance warranties to Autron, will be upon IC Equipment achieving at least S\$1million trading profit after tax for the period commencing 1 October 2002 to 30 June 2003, entitled to an additional consideration of S\$1million. Such additional consideration is to be settled by the issue of 3,333,333 new ordinary fully paid Autron shares at S\$0.30 each.
- Pursuant to the Agreement announced in 2001, the Company on 24 December 2002 issued the following shares to vendors of Taiwan Sigma and Info-Tek:

Taiwan Sigma	8,570,731 shares @A\$0.205
Info-Tek	18,855,609 shares @A\$0.205
Taiwan Sigma	4,874,301 shares @A\$0.18023
- In April 2003, the Company announced the completion of the raising of an aggregate of A\$14,764,643.50 in equity capital through the following placement:

Seletar Investment Private Limited	59,047,000 shares @A\$0.163704; and
Deutsche Securities Asia Limited	30,418,000 shares @A\$0.16761

Report of the Directors (cont'd)

Events Subsequent To Balance Date

- On 14 August 2003, a wholly owned subsidiary, I.C. Equipment Pte Ltd was awarded the right to damages amounting to A\$1.2million for defects arising from the construction of the subsidiary's building. The defendants have subsequently submitted an injunction. As the directors are of the opinion that legal proceedings have not been finalised, this amount has not been recognised in the financial statements.
- On 18 September 2003, it was announced that Jafco Asia Technology Fund (JATF) will inject about S\$8 million into our wholly owned subsidiary - I.C. Equipment Pte Ltd. JATF, managed by venture capitalist Jafco Investment (Asia Pacific), will be issued 255,793 convertible preference shares ("CPS") in exchange for the cash injection.

The Company will also grant JATF a put option pursuant to which JATF is entitled to require the Company to purchase all or part of the CPS (or ordinary shares into which the CPS are converted) at a price based on the subscription price for the CPS with interest at 8% per annum, in the event that:

- IC Equipment is not listed on the main board of either the Stock Exchange Ltd or the Stock Exchange of Hong Kong Ltd or another stock exchange agreed between the parties on or before the date falling 48 months from the completion date;
- there is a breach of any representations, warranties or undertakings by the Company or IC Equipment; or
- JATF converts its CPS into ordinary shares in connection with a proposed listing of IC Equipment and IC Equipment is not listed within 60 days of such conversion.

Likely Developments and Expected Results

The Company will continue to consolidate its position as a leading supplier of capital equipment to the electronics manufacturing industry in Asia. We will focus on providing more higher margin products and value added services to our customers. We will continue to penetrate the market in Asia, especially the inner regions of China as manufacturers continue to move inwards in search of lower costs of production.

We also plan to expand into markets such as India and Vietnam in collaboration with our customers as they move into these new markets.

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental regulations or legislation in the countries it operates in.

Remuneration of Directors and Senior Executives

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and senior executives of the Company. The Board's remuneration policy is to ensure that remuneration packages properly reflect the person's duties and responsibilities and are 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.

Report of the Directors (cont'd)

Details of the nature and amount of each major element of the emoluments of each director and the five highest paid executive officers of the Company and the consolidated entity are:

	Base Emolument \$	Bonuses \$	Pension Contributions \$	Other Benefits \$	Total \$
Directors					
Tan Cheng Leong	354,838	31,195	16,221	40,334	442,588
Samuel Wu Man Fan	334,374	29,726	2,631	39,469	406,200
Warwick Desmond Davies	36,000	-	2,880	-	38,880
Professor Hang Chang Chieh	58,490	-	-	-	58,490
Michael Chye Hin Fah	35,094	-	-	-	35,094
Geraldine Ong Siew Ting	35,094	-	-	-	35,094
Christopher Tsim Fai Lo	36,000	-	2,880	-	38,880
Dr Lim Boh Soon	20,764	-	-	74,867	95,631
Leong Yew Cheong	300,248	27,295	14,661	40,335	382,539
Elvin Loh Boon Kee	118,043	23,335	15,276	192,296	348,950
Paul Damian McClean	10,436	7,833	531	94,976	113,776
Executive Officers					
Stephen Wu Hon Fan	171,034	121,078	2,631	-	294,743
Allen Ong Pang Kheng	140,375	11,698	13,570	9,358	175,001
Run Run Cheng Hwa Meng	125,762	40,825	2,731	2,966	172,284
Marco Ma Jie Hua	102,152	28,781	2,731	2,966	136,630
Lim Tock Yen	82,268	9,885	7,789	3,704	103,646

Contributed Equity

Ordinary Fully Paid Shares (ASX Code: 'AAT':SGX-ST:'AUTRON')

Balance on issue 30 June 2003	685,902,302
Balance on issue 30 June 2002	533,795,123
Increase during the period	152,107,179

Represented by:

(i) Performance shares per American Tec Agreement	15,087,871
(ii) Purchase of I.C. Equipment Pte Ltd	16,666,667
(iii) Performance shares for Taiwan Sigma	13,445,032
(iv) Performance shares for Info-Tek	18,855,609
(v) Shares issued to Seletar Investments and Deutsche Securities	89,465,000
(vi) Cancellation of shares per Buy-Back Plan	-1,413,000
(vii) Net movement during the period	152,107,179

Options Over Unissued Shares

As at 30 June 2003 and at the date of this report, there are no options on issue.

Indemnification and Insurance of Officers and Auditors

During the year the Company has paid a premium in respect of a contract insuring its Directors and senior employees against liabilities that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity. In accordance with common practice the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Report of the Directors (cont'd)

Directors' Interest

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 the Corporations Act 2001, at the date of this report is as follows:

Autron Corporation Limited

	Ordinary Shares
Tan Cheng Leong	63,471,768
Samuel Wu Man Fan	21,075,712
Warwick Desmond Davies	-
Dr Lim Boh Soon	450,000
Prof Hang Chang Chieh	-
Michael Chye Hin Fah	-
Geraldine Ong Siew Ting	1,694,816
Christopher Tsim Lo Fai	-
Total	<u>86,692,296</u>

Of the securities issued by the Company in 2002/2003 no securities were issued during the period to the Directors or their Associates.

No shares or options have been issued by the Company to Directors since the end of 30 June 2003.

On 23 May 2003, as announced through the ASX, Tan Cheng Leong, Samuel Wu Man Fan and Lim Tock Yen signed a letter of undertaking. Subject to the terms and conditions of the letter, they are not to dispose of their shareholdings in the Company for 5 years commencing 23 May 2003.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and received by Directors or otherwise shown in the Consolidated Financial Statements) by reason of a contract made by the Company, its controlled entities or a related body corporate with Director, with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Samuel Wu Man Fan, pursuant to the Amtec agreement, and other vendors of the HK subsidiary American Tec are entitled to the equivalent of A\$5.8 million for his share of Performance Bonus as the profits of American Tec for the financial year ended June 2003 exceeded the minimum performance target. Shares of approximately A\$2 million are to be issued no later than 90 days after the signing of the Audit Report for the said financial year by the Auditors. The remaining amount will be paid in cash. The entitlement of Mr Wu to the Performance Bonus shares will form part of the above mentioned letter of undertaking between the company, Mr Wu and others (Mr Tan Cheng Leong and Mr Lim Tock Yen).

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 this 29th day of September 2003.

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



Samuel Wu Man Fan
Group President and CEO



Michael Chye Hin Fah
Director

Corporate Governance Statement

For all listed companies in Australia, there is an Australian Stock Exchange Limited ('ASX') Listing Rule requiring the inclusion, in the Company's Annual Report, of a statement of the main Corporate Governance practices that have been applied during the reporting period. In March 2003 the ASX Corporate Governing Council issued its guide to 'Principles of Good Corporate Governance and Best Practice Recommendations'. Whilst the first full year of the now mandated guidelines is for the period 1 July 2003 to 30 June 2004, the Council encouraged listed entities to consider reporting by reference to the recommendations in their corporate reporting for the year ended 30 June 2003. Your Board of Directors fully supports the thrust of the Council's recommendations and has commenced the review of internal procedures to assess the degree of compliance with the Council's recommended principles of corporate governance.

This statement outlines the main Corporate Governance policies that have been applied throughout the financial year, unless otherwise stated. Those practices are dealt with under the following headings:

- Board of Directors and its Committees
- Internal Control Framework and Ethical Standards
- Investment and Business Risk Management
- Role of Shareholders

Board of Directors and its Committees

The Board of Directors is responsible for the overall Governance of the Company including its strategic development and the direction and the control of operations. Whilst the Board retains overall responsibility, it has established certain committees to assist in carrying out its responsibilities. Such committees include the Audit Committee and the Remuneration Committee.

In respect of the attendance at Board and Committee Meetings, shareholders are referred to the table of Meeting Attendance contained on page 15.

Composition of the Board

The Company's Constitution provides for the appointment of a minimum number of three Directors and up to a maximum of 15. Currently, the Company has eight Directors comprising five Non-Executive Directors and three Executive Directors. The Chairman of the Board is a Non-Executive Director.

The Board considers that all non-executive directors are independent within the definitions contained in the ASX Corporate Governance Guidelines.

The Constitution does not require a shareholding qualification for Directors.

Nomination and Membership

Subject to the provision of the Company's Constitution, the issues of board composition and selection criteria for Directors are deliberated with by the Full Board. Accordingly a Nomination and Membership Committee has not been established at this time.

In this area, the Chairman and the Group Managing Director regularly review the performance of the Board to ensure that it continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

The procedures applied by the Board for appointing a director include the selection of a panel of nominees. In forming the panel of nominees, the Board draws on advice from external consultants and internal industry experience.

Terms and conditions of the appointment are communicated to the nominees and include the level of remuneration.

The Constitution and the Corporations Act 2001 provide for events whereby Directors may be removed from the Board. Shareholders have the ability to nominate, appoint and remove Directors.

In addition, the Constitution the Stock Exchange Listing Rules and the Corporations Act 2001 provide for the regular rotation of Directors which ensures that Directors seek re-election by shareholders at least once every three years. The only exception to this rotation is the Managing Director who is not required to retire by rotation under the Stock Exchange Listing Rules.

Given these existing regulatory requirements, Directors are not appointed for a specified term and Directors' continuity of service may be determined by shareholders.

Corporate Governance Statement (cont'd)

Independent Professional Advice

Directors, in carrying out their duties as Directors, may, after prior consultation with the Chairman, seek independent professional advice at the expense of the Company.

Remuneration Committee

The Remuneration Committee currently comprises Professor Hang Chang Chieh as Chairman, Tan Cheng Leong and Warwick Desmond Davies.

The Remuneration 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.

Tan Cheng Leong will not be present during any discussion and deliberation by the Remuneration 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.

Audit Committee

The Audit Committee comprises of three directors, the majority being independent directors. The Committee currently comprise of Michael Chye Hin Fah (Chairman) and Geraldine Ong Siew Ting being the independent directors and Dr Lim Boh Soon. The Board of Directors recognizes and acknowledges that the composition of the Committee does not presently accord with the recommended principle of non-executive directors only. However, this will be addressed in the coming year.

The Committee meets at least twice a year and the Company's Auditors are invited to attend meetings and to participate in Committee discussions. The duties of the Committee include:

- The review of the Audit Programme and all matters relevant to the financial affairs of the Company's activities together with the production of Statutory Financial Reports inclusive of the reports and Declarations by Directors.
- To review and advise on procedures in place to record the Company's activities and to ensure the safety of the Company's records and assets.
- To review Internal Control Procedures and the Auditor's Management letter.
- To review the half-yearly and yearly reports to the stock exchanges.
- To monitor Compliance with the provisions of the Corporations Act 2001, Australian Securities and Investment Commission guidelines and practice notes, Australian and Singapore Stock Exchange Listing Rules, taxation requirements and all regulatory bodies.

Internal Control Framework and Ethical Standards

These matters are undertaken by the Full Board together with the Audit Committee. In respect of the ethical standards, the full board regularly discusses the maintenance by the Company of appropriate ethical standards.

Guidelines for Trading in Securities

By a resolution of the Board of Directors the following policy has been adopted:

1. THAT subject to:
 - Insider trading laws,
 - Continuous disclosure laws; and
 - Listing Rule requirements

In Australia, Singapore and other jurisdictions in which Autron's securities (including options, if any) may be listed from time to time, the directors are permitted to deal in securities in which they have a relevant interest without restriction for any period other than one calendar month before the release of annual or half yearly results; and
2. THAT Directors are required to wait at least 2 business days after the relevant release of these or any other announcement of the Company so that the market has had time to absorb the information.
3. THAT the Directors shall resolve that the Company shall adopt an internal compliance code to provide guidance to its senior officers with regards to dealing in Autron's securities.

Corporate Governance Statement (cont'd)

Investment and Business Risk Management

The main areas of business risk arise from:

- Downturn in the international economy and in particular the Company's business sectors
- General economic factors including those affecting interest and exchange rates
- Changes in Corporations and Taxation Laws and Listing Rules

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.

Role of Shareholders

The support of the Company's shareholders is essential to the ultimate success and market acceptance of the Company's shares.

To ensure that shareholders are informed about the Company's activities, the Company publishes its Autron's Vision Newsletter.

Annual Reports are provided to shareholders. In addition, the Company has established a website on the internet which displays much of the above information and invites shareholder feedback.

At the meetings of shareholders, Directors are subject to questioning by shareholders about the Directors' stewardship of the Company's affairs and it is shareholders who ultimately vote upon the financial statements and reports, the election of Directors, appointment of Auditors and any matters of Special Business.

To assist shareholders and investors the Company has established a toll-free communications facilities link with the global headquarters in Singapore:

Telephone 1800 001 748

Facsimile 1800 001 741

and invite shareholders to visit the Company's website at: www.autroncorp.com

Statement of Financial Performance

for the year ended 30 June 2003

	Note	Consolidated		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue from ordinary activities					
Sales revenue	2	169,341	152,578	-	-
Cost of sales		(135,999)	(128,352)	-	-
Gross profit					
Other revenues from ordinary activities	2	9,914	7,837	1,050	8,644
		43,256	32,063	1,050	8,644
Selling expenses		(11,380)	(13,217)	-	(3)
Administrative expenses		(15,924)	(32,193)	(6,063)	(6,267)
Occupancy expenses		(1,349)	(1,474)	(20)	-
Borrowing costs expenses	3(c)	(1,783)	(1,420)	-	(300)
Total operating expenses	3(a)(b)	(30,436)	(48,304)	(6,083)	(6,570)
Profit/(Loss) from ordinary activities before income tax expense					
Income tax expense relating to ordinary activities	4	(1,368)	(732)	(73)	(1,150)
		11,452	(16,973)	(5,106)	924
Net profit/(loss)					
Net loss/(profit) attributable to outside equity interest	19	56	(269)	-	-
Net profit/(loss) attributable to members of Autron Corporation Limited		11,508	(17,242)	(5,106)	924
Net exchange difference on translation of financial report of foreign controlled entity		(5,364)	(3,169)	-	-
Share issue costs		(519)	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of Autron Corporation Limited and recognised directly in equity		(5,883)	(3,169)	-	-
Total changes in equity other than those resulting from transactions with owners as owners attributable to members of Autron Corporation Limited		5,625	(20,411)	(5,106)	924
Basic earnings per share (cents per share)	24	2.0	(3.3)		
Diluted earnings per share (cents per share)	24	2.0	(3.3)		
Franked dividends per share (cents per share)	5	-	-		

Statement of Financial Position

as at 30 June 2003

	Note	Consolidated		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Current Assets					
Cash assets	6	7,416	5,939	45	-
Receivables	7	67,535	38,034	444	878
Inventories	8	35,364	33,218	-	-
Lease Receivable	9	-	952	-	-
Total Current Assets		110,315	78,143	489	878
Non-Current Assets					
Receivables	7	1,046	1,389	17,876	12,168
Other financial assets	11	-	-	54,026	50,356
Property, plant and equipment	12	14,919	7,041	-	-
Intangible assets	13	44,174	46,463	9,824	11,921
Deferred tax assets	4	110	66	-	-
Total Non-Current Assets		60,249	54,959	81,726	74,445
Total Assets		170,564	133,102	82,215	75,323
Current Liabilities					
Payables	14	48,381	53,934	8,994	19,866
Interest bearing liabilities	15	33,319	26,541	-	4
Current tax liabilities	4	1,229	1,943	-	60
Provisions	16	158	124	-	-
Total Current Liabilities		83,087	82,542	8,994	19,930
Non-Current Liabilities					
Interest bearing liabilities	15	6,397	1,192	5,296	8,118
Deferred tax liabilities	4	127	148	-	-
Total Non-Current Liabilities		6,524	1,340	5,296	8,118
Total Liabilities		89,611	83,882	14,290	28,048
Net Assets		80,953	49,220	67,925	47,275
Equity					
Parent Entity Interest					
Contributed equity	17	74,508	48,753	74,508	48,753
Reserves	18	(3,753)	1,611	(68)	(68)
Retained profits/(Accumulated losses)	18	9,602	(1,906)	(6,515)	(1,410)
Total Parent Entity Interest in Equity		80,357	48,458	67,925	47,275
Outside entity interest	19	596	762	-	-
Total Equity		80,953	49,220	67,925	47,275

Statement of Cash Flow

for the financial year ended 30 June 2003

	Note	Consolidated		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Cash flows from operating activities					
Receipts from customers		145,593	154,523	-	-
Payments to suppliers and employees		(135,917)	(159,279)	(1,254)	(949)
Interest received		84	277	2	12
Interest and other cost of finance paid		(1,783)	(1,420)	-	(301)
Income tax paid		(2,148)	(2,531)	(132)	(1,090)
Net cash flows from/(used in) operating activities	29 (ii)	5,829	(8,430)	(1,384)	(2,328)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		6	98	-	-
Purchase of property, plant and equipment		(1,169)	(3,047)	-	-
Net cash flow from acquisition of controlled entity	29 (iii)	(2,080)	(2,219)	-	(2,407)
Additional investment in subsidiary		(927)	-	(1,539)	(3,760)
Purchase of new business		-	(6,567)	-	(2,857)
Payment on deferred expenditure		-	(834)	-	(618)
Net cash flows used in investing activities		(4,170)	(12,569)	(1,539)	(9,642)
Cash flows from financing activities					
Proceeds from issues of securities		14,245	94	14,245	94
Payments for shares buy-back		(223)	(699)	(223)	(699)
Proceeds from borrowings - other		-	12,034	-	-
Repayment of borrowings - other		(11,593)	-	-	-
Repayment of finance lease principal		(499)	-	-	-
Dividends paid		-	(4,130)	-	(4,130)
Loans - Associated Company		343	(1,134)	-	-
Loans - Subsidiary		-	-	(11,051)	15,143
Net cash flows from financing activities		2,273	6,165	2,971	10,408
Net increase/(decrease) in cash held					
Cash as at beginning of financial year		3,932	(14,834)	49	(1,562)
Effects of exchange rate changes on cash held in foreign currencies at the beginning of the financial year		812	16,768	(4)	1,558
		(2,000)	(1,122)	-	-
Cash as at the end of the financial year	29 (i)	2,744	812	45	(4)

Notes to the Financial Statements

for the year ended 30 June 2003

1. Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Basis of preparation

The financial statements form part of a financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 which includes applicable Accounting Standards and Urgent Issues Group Consensus Views. They have been prepared on the basis of historical cost convention and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The accounting policies adopted are consistent with those of the prior year except for the accounting policies with respect to provisions and employee benefits. The consolidated entity has adopted AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" and revised AASB 1028 "Employee Benefits". The adoption of these accounting standards has had no material impact on current year earnings.

(b) 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 subsidiaries 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.

Subsidiary acquisitions are accounted for using the purchase method accounting.

The financial statements of subsidiaries 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 Company are shown as a separate item in the consolidated accounts.

(c) Recoverable amount

The carrying amounts of all non-current assets are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

(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.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

1. Statement of Significant Accounting Policies (Cont'd)

(e) Cash and cash equivalents

Cash on hand and in banks and short-terms deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, 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 recognised as an expense as it accrues.

(f) Intangibles

Goodwill

Goodwill represents the excess of the purchase consideration including the cost of non competition agreement 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 14 - 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 charged to the profit and loss account.

Intangible assets

Intangible assets include development expenditure relating to projects where future recoverability can be foreseen with reasonable assurance. These expenses are capitalised and will be amortised to the profit and loss accounts over 2 - 5 years in line with sales from the related project.

Non competition agreement

The cost of a non competition agreement entered into in respect of a Business/controlled entity acquisition is being amortised in the financial report of the parent entity over the period of the agreement - 5 years commencing from financial year 2002.

(g) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost 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.

(h) Investments

Controlled Entities

Investments in controlled entities are carried in the Company's financial statement at the lower of cost and recoverable amount. Dividends are brought to the account in the profit and loss statement when they are declared by the controlled entities.

Associates

An associate is an entity other than a partnership over which the consolidated entity exercises significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the consolidated financial statements, investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's share of the associates net profit or loss after tax is recognised in the consolidated profit and loss statement after adjustment for : revisions in depreciation of depreciable assets and amortisation of goodwill arising from notional adjustments made as at the date of acquisition; dissimilar accounting policies; and the elimination of unrealised profits and losses on transactions between the associate and any entities in the consolidated entity or another associate of the consolidated entity. Other movements in reserves are recognised directly in consolidated reserves.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

1. Statement of Significant Accounting Policies (Cont'd)

(i) Taxes

Income taxes

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.

The income tax expense for the year is calculated using the applicable tax rate in each jurisdiction.

Goods and Services Tax (GST) (or equivalent tax)

Revenues, expenses and assets are recognised net of the amount of GST(or equivalent tax) except:

- where the GST(or equivalent tax) incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST(or equivalent tax) is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST(or equivalent tax) included.

The net amount of GST(or equivalent tax) recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST (or equivalent tax) component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST(or equivalent tax) recoverable from, or payable to, the taxation authority.

(j) Interest-bearing liabilities

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.

(k) Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

1. Statement of Significant Accounting Policies (Cont'd)

(l) Property, Plant and Equipment

Cost and valuation

Property, plant and equipment are initially recorded at cost, items of property, plant and equipment including buildings but excluding freehold land are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

Depreciation

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

		2003	2002
Freehold and leasehold property	-	1% - 3%	1%
Plant and equipment	-	6% - 33%	6% - 27%
Leasehold improvements	-	13% - 22%	13% - 22%
Motor vehicles	-	15%	15%

(m) Employee benefits

Provision is made for employee 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 benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cashflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cashflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

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

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

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

In respect of the consolidated entity's defined benefits or other post retirement plans, any contributions made to the plans by entities within the consolidated entity are recognised against profits when due.

(n) 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.

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.

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.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

1. Statement of Significant Accounting Policies (Cont'd)

(o) Trade and Other

Trade 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.

Trade Payables

Liabilities are recognised for amounts to be paid in the future for goods or services rendered.

(p) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Share Capital

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

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

(r) 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.

Commission

Commission on agency sales is accounted for as revenue when the economic entity has fulfilled substantially all its obligations in respect of the sale to the third party. Where appropriate costs are accrued to account for any remaining obligations of the economic entity.

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 (cont'd)

for the year ended 30 June 2003

2. Revenue from ordinary activities

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<i>Revenues from operating activities</i>				
Revenue from sale of goods	169,341	152,578	-	-
<i>Revenues from non-operating activities</i>				
Rent	653	243	-	-
Commission	8,932	7,002	-	-
Management fees-Controlled entities	-	-	1,011	634
Interest-Others	84	277	2	12
Proceeds from sale of non-current assets	5	-	-	-
Dividend income-Controlled entities	-	-	-	7,958
Others	240	315	37	40
Total revenues from non-operating activities	9,914	7,837	1,050	8,644
Total revenues from ordinary activities	179,255	160,415	1,050	8,644

3. Expenses and losses/(gains)

(a) Expenses

(i) Depreciation of non-current assets

Plant and equipment	1,320	1,006	-	-
Motor vehicles	133	120	-	-
Leasehold and freehold property	278	15	-	-
Leasehold improvements	315	206	-	-
Total depreciation of non-current assets	2,046	1,347	-	-

(ii) Amortisation of non-current assets

Goodwill	2,624	1,731	-	-
Preliminary expenses	9	222	-	-
Non competition agreements	-	-	2,961	1,431
Other	970	917	794	772
Total amortisation of non-current assets	3,603	2,870	3,755	2,203
Total depreciation and amortisation expenses	5,649	4,217	3,755	2,203

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

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

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Doubtful debts (recovered)/provided				
- trade	(6,011)	10,374	-	-
- non-trade	(194)	1,147	-	-
Bad debts written off	-	116	-	-
Provision for stock obsolescence	286	503	-	-
Operating lease rental				
- minimum lease payments	18	19	-	-
Superannuation contributions				
- Central Provident Fund	671	652	-	-
- Superannuation Guarantee	6	43	6	-
- Mandatory Provident Fund	68	88	-	-
As at 30 June 2003, the Group has 549 (2002: 372) employees.				
(b) Losses/(gains)				
Net loss on disposal of property, plant and equipment	87	83	-	-
Net foreign currency losses/(gains)	4,327	2,886	(864)	(36)
(c) Borrowing cost expenses				
Bank overdraft interest	260	139	-	-
Finance lease interest	29	57	-	-
Term loan interest	642	341	-	96
Trade financing interest	852	879	-	-
Convertible notes/discount bill interest	-	4	-	-
	1,783	1,420	-	96
Other borrowing costs	-	-	-	204
Total borrowing expenses	1,783	1,420	-	300

Specific Items

Profit from ordinary activities before income tax expenses includes the following specific revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:

Doubtful debts (recovered)/provided - trade (Note 27a(i))	(5,736)	9,700	-	-
Business restructuring cost	-	1,200	-	-
Dual listing cost	-	772	-	772
Strategic acquisition cost	-	441	-	441
Debt forgiven - Controlled entity	-	-	-	2,783

All items are included within Administrative Expenses in the Statement of Financial Performance.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

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	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Prima facie tax on profit from ordinary activities	(75)	(843)	(1,510)	622
Tax effect of permanent difference:				
Amortisation of intangible assets	1,147	672	1,127	661
Non-deductible legal and professional fees	66	657	-	835
Tax loss benefit not brought to account	540	115	383	-
Others	52	131	-	193
(Decrease)/Increase in income tax expenses due to:				
Tax credits	-	-	-	(1,161)
Non-taxable income	(75)	-	-	-
Under-provision in prior year	117	-	73	-
Utilisation of capital allowance brought forward	(91)	-	-	-
Utilisation of unrecorded tax losses brought forward	(313)	-	-	-
Total income tax attributable to operating profit	1,368	732	73	1,150
Deferred tax assets and liabilities				
Current tax payable	1,229	1,943	-	60
Provision for deferred income tax - non-current	127	148	-	-
Future income tax benefit - non-current	110	66	-	-
Income tax losses				
Future income tax benefit arising from tax losses not brought to account at balance date as realisation of the benefit is not regarded as virtually certain	1,021	794	383	-

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.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

5. Dividends paid or provided for on ordinary shares

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Dividends paid during the year				
Previous year final				
Unfranked dividends (nil)				
(2002: 0.5¢ per share)	-	2,678	-	2,678
(b) Dividends proposed and not recognised as a liability				
Unfranked dividends (0.5¢ per share) (2002: nil)	3,430	-	3,430	-

	The Company	
	2003 \$'000	2002 \$'000
(c) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
- franking account balance as at the end of financial year (at 30%)	176	115
- 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	-	-
- 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	-	-
	<u>176</u>	<u>115</u>

6. Cash

Current

Cash at bank and on hand	7,401	5,924	45	-
Cash on interest bearing deposit at call	15	15	-	-
	<u>7,416</u>	<u>5,939</u>	<u>45</u>	<u>-</u>

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

7. Receivables

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Current				
Trade debtors	64,971	44,501	-	-
Less: Provision for doubtful debts	(4,933)	(12,338)	-	-
Bills receivables	151	147	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	60,189	32,310	-	-
Other debtors	6,638	4,235	354	878
Deposits	708	1,489	90	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,346	5,724	444	878
	<hr/>	<hr/>	<hr/>	<hr/>
	67,535	38,034	444	878
Non-Current				
Loans to associated entities	2,611	3,327	-	-
Less: Provision for doubtful debts	(1,565)	(1,938)	-	-
Loans to controlled entities	-	-	17,876	12,168
	<hr/>	<hr/>	<hr/>	<hr/>
	1,046	1,389	17,876	12,168

Terms and conditions

Terms and conditions relating to the above financial instruments

- (i) Trade debtors are non-interest bearing and generally on 30 days terms. Selected customers are given credit terms of up to 18 months.
- (ii) Sundry debtors and other receivables are non-interest bearing and have repayment terms between 30 to 90 days.
- (iii) Non-current receivables are non-interest bearing.

8. Inventories

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Finished goods - at cost	33,396	33,588	-	-
Provision for diminution in value	(1,015)	(619)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Finished goods - at net	32,381	32,969	-	-
Work-in-progress - at cost	3,499	6	-	-
Provision for diminution in value	(969)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Work-in-progress - at net	2,530	6	-	-
Raw materials - at cost	453	243	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	35,364	33,218	-	-

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

9. Lease Receivable

The Company 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.

In 2002, the cost of assets acquired for letting to the customer under finance leases amounted to A\$2,136,943 and the total selling price of the assets and finance lease income under finance leases amounted to A\$2,353,930 and A\$47,968 respectively.

These amounts have been fully received from the customer during the year.

10. Investment accounted for using the equity method

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unquoted shares, at cost	73	73	-	-
Less: Share of post acquisition losses	(73)	(73)	-	-
	-	-	-	-

Investment in associated entity is immaterial and has been fully provided for. Non-trade receivable from associated entity has been partially provided for (Note 7).

11. Other financial assets

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Investments in controlled entities	-	-	56,988	53,318
Less: Provision for diminution in value of investment	-	-	(2,962)	(2,962)
	-	-	54,026	50,356

	Interest held		Country of Incorporation
	2003 %	2002 %	
Controlled Entities of Autron Corporation Limited			
Australasian Technology (Properties) Corporation Pty Limited	100	100	Australia
Australasian Technology Corporation NZ Limited	100	100	New Zealand
Australasian Technology Corporation (Australia) Pty Limited	100	100	Australia
Vision Tech (Australia) Pty Limited	80	80	Australia
Microtel Australia Pty Limited	60	60	Australia
Autron (SEA) Pte Limited (Formerly known as Niche Tech Pte Ltd)	100	100	Singapore
Austratech Corporation (L) Bhd	100	100	Malaysia
Smartag (S) Pte Limited	52	52	Singapore
Vision Tech Enterprise Pte Limited	100	100	Singapore
American Tec Company Limited	100	100	Hong Kong
Autron Tech (Semicon) Pte Limited	100	100	Singapore
Autron Global Services Pte Limited (Formerly known as Crescent Tech International Pte Limited)	100	100	Singapore
Autron Corporation Pte Limited	100	100	Singapore
Taiwan Autron Corporation	100	100	Taiwan
Info-Tek Technology (Suzhou) Company Limited	100	100	China

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

11. Other financial assets (cont'd)

	Interest held		Country of Incorporation
	2003 %	2002 %	
Autron Engineering Service Company Limited	100	100	Hong Kong
I.C. Equipment Pte Limited (interest acquired 24 December 2002)	100	-	Singapore
Controlled Entities of Autron (SEA) Pte Limited			
Niche Tech (Malaysia) Sdn Bhd	100	100	Malaysia
Controlled Entities of American Tec Company Limited			
Ouye Meiya Science and Technology (Shenzhen) Co. Limited.	100	100	China
American Tec Co (L) Bhd	100	100	Malaysia
Controlled Entities of IC. Equipment Pte Ltd			
Aeromatrix Pte Ltd (formerly known as August Equipment Pte Limited)	100	-	Singapore
I.C. Integrated Circuit Equipment (Shanghai) Co Ltd	100	-	China

12. Property, plant and equipment

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Plant and equipment - at cost	7,970	5,485	-	-
Less: Accumulated depreciation	(5,187)	(2,066)	-	-
	<u>2,783</u>	<u>3,419</u>	-	-
Plant and equipment under lease	1,707	1,187	-	-
Less: Accumulated depreciation	(704)	(285)	-	-
	<u>1,003</u>	<u>902</u>	-	-
Motor vehicles - at cost	104	109	-	-
Less: Accumulated depreciation	(36)	(77)	-	-
	<u>68</u>	<u>32</u>	-	-
Motor vehicles under lease	439	460	-	-
Less: Accumulated depreciation	(213)	(137)	-	-
	<u>226</u>	<u>323</u>	-	-
Freehold and leasehold property - at cost	12,357	1,340	-	-
Less: Accumulated depreciation	(2,644)	(95)	-	-
	<u>9,713</u>	<u>1,245</u>	-	-
Leasehold improvements - at cost	1,796	1,653	-	-
Less: Accumulated depreciation	(670)	(533)	-	-
	<u>1,126</u>	<u>1,120</u>	-	-
	<u>14,919</u>	<u>7,041</u>	-	-

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

12. Property, plant and equipment (cont'd)

(a) Assets pledged as security

Substantially all of the balance of freehold and leasehold property is subject to first mortgages as security over bank loans (refer note 15). The term of the first mortgages preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder. The mortgage also requires buildings that form part of the security to be fully insured at all times.

Assets under lease are pledged as security for the associated lease liabilities.

The net book value of assets pledged as security are:

	Consolidated		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Freehold and leasehold property	9,581	1,087	-	-

(b) Valuations

The fair values of freehold and leasehold property have been determined by reference to director valuations, based upon independent valuations previously obtained. Such valuations are performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

Included in the above is a freehold building of net book value A\$8.6m. If the asset was sold at reporting date, the valuation amount would be approximately A\$11m (according to valuation done by an independent party dated 21 January 2003).

Reconciliations

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

	Consolidated		The Company	
	2003	2003	2003	2003
	\$'000	\$'000	\$'000	\$'000
Plant and equipments - at cost				
Carrying amount at beginning	3,419		-	
Additions	320		-	
Additions through acquisition of controlled entity	925		-	
Disposals	(2)		-	
Reclassification	(490)		-	
Depreciation expense	(785)		-	
Net foreign currency movements arising from self-sustaining foreign operation	(604)		-	
	<u>2,783</u>		<u>-</u>	
Plant and equipments under lease				
Carrying amount at beginning	902		-	
Additions	185		-	
Additions through acquisition of controlled entity	12		-	
Disposals	-		-	
Reclassification	490		-	
Depreciation expense	(535)		-	
Net foreign currency movements arising from self-sustaining foreign operation	(51)		-	
	<u>1,003</u>		<u>-</u>	

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

12. Property, plant and equipment (cont'd)

	Consolidated 2003 \$'000	The Company 2003 \$'000
<i>Motor vehicles at cost</i>		
Carrying amount at beginning	32	-
Additions	56	-
Additions through acquisition of controlled entity	-	-
Disposals	-	-
Depreciation expense	(22)	-
Net foreign currency movements arising from self-sustaining foreign operation	2	-
	68	-
<i>Motor vehicles under lease</i>		
Carrying amount at beginning	323	-
Additions	77	-
Additions through acquisition of controlled entity	-	-
Disposals	(29)	-
Depreciation expense	(111)	-
Net foreign currency movements arising from self-sustaining foreign operation	(34)	-
	226	-
<i>Freehold and leasehold property</i>		
Carrying amount at beginning	1,245	-
Additions	-	-
Additions through acquisition of controlled entity	10,892	-
Disposals	-	-
Depreciation expense	(278)	-
Net foreign currency movements arising from self-sustaining foreign operation	(2,146)	-
	9,713	-
<i>Leasehold improvements</i>		
Carrying amount at beginning	1,120	-
Additions	530	-
Additions through acquisition of controlled entity	-	-
Disposals	(74)	-
Depreciation expense	(315)	-
Net foreign currency movements arising from self-sustaining foreign operation	(135)	-
	1,126	-

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

13. Intangibles

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Goodwill	50,072	49,895	-	-
Non competition agreement	-	-	14,217	13,353
Less: Accumulated amortisation	(5,898)	(3,432)	(4,393)	(1,432)
	<u>44,174</u>	<u>46,463</u>	<u>9,824</u>	<u>11,921</u>

14. Payables (Current)

Trade creditors	25,542	15,410	-	103
Business/controlled entity acquisition				
- consideration payable (a)	8,678	19,568	8,678	19,568
Other creditors & accruals	14,161	18,956	316	195
	<u>48,381</u>	<u>53,934</u>	<u>8,994</u>	<u>19,866</u>

- (a) The balance comprises amounts due to the vendors of the Hong Kong and Taiwan businesses that are able to be reliably estimated at year-end. Additional contingent amounts are payable in certain circumstances, (Please refer to Notes 23). A\$5.8 million is considered payable to related parties - comprising directors and director related entities (Please refer to Note 27(a)(ii)).

Terms and conditions

Terms and conditions relating to the above financial instruments:

- Trade creditors and accruals are non-interest bearing and normally settled on 30 days - 150 days terms
- Consideration payable in relation to business/controlled entity acquisitions are generally non-interest bearing and will be settled between January 2004 and January 2005. The exception is an amount outstanding to lweb Industries (A\$2.2 million) that is interest bearing at 5% per annum.
- Details of the terms and conditions of related party payables are set out in note 27.

15. Interest bearing liabilities

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Current				
Term loan (secured)*	2,553	11,450	-	-
Hire purchase creditors	391	523	-	-
	<u>2,944</u>	<u>11,973</u>	<u>-</u>	<u>-</u>
Bills payables	20,860	9,441	-	-
Trade debtors financing	4,843	-	-	-
Bank overdraft **	4,672	5,127	-	4
	<u>33,319</u>	<u>26,541</u>	<u>-</u>	<u>4</u>
Non-Current				
Loan from controlled entities	-	-	5,296	8,118
Term loan (secured)*	5,916	344	-	-
Hire purchase creditors	481	848	-	-
	<u>6,397</u>	<u>1,192</u>	<u>5,296</u>	<u>8,118</u>

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

15. Interest bearing liabilities (cont'd)

* The term loans are secured by way of legal mortgage over Autron (SEA) Pte Ltd's long term leasehold property and IC Equipment Pte Ltd's freehold property.

** Bank overdraft facilities of the controlled entities are secured by corporate guarantees from the parent entity - i.e. Autron Corporation Limited.

Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Hire purchase liabilities have an average lease of 4 years with option to purchase the asset at the completion of the contract at the asset's agreed value. The average discounted rate implicit in the contract is 6.0% per annum (2002: 6.0%). Hire purchase liabilities are secured by a charge over the assets.
- (ii) Term loans are repayable in less than 5 years except for the loan secured under the freehold property stated above. Bills payable and trade debtors financing are interest bearing at an average of 3% per annum each.
- (iii) Loan from controlled entries includes A\$1.1 million which is interest bearing at 6.7% per annum (2002: 8%).

16. Provisions (Current)

	Consolidated		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Employee benefits (i)	158	124	-	-

Terms and conditions relating to the above financial instrument

- (i) Refer to note 26 for further details.

17. Contributed equity

(a) Issued and paid up capital

Ordinary shares fully paid	74,508	48,753	74,508	48,753
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(b) Movements in shares on issue

	2003		2002	
	Number of shares	\$'000	Number of shares	\$'000
Beginning of the financial year	533,795,123	48,753	516,397,353	44,138
Purchase of American Tec (i)	15,087,871	2,173	16,000,000	4,200
Dividend reinvestment scheme	-	-	3,331,132	1,019
Share buy back (ii)	(1,413,000)	(223)	(2,980,000)	(698)
Exercise of share options	-	-	1,046,638	94
Purchase of I.C Equipment Pte Ltd (iii)	16,666,667	3,058	-	-
Purchase of Taiwan Sigma (iv)	13,445,032	2,636	-	-
Purchase of Info-Tek (iv)	18,855,609	3,865	-	-
Ordinary shares issued (v)	89,465,000	14,765	-	-
Less: transaction cost	-	(519)	-	-
End of the year	685,902,302	74,508	533,795,123	48,753

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

17. Contributed equity (cont'd)

- (i) On 22 January 2003, 15,087,871 ordinary shares were issued at A\$0.144 per share pursuant to the terms of the share sale agreement dated 16 May 2000 and varied by Deed dated 24 October 2002, both as approved by shareholders in the meeting on 29 June 2000 and 28 November 2002 respectively, in regard to performance milestones for financial year 2002 for American Tec Co. Ltd (2002: 16,000,000 at A\$0.2625 per share)
- (ii) Between 9 October and 27 November 2002, both dates inclusive, a total of 1,413,000 shares bought back on market pursuant to the Company's Share Buy-Back Scheme were cancelled. The cost of these buy-backs was A\$285,228.90. These cancellations bring the aggregate total of shares bought back since October 2001 to 4,393,000 shares. The present Share Buy-Back Scheme (unless terminated earlier) will expire on 21 October 2003.
- (iii) On 24 December 2002, 16,666,667 ordinary shares were issued as total consideration in acquiring 100% of I.C. Equipment Pte Ltd.
- (iv) Pursuant to the Agreement announced in 2001, the Company on 24 December 2002 issued the following shares to vendors of Taiwan Sigma and Info-Tek:

Taiwan Sigma	8,570,731 shares @A\$0.205
Info-Tek	18,855,609 shares @A\$0.205
Taiwan Sigma	4,874,301 shares @A\$0.18023

- (v) In April 2003, the Company announced the completion of the raising of an aggregate of A\$14,764,643.50 in equity capital through the following placement:

Seletar Investment Private Limited	59,047,000 shares @A\$0.163704; and
Deutsche Securities Asia Limited	30,418,000 shares @A\$0.16761

(c) Share options

As at 30 June 2003 and as at the date of this Report, there are no share options on issue.

(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 Company.

18. Reserves and retained profits

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Capital profits reserve	571	571	-	-
Foreign currency translation reserve	(4,324)	1,040	(68)	(68)
	(3,753)	1,611	(68)	(68)
Retained profits/ (Accumulated losses)	9,602	(1,906)	(6,515)	(1,410)

(a) Capital profits reserve

- (i) Nature and purpose of reserve

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

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

- (ii) Movements in reserve

Balance at beginning and end of year	571	571	-	-
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Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

18. Reserves and retained profits (cont'd)

(b) Foreign currency translation reserve

(i) Nature and purpose of reserve

The foreign currency translation reserve is used to record exchange differences arising from the loss on translation of the financial statements of self-sustaining foreign operations.

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(ii) Movements in reserve				
Balance at beginning of year	1,040	4,209	(68)	(68)
Loss on translation of overseas controlled entities	(5,364)	(3,169)	-	-
Balance at end of year	(4,324)	1,040	(68)	(68)
(c) Retained profits/(Accumulated losses)				
Balance at beginning of year	(1,906)	18,014	(1,409)	345
Net profit/(loss) attributable to members of Autron Corporation Limited	11,508	(17,242)	(5,106)	924
Total available for appropriation	9,602	772	(6,515)	1,269
Dividends provided for or paid	-	(2,678)	-	(2,678)
Balance at end of year	9,602	(1,906)	(6,515)	(1,409)

19. Outside equity interests

Ordinary share capital of controlled entities issued to outside equity interests is:

Smartag (S) Pte Ltd	362	362	-	-
Vision Tech Australia Pty Limited	20	20	-	-
Microtel Australia Pty Limited	201	201	-	-
	583	583	-	-
Interest in retained profits and reserves	13	179	-	-
Total outside equity interests	596	762	-	-
Reconciliation of outside equity interest in controlled entities:				
Opening balance	762	542	-	-
Currency realignment	(110)	(49)	-	-
Add share of operating (loss)/profit	(56)	269	-	-
Closing balance	596	762	-	-

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

20. Remuneration of directors and executives

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
(a) Directors' remuneration				
Income paid or payable, or otherwise made available to Directors of the chief entity or any related party			1,996,122	1,790,862
The number of directors of the Company whose income from the Company or any related party falls within the following bands				
			No.	No.
\$0	- \$9,999		-	1
\$20,000	- \$39,999		4	3
\$50,000	- \$59,999		1	1
\$90,000	- \$99,999		1	-
\$100,000	- \$149,999		1	1
\$320,000	- \$349,999		1	1
\$350,000	- \$359,999		-	1
\$360,000	- \$399,999		1	2
\$400,000	- \$449,999		2	-
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				
		2,205,119	1,841,138	
(b) Executives' remuneration				
All of the group's executives work wholly or mainly outside Australia and their remuneration is not included in this disclosure.				
Total remuneration received, or due and receivable from the Company or related parties by executive officers of the Company whose income is \$100,000 or more and who work mainly in Australia				
			Nil	Nil
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				
		Nil	Nil	

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

21. Remuneration of auditors

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
Amounts received or due and receivable by Ernst & Young for:				
a(i) - an audit or review of the financial report of the chief entity	95,699	90,000	95,699	90,000
a(ii) - an audit or review of any other entity in the consolidated entity	344,500	358,500	-	-
b) other services in relation to the entity and any other entity in the consolidated entity - tax services	101,619	86,710	87,935	-
Amount received or due and receivable by auditors other than Ernst & Young for:				
c) an audit or review of the financial report of the subsidiary entities	12,000	-	-	-
	<u>553,818</u>	<u>535,210</u>	<u>183,634</u>	<u>90,000</u>

22. Hire purchase commitments

	Consolidated		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Hire purchase payments are as follows :				
- Not later than 1 year	406	552	-	-
- Later than 1 year but not later than 5 years	506	887	-	-
- Later than 5 years	-	-	-	-
	<u>912</u>	<u>1,439</u>	<u>-</u>	<u>-</u>
Less amounts provided for in the financial statements:				
Current (Note 15)	391	523	-	-
Non-current (Note 15)	481	848	-	-
Total hire purchase liability	<u>872</u>	<u>1,371</u>	<u>-</u>	<u>-</u>
Future finance charges not provided for in the financial statements	40	68	-	-

23. Contingent liabilities

The Company will have to issue the equivalent of USD 500,000 in shares to Taiwan Autron Corporation Vendors' if the future profits of Taiwan Autron in financial year ended 2004 meet a minimum target.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

24. Earnings per share

	Consolidated	
	2003	2002
Basic earnings per share (cents per share)	2.0¢	(3.3)¢
Diluted earnings per share is not materially different to basic earnings per share	2.0¢	(3.3)¢
Weighted average number of shares used in the calculation of basic and diluted earnings per share	585,177,081	522,933,876
Reconciliation of earnings used in the calculation of basic and diluted earnings per share		
Profit/(Loss) from ordinary activities after income tax expense	11,452	(16,973)
Less: Outside equity interests	56	(269)
Earnings used in the calculation of basic earnings per share	11,508	(17,242)

25. Economic dependency

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

26. Employee benefits and superannuation commitments

Employee Benefits

	Consolidated		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
The aggregate employee benefit liability is comprised of:				
Accrued wages and salaries and on costs	1,273	1,103	-	-
Provisions (current)	158	124	-	-
	1,431	1,227	-	-

Neither the Company, nor any entity within the Economic Entity has established or sponsored a superannuation or retirement of benefit plan. Entities contribute superannuation to third party funds in compliance with statutory requirements.

Employees in Singapore are required to contribute to a government approved social insurance programme called the Central Provident Fund ("CPF"). The maximum contribution for employee is 20% for wages and for employer is 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 charged as expenses when they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the Scheme.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

27. Related party disclosures

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

Professor Hang Chang Chieh	
Tan Cheng Leong	
Samuel Wu Man Fan	
Warwick Desmond Davies	
Michael Chye Hin Fah	
Geraldine Ong Siew Ting	
Christopher Tsim Lo Fai	
Dr Lim Boh Soon	(Appointed on 28 November 2002)
Paul McClean	(Resigned on 11 July 2002)
Elvin Loh Boon Kee	(Resigned on 02 December 2002)
Leong Yew Cheong	(Resigned on 05 June 2003)

(i) *Doubtful debts recovered*

In 2002, Leong Yew Cheong and Elvin Loh Boon Kee, both directors of the Company at the time, undertook to guarantee certain debts due to the group as a result of sales made to unrelated parties in the prior year. This was disclosed in the 30 June 2002 financial report. The guaranteed amount was A\$9.7 million and the related debts (of the same amount) were fully provided in the 2002 financial year.

In 2003, the Company commenced legal action against the 2 directors as guarantors, and Koh Chee Seng, a director of one of the unrelated debtor companies (and also a guarantor), in order to recover the outstanding debts. The Company then entered into a joint settlement agreement with the 3 individuals for full settlement of the terms of the guarantees and related debts outstanding. The joint settlement agreement required consideration of A\$4.5 million be paid to the Company via a combination of cash, machines and the assignment of a trade payable. The Company subsequently received a consideration of A\$5.7 million that was comprised of machines (A\$3.3 million) and the assignment of a trade payable (A\$2.4 million). The Company believes that the terms of the joint settlement agreement have now been met and that no further amounts will be recovered.

(ii) *Business/controlled entity acquisition*

Included in Consideration Payable in relation to - business/controlled entity acquisitions (Note 14) are the following balances payable to directors (or interests associated with those directors) in respect of the acquisition of the Hong Kong and Taiwan businesses.

Samuel Wu (director of the parent entity and several subsidiaries), and other vendors of the Hong Kong subsidiary American Tec Company Limited acquired on 1 July 2000.

The equivalent of A\$5.8 million is payable as follows:

- A\$3.8 million in cash payment; and
- approximately A\$2 million through the issue of ordinary shares in Autron Corporation Limited.

Intra-group transaction

(iii) *Loans*

As at 30 June 2003, the parent entity received loans amounted to \$1.131 million (2002: \$1.127 million) from one of its subsidiaries, Australasian Technology Corporation (NZ) Limited. The loan bears an interest of 6.7% per annum and is not expected to be repaid in the next twelve months.

(iv) *Sales/Purchases*

Finished product and spare parts are sold and purchased to meet customer needs within the wholly owned group at arm's length value.

(v) *Management Fees*

Costs incurred by group entities in respect of other entities are charged at cost to other group entities.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

27. Related party disclosures (cont'd)

(b) Equity Instruments of Directors

Interest at balance date

Interest in the equity instruments of Autron Corporation Limited held by Directors of the reporting entity and their Associates as at 30 June 2003

	Ordinary shares fully paid Directly held		Ordinary shares fully paid Indirectly held		Ordinary shares fully paid Total	
	2003	2002	2003	2002	2003	2002
	Number	Number	Number	Number	Number	Number
Leong Yew Cheong (i)	-	80,436	-	12,535,285	-	12,615,721
Elvin Loh Boon Kee (i)	-	796,833	-	13,480,345	-	14,277,178
Tan Cheng Leong	19,175,324	27,175,324	44,296,444	36,296,444	63,471,768	63,471,768
Samuel Wu Man Fan	21,075,712	21,075,712	-	-	21,075,712	21,075,712
Dr Lim Boh Soon	450,000	-	-	-	450,000	-
Professor Hang Chang Chieh	-	-	-	-	-	-
Warwick Desmond Davies	-	-	-	-	-	-
Micheal Chye Hin Fah	-	-	-	-	-	-
Geraldine Ong Siew Ting	-	-	1,694,816	1,694,816	1,694,816	1,694,816
Christopher Tsim Lo Fai	-	-	-	-	-	-
	40,701,036	49,128,305	45,991,260	64,006,890	86,692,296	113,135,195

- (i) Leong Yew Cheong and Elvin Loh Boon Kee resigned as director on 05 June 2003 and 02 December 2002 respectively.

Movements in directors' equity holdings

Continuing directors' entitlements are unchanged. However, during the financial year, the total direct shareholdings by directors in Autron decreased from 113,135,195 to 86,242,296, principally through the disposal of shares by retired directors Leong Yew Cheong and Elvin Loh Boon Kee.

(c) Loans to Directors

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

28. Acquisition/disposal of controlled entities/operations

The following entities and operations 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 %
<i>Acquisitions</i>				
2003				
I.C. Equipment Pte Ltd (i)	3,058	3,058	N/A	100

- (i) On 24 December 2002, the Company completed its acquisition of I.C. Equipment Pte Ltd, and allotted 16,666,667 new ordinary fully paid shares at a deemed fair value issue price of A\$0.1835 a share.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

28. Acquisition/disposal of controlled entities/operations (cont'd)

	Consideration \$'000	Net tangible assets at date of disposal/ acquisition \$'000	Consolidated profit on disposal \$'000	The Company's interest %
<i>Acquisitions</i>				
2002				
Taiwan Autron business (i)	4,949	1,936	N/A	100
Autron Engineering Service Company Limited	2	2	N/A	100
Info-Tek Technology (Suzhou) Company Limited	2,407	2,161	N/A	100

- (i) Consideration comprises cash payments of US\$2.54 million and shares to be issued of up to US\$1.5 million if performance targets are met. In addition, the Company agreed to pay US\$1.5 million in cash and US\$2.2 million in shares for non-competition agreements and - if performance targets are met - an additional US\$2 million in cash and US\$1 million in shares.

Disposals

2003

No disposals

- - - -

2002

IT Connections Pty Ltd
(disposed through voluntary deregistration)

- - - -

29. Statement of Cash Flows

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(i) Reconciliation of Cash				
Cash at the end of the year is shown in the balance sheet as:				
Cash at bank and on hand	7,401	5,924	45	-
At call deposits with financial institutions	15	15	-	-
Bank overdraft - unsecured	(4,672)	(5,127)	-	(4)
	2,744	812	45	(4)

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

29. Statement of Cash Flows (cont'd)

	Consolidated		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(ii) Reconciliation of Cash Flows from operations with operating profit after income tax expense				
Profit/(loss) from ordinary activities after income tax expenses	11,452	(16,973)	(5,106)	924
Non-cash items:				
Depreciation and amortisation	5,649	4,205	3,755	2,203
Loss on sale of fixed assets	92	83	-	-
Decrease in income tax provision	(714)	(1,799)	(60)	60
Decrease in deferred tax liability	(66)	-	-	-
(Decrease)/Increase in doubtful debts provision	(6,205)	11,521	-	-
Bad debts written off	-	116	-	-
Foreign exchange difference	4,327	1,690	899	-
Loan forgiveness	-	-	-	2,783
Provision for stock obsolescence	14	503	-	-
Fixed asset written off	7	58	-	-
Changes in assets and liabilities				
Debtors	(25,162)	1,946	(137)	(8,596)
Inventories	911	(13,039)	-	-
Creditors	15,524	3,259	(735)	298
Net cash flows from operating activities	5,829	(8,430)	(1,384)	(2,328)
(iii) Net cash flows from acquisition of controlled entity				
Acquisition of controlled entity				
Fixed assets	11,827			
Inventories	3,070			
Debtors	2,296			
Cash balances	(2,080)			
Deferred expenditure	5			
Creditors	(3,792)			
Term loan	(8,268)			
Net asset acquired	3,058			
Goodwill arising from acquisition	-			
Consideration (issued shares)	3,058			
Cash paid for acquisition	-			
Cash included in net assets acquired	(2,080)			
Cash paid for purchase of controlled entity as reflected in the statement of cash flows	(2,080)			

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

29. Statement of Cash Flows (cont'd)

	Consolidated		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
(iv) Financing facilities available				
At balance date, the following financing facilities had been negotiated and were available:				
Total Facilities Available at Balance Date				
Bank overdraft	6,548	5,822	-	-
Bank loans	8,469	11,794	-	-
Trade finance/letters of credit	34,490	45,242	-	-
	<u>49,507</u>	<u>62,858</u>	-	-
Facilities used at Balance Date				
Bank overdraft	4,672	5,127	-	-
Bank loans	8,469	11,794	-	-
Trade finance/letters of credit	25,703	9,441	-	-
	<u>38,844</u>	<u>26,362</u>	-	-
Facilities unused at Balance Date				
Bank overdraft	1,876	695	-	-
Bank loans	-	-	-	-
Trade finance/letters of credit	8,787	35,801	-	-
	<u>10,663</u>	<u>36,496</u>	-	-

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

30. Commitments

- (a) At 30 June 2003, there were commitment under operating leases of land and buildings to make payments in the following year as follows:

	Consolidated		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Within 1 year	1,258	523	-	-
After 1 year but within 5 years	1,662	848	-	-
After 5 years	4,387	-	-	-
	<u>7,307</u>	<u>1,371</u>	-	-

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

31. Events subsequent to Balance Sheet Date

- On 14 August 2003, a wholly owned subsidiary, I.C. Equipment Pte Ltd was awarded the right to damages amounting to A\$1.2 million for defects arising from the construction of the subsidiary's building. The defendants have subsequently submitted an injunction. As the directors are of the opinion that legal proceedings have not been finalised, this amount has not been recognised in the financial statements.
- On 18 September 2003, it was announced that Jafco Asia Technology Fund (JATF) will inject approximately S\$8 million into the wholly owned subsidiary - I.C. Equipment Pte Ltd. JATF, managed by venture capitalist Jafco Investment (Asia Pacific), will be issued 255,793 convertible preference shares in exchange for the cash injection.

The Company will also grant JATF a put option pursuant to which JATF is entitled to require the Company to purchase all or part of the CPS (or ordinary shares into which the CPS are converted) at a price based on the subscription price for the CPS with interest at 8% per annum, in the event that:

- (a) IC Equipment Pte Ltd is not listed on the main board of either the Stock Exchange Ltd or the Stock Exchange of Hong Kong Ltd or another stock exchange agreed between the parties on or before the date falling 48 months from the completion date;
- (b) there is a breach of any representations, warranties or undertakings by the Company or IC Equipment Pte Ltd; or
- (c) JATF converts its CPS into ordinary shares in connection with a proposed listing of IC Equipment Pte Ltd and IC Equipment Pte Ltd is not listed within 60 days of such conversion.

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

32. Segment information-Primary segment

Business segments	Machine, spareparts & consumables		Trading		Others		Elimination		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Revenue										
Sales outside the group	174,490	153,618	-	760	3,783	5,202			178,273	159,580
Other revenue	951	676	-	-	31	159			982	835
Intersegment revenue	6,889	2,528	-	-	3,788	15,234	(10,677)	(17,762)	-	-
Total segment revenue	182,330	156,822	-	760	7,602	20,595	(10,677)	(17,762)	179,255	160,415
Unallocated revenue									-	-
Total consolidated revenue									179,255	160,415
Results										
Segment result	18,401	(4,229)	-	(8,204)	(5,365)	4,503	(216)	(8,311)	12,820	(16,241)
Unallocated expenses									-	-
Consolidated entity profit from ordinary activities before income tax expenses									12,820	(16,241)
Income tax expense									(1,368)	(732)
Consolidated entity profit from ordinary activities after income tax expense									11,452	(16,973)
Extraordinary item									-	-
Net profit									11,452	(16,973)
Assets										
Segment assets	136,603	115,195	-	(3,390)	89,951	82,443	(55,990)	(61,146)	170,564	133,102
Unallocated assets									-	-
Total assets									170,564	133,102

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

32. Segment information-Primary segment (cont'd)

	Machine, spareparts & consumables		Trading		Others		Elimination		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Liabilities										
Segment liabilities	102,395	89,830	-	3,355	18,802	32,903	(31,586)	(42,206)	89,611	83,882
Unallocated liabilities									-	-
Total liabilities									<u>89,611</u>	<u>83,882</u>
Other segment information:										
Equity accounted investments included in segment assets	-	-	-	-	-	-	-	-	-	-
Acquisition of property, plant and equipment, intangible assets and other non-current assets	850	26,303	-	-	318	3,131	-	-	1,168	29,434
Depreciation	1,440	821	-	-	606	514	-	-	2,046	1,335
Amortisation	280	192	-	-	3,848	2,378	(525)	300	3,603	2,870
Non-cash expenses other than depreciation and amortisation	3,285	3,897	-	8,813	968	-	(6,018)	(430)	(1,765)	12,280
Geographical segments										
(\$'000)										
	Australia	2002	2003	2002	2003	North Asia	2002	2003	Elimination	Total
Segment revenue	1,050	12,578	97,915	67,892	97,727	97,707	(17,437)	(17,762)	179,255	160,415
Segment assets	86,445	79,868	75,586	73,113	64,523	41,267	(55,990)	(61,146)	170,564	133,102
Other segment information:										
Acquisition of property, plant and equipment, intangible assets and other non-current assets	-	-	443	2,213	725	27,221	-	-	1,168	29,434

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

33. Financial instruments

(a) Interest Rate Risk

Interest Rate Risk Exposures

The economic entity's exposure to interest rate risk and the effective weighted average interest rate for reclass of financial assets and financial liabilities is set out below:

	Weighted Average Interest Rate %	Floating Interest Rate \$'000	1 Year or less \$'000	1-5 Years \$'000	5 Years Or greater \$'000	Non -interest earnings \$'000	Total \$'000
Fixed Interest Maturing in 2003							
Financial Assets							
Cash	0.2	7,401	15	-	-	-	7,416
Receivables	N/A	-	-	-	-	67,535	67,535
Receivables from associated entities	N/A	-	-	-	-	1,046	1,046
		7,401	15	-	-	68,581	75,997
Financial Liabilities							
Bank overdraft	5.0	4,672	-	-	-	-	4,672
Payables	5.0	-	2,246	-	-	46,135	48,381
Bills payable/Trade financing	3.0	25,703	-	-	-	-	25,703
Term loan	3.0	-	2,553	5,916	-	-	8,469
Hire purchase liabilities	6.0	-	391	481	-	-	872
		30,375	5,190	6,397	-	46,135	88,097
Fixed Interest Maturing in 2002							
Financial Assets							
Cash	0.75	5,924	15	-	-	-	5,939
Receivables	N/A	-	-	-	-	38,034	38,034
Receivables from associated entities	N/A	-	-	-	-	1,389	1,389
Finance lease	N/A	-	-	-	-	952	952
		5,924	15	-	-	40,375	46,314
Financial Liabilities							
Bank overdraft	5.0	5,127	-	-	-	-	5,127
Payables	N/A	-	-	-	-	53,934	53,934
Bills payable/Trade financing	4.15	9,441	-	-	-	-	9,441
Term loan	4.15	-	11,450	344	-	-	11,794
Hire purchase liabilities	6.0	-	523	848	-	-	1,371
		14,568	11,973	1,192	-	53,934	81,667

Notes to the Financial Statements (cont'd)

for the year ended 30 June 2003

Financial instruments (cont'd)

(b) Credit Risk Exposures

The consolidated entity's maximum exposures* to credit risk at reporting date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets in the statement of financial position.

Concentration of credit risk

The company minimises concentration of credit risks in relation to trade receivables by undertaking transactions with a large number of customers from across the range of geographical segments in which the group operates.

Concentration of credit risk on trade receivables arise in the following geographical segments:

Maximum credit risk exposure* for each concentration

Geographical Segment	Percentage of total trade debtors		\$'000	
	2003	2002	2003	2002
South East Asia	48.0	51.0	28,875	16,445
North Asia	52.0	49.0	31,314	15,865
	100	100	60,189	32,310

- The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

Credit risk in trade receivables is managed in the following ways:-

- payment terms are normally 30 days;
- a risk assessment process is used for first-time customers.

(c) Net-Fair Value of Financial Assets and Liabilities

Monetary financial assets and liabilities not readily traded in organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts 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. The carrying amount of bank deposits, accounts receivable, accounts payable and loans approximate net fair value.

(d) Hedging instruments

Autron Corporation Limited has not entered into any derivatives or forward exchange contracts during the year.

Director's Declaration

In the opinion of the Directors of Autron Corporation Limited

- (a) the financial statements and notes, set out on pages 23 to 56, 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 2003 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 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 this 29th day of September 2003.

Signed in accordance with a resolution of the Directors,



Samuel Wu Man Fan
Group President and CEO



Michael Chye Hin Fah
Director

Independent Audit Report

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Autron Corporation Limited (the company) and the consolidated entity, for the year ended 30 June 2003. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independent Audit Report (cont'd)

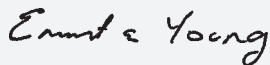
Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

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 financial position of Autron Corporation Limited and the consolidated entity at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



David Balcombe

Partner

Melbourne

29th September 2003

Additional Information

As at 30 September 2003

SHAREHOLDERS' INFORMATION

Number of shares on issue	: 685,902,302
Class of shares	: ordinary, fully paid
Voting rights	: one vote per share

BUY-BACK

In September 2002 the Company announced the establishment of an on-market Buy-Back Plan. The Plan covered the period 21 October 2002 to 20 October 2003, both inclusive and was entitled to buy-back up to 25,000,000 shares. To date, the Company has bought-back on-market in Singapore an aggregate of 300,000 shares at an average of S\$0.196 a share.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. Holders	% Holders	Shares held	% Shares held
1 - 1000	193	3.73%	81,007	0.01%
1001 - 5000	721	13.94%	2,713,674	0.40%
5001 - 10000	1,140	22.04%	10,606,781	1.55%
10001 - 100000	2,745	53.06%	97,838,283	14.26%
100001 - OVER	374	7.23%	574,662,557	83.78%
	<u>5,173</u>	<u>100.00%</u>	<u>685,902,302</u>	<u>100.00%</u>

MARKETABLE PARCEL

Holdings that are less than a marketable parcel of the Company's ordinary fully paid shares as at 30 September 2003 at a closing price of A\$0.295 share consisted of a total of 231 holders each holding a parcel of less than 1,695 shares and covering an aggregate of 129,198 shares.

TWENTY LARGEST SHAREHOLDINGS:

Name of Shareholder	No. of Shares Held	Percentage of Issued Capital
SELETAR INVESTMENTS PTE LTD	59,047,000	8.61%
RAFFLES NOMINEES PTE LTD	55,880,074	8.15%
DBS NOMINEES PTE LTD	28,138,000	4.10%
CITIBANK NOMS S'PORE PTE LTD	26,154,233	3.81%
CITIBANK CONSUMER NOMS PTE LTD	25,661,835	3.74%
YING TZE WAH	20,619,158	3.01%
MORGAN STANLEY ASIA (S'PORE)	20,366,000	2.97%
OVERSEA CHINESE BANK NOMS PTE	19,222,000	2.80%
TAN CHENG LEONG	19,175,324	2.80%
LEE SUI HEE	18,300,000	2.67%
OCBC SECURITIES PRIVATE LTD	17,962,227	2.62%
HL BANK NOMINEES (S) PTE LTD	17,320,457	2.53%
LIM TOCK YEN	15,011,307	2.19%
WU MAN FAN	14,753,000	2.15%
HSBC (SINGAPORE) NOMS PTE LTD	12,486,000	1.82%
DBS VICKERS SECS (S) PTE LTD	12,438,167	1.81%
WONG SWEE CHUN	8,780,200	1.28%
HONG LEONG FINANCE NOMINEES PL	8,355,000	1.22%
KIM ENG SECURITIES PTE. LTD.	7,909,791	1.15%
G K GOH STOCKBROKERS PTE LTD	7,665,544	1.12%
Total Twenty Largest Shareholdings	<u>415,245,317</u>	<u>60.54%</u>
Total Issued Shares	<u>685,902,302</u>	

SUBSTANTIAL SHAREHOLDINGS

The following Substantial Shareholding ("SSH") has been declared to the Company:

Holder	Entitlement to No. securities	Date of SSH Notice
Temasek Holdings (Private) Limited	59,087,000	11.04.03
Autron Corporation Ltd & Associates (*)	99,558,787	23.05.03

(*) pursuant to a Letter of Undertaking dated 23 May 2003 the Company and the following executives entered into an agreement for the non-disposal of securities held by:

Tan Cheng Leong	63,471,768
Samuel Wu Man Fan	21,075,712
Lim Tock Yen	15,011,307

Global Headquarters

Autron Corporation Limited 53 Serangoon North Avenue 4 Singapore 555852

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Autron Corporation Limited is an unrelated and distinct entity to Autron Electronics Pty Ltd