

VISION

Autron Gears up for Expansion into Northern Territories following successful Fund Raising

Autron Corporation Limited had recently completed two Equity Raising exercises in April.

The Company entered into a share subscription agreement with Seletar Investments, a wholly owned subsidiary of Temasek Holdings Pte Ltd for 59,047,000 new ordinary shares in Autron's share capital, which amounted to approximately A\$10.3 million at a placement price of A\$0.175 per share.

The company raised another A\$4.95 million through the issue of 30,418,000 new ordinary fully paid shares at A\$0.16761 with Deutsche Securities Asia Limited which acted as the Placement Agent through its Singapore branch. The placement had attracted strong responses from various European institutional investors and was 100 per cent over subscribed.

The total net proceeds of approximately A\$15.25 million will be used for the expansion of the company's distribution, contract manufacturing and design

capabilities in China, as well as for the expansion of its equipment reconditioning businesses.

"We want to increase our stranglehold in China," said Group Managing Director Mr Tan Cheng Leong. Autron has by far the largest market share in China, supplying nearly a third of the market for electronics capital equipment. To grow further, it will follow the trend of electronics manufacturers moving inland, by establishing more centres west of China's coastal manufacturing belt.

The money raised will largely fuel this move. While Autron has already two regional sales and engineering centres in Suzhou and Shenzhen, the plan is to open up four more in the inland cities, including Xiamen, Qingdao, Dalian and Wuhan, so that the Company can be closer to major clients and in order to provide for faster response time. Plans are afoot to set up a manufacturing facility in Shanghai as well.

AUTRON

New Acquisition Brings Design and Manufacturing Capabilities

The acquisition of IC Equipment last year has added manufacturing to Autron's list of capabilities. IC Equipment Pte Ltd, a major Singapore based regional electronics equipment manufacturer, has joined the Autron Group of companies bringing with it machine manufacturing, supply base management, full turnkey manufacturing, supplier liability management and in-house design and continuation engineering expertise. The company also produces its own proprietary brand of semiconductor equipment.

"This acquisition is in line with Autron's strategic direction as it now owns its own manufacturing arm with product development and design capabilities," said Mr Tan Cheng Leong, Group Managing Director.

Autron, with its extensive and comprehensive network of sales, servicing and engineering centres in Asia, is able to boost sales of IC Equipment's proprietary products. IC Equipment's current emphasis on semiconductor equipment further complements Autron's strength in

the printed circuit board assembly or surface mount technology areas.

"The synergy is very formidable as all our major principals are transferring their manufacturing activities to China in search of lower costs of production and customers. Autron is now the largest and fastest growing pipeline for electronics equipment in Asia Pacific."

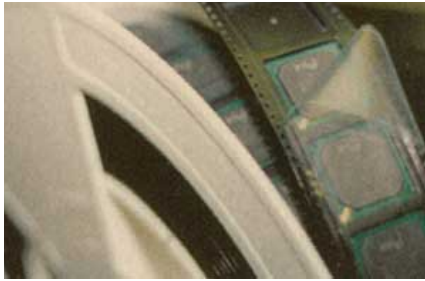
Established in 1984, IC Equipment has built up a solid reputation as a world-class manufacturer of electronics equipment especially in the semiconductor industry. The company was generating sales of about S\$20 million annually before it joined the Autron family. Its customers include ST Microelectronics, NS Electronics, Amkor, Micron Technology Inc., Agilent Technologies, and other major Asian electronics equipment suppliers such as Advanced Semiconductor Engineering (ASE).

"We are now finalising plans to expand the company's design and product development facility in Shanghai into a major manufacturing plant to accommodate the growing business operations of the company in China," added Mr Tan.

"Compared with the high-end manufacturing sector, the low- to mid-end segment of the industry is growing at a much faster pace in Asia due to the global economic slowdown. Autron will be able to garner businesses from every strata of manufacturing from low to high-end of the market where it now dominates through representation of premium labels as a distributor."



New Distribution Rights Enable Autron to Leverage on Healthy Photonics Industry



Cogiscan provides a simple and robust solution to automate all aspects of material control in electronics assembly.

The Company has been awarded the distribution rights to the Palomar Technologies' line of automated assembly equipment and is now able to supply to the growing photonics industry. Palomar solutions are designed to help component manufacturers in the photonics industry improve their quality and yield, shorten assembly times, and increase profits.

"Palomar specialises in high-end equipment for the photonics industry which produces optical instruments, lasers, fibre-optics, electro-optical instrumentation," said Autron's Managing Director Tan Cheng Leong.

"Autron will exclusively distribute Palomar products such as dispensers, placement stations, ovens, cleaners, and wire bonders with automatic handling between process stations."

Palomar Technologies won the 2001 Advanced Packaging Award, Fiberoptic Product News Award, and the Microwaves & RF Top Products of 2001 award for its innovative products and technology. Autron expects sales for Palomar's product line to reach US\$2 million in this current financial year in Taiwan alone.

"The focus for Palomar's products will be in North Asia specifically in Taiwan and China where the majority of Autron's 500 customers – multinational corporations as well as major Asian electronics companies in Taiwan, Hong Kong, China, Japan and Korea – are located," said Mr Tan.

With Palomar, Autron is gearing up to provide a new range of products that will complement the company's existing portfolio of over 50 well known brands. Autron aims to target the niche markets of photonic products, RF and microwave technologies, as it recognises the high growth and potential for such specialised equipment.

Likewise, Autron has been appointed distributor for the Cogiscan brand of material tracking applications for the electronics manufacturing process. With the Cogiscan platform, electronics manufacturers can tag materials using RF tags to identify the materials throughout the manufacturing process. They can also monitor real-time material status, and make use of application software to better track and control material used.

In addition, Ultrasonic Systems Inc. has also appointed Autron as its distributor for its spray fluxing systems designed for the printed circuit board assembly industry. Ultrasonic Systems offer an entire range of the systems, including the Econo-Flux and the Opti-Flux, that provides an economical solution to flux application for printed circuit boards.



The Econo-Flux is the solution to high performance flux application.

Autron bags US\$53 million sales contract in North Asia

Autron has just sealed sales contracts worth an estimated US\$53 million with several China-based electronics manufacturers. One of the largest contracts is for the supply of several units of Assembleon's Fast Component Moulder (FCM II) to the world's leading motherboard manufacturer's state-of-the-art manufacturing plant in Suzhou, China.

This win is a recognition of Autron's extensive product portfolio and the company's large established distribution network in Asia in the electronics manufacturing industry.

Autron Registers

127% Increase in First Half Profits

A strategic cost cutting exercise turned business around during the first half of financial year 2003 (July 02 - Dec 02). The Company yielded a pre-tax profit of A\$4.4 million in the first half, compared to a A\$16.2 million full year loss in the previous year (July 01 - June 02).

Autron's success against the backdrop of a challenging business landscape and slowing global economy reaffirms the company's growth strategy and focus on North Asia. The Company's sales revenue reached A\$87.1 million, a 56 percent increase from A\$55.7 million from the preceding six months (Jan 02 - Jun 02). Gross profit margin also improved to 19 percent from 16 percent in the last financial year

The Group's major business units in South East Asia, Taiwan and China delivered significant improvement in sales performance during the first six months of the current financial year. Businesses in North Asia continued to register the strongest growth, with sales to customers in

Taiwan rising by 84 percent when compared to the preceding six months.

The cost cutting measures allowed the company to lower its operating expenses to A\$16.6 million for this half year. This breaks down to A\$0.19 for every dollar of sales revenue. In comparison, operating expense was at A\$0.33 per sales revenue dollar in the previous six months.

Furthermore, the introduction of value-added services in software products, as well as higher margin hardware agencies contributed to the company's profitability.

Another reason for the exceptional result is that Autron has begun to benefit from the economies of scale from the integration of its various distribution subsidiaries in South East Asia, Taiwan and China.

Autron continues to envisage good performance in the second half of this financial year. The acquisition of IC Equipment, a reputable

Singapore-based contract equipment manufacturer, which was completed at the end of 2002 will provide Autron with its own manufacturing arm with product development and design capabilities.

The Company's well-established pipeline in Asia, especially China, continues to attract international major suppliers that are anxious to tap into the electronics manufacturing industry in the world's fastest growing market.

The reconditioned equipment business has been identified as a major growth area for Autron. The Company plans to continue to leverage on the large supply of inexpensive used machines, a direct result of the continuous shift of manufacturing to North Asia. Autron will play a major role in reconditioning and upgrading these equipment for the growing market of second-tier subcontractors in China.

New Appointment to the Board Further Strengthens Autron Management



The following new appointment was made to the Board of Directors recently.

Dr Lim Boh Soon
Group Corporate Director

Dr Lim Boh Soon joins the team after more than 12 years in the venture and development capital industry. A highly regarded banking and financial investment professional, Dr Lim is the Founder and Managing Partner at Arise Asset Management Pte Ltd.

He will oversee all issues related to the Group's corporate affairs, including mergers/acquisitions and investor relations activities.

New Technology from Manufacturing Arm

IC Equipment is proud to introduce a breakthrough of the Tape and Reel machine at a high speed of 20,000UPH without overworking. This small footprint machine is equipped with the capability to handle TSSOP and SOIC devices. Its modular design allows assembling and testing when machine is offline, which greatly reduces machine cycle time.

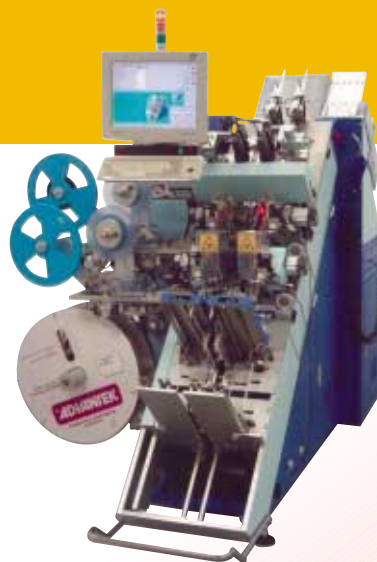
The tube stacker input consists of 3 columns that allow maximum 28 tubes per column that are movable to cater various tube lengths. Devices are loaded and singulated into 2 sets of gravity-feed tracks (*convertible for different package length*) by tube flippers, tube pushers and tube shuttle, leading to inspection station, reject station, tape and reel station and dual column tubes output station.

The unique Dual Track features are integrated with full mark and lead inspection feature to endure higher

quality output devices. High accuracy and repeatability of the lead inspection is assured while overall mark inspection looks out for Missing or Incorrect Character, Incomplete Mark, Mark Alignment, Low Contrast Mark, Laser and Ink Mark, Smear and Blurred mark, Double Mark and Scratched Mark. Individual inspection stations can be disabled through programme selection.

The Dual Tape and Reel feature allows efficient machine utilization. While the units are being transferred to one of the Tape and Reel, the other Tape and Reel can be prepared for loading. The entire process of changing the Cover Tape, Supply Tape, Take-up Reel or Peel Test Sampling can be done without stopping the machine. The result is higher throughput.

In addition, this system uses user-friendly PC based MMI (Man Machine Interface) with Windows NT for



The (Model) Tape & Reel Machine is one of the successful proprietary technology that IC Equipment designs.

providing and easily accessing set-up instructions, SPC data and diagnostic information. In short, this system is meticulously designed to improve productivity with no compromise to quality and the machine life span.

Autron Introduces Manufacturing Process Solutions Through Strategic Partnership

Autron has teamed up with Tecnomatix Technologies Ltd to bundle Tecnomatix eMPower™ Solutions into its full line of production equipment in the Surface Mount Technology for the Asian electronics manufacturing market. The partnership brings together Tecnomatix Software Solutions and Autron's hardware, manufacturing services, R&D and servicing capabilities.

Particularly, the collaboration allows Autron to provide customers with Manufacturing Process Management (MPM) Solutions that create collaborative development environments and optimise manufacturing processes across the extended enterprise and supply chain. The software will be marketed under Autron's own brand name of three main product solutions – AutronCam Assembly, AutronCam Test and AutronCam Document.

“The MPM Solutions from Tecnomatix will bring about overall competitiveness for the entire manufacturing process life cycle,” said Mr Tan Cheng Leong, Autron's Group Managing Director.

“The MPM application further reinforces Autron's position as the dominant equipment and services provider in the

market as it enables Autron to unify and integrate the diverse software solutions currently provided by different machine vendors.”

Tecnomatix Technologies Ltd is a leading provider of MPM Software Solutions with a widespread international network. The company helps customers achieve quick, maximum impact on their business processes by offering end-to-end solutions such as consulting, development, implementation support and engineering.

“Asia is and will continue to be a major player in the global electronics assembly industry's environment,” said Mr Israel Levy, Chief Operating Officer at Tecnomatix Unicam. *“This relationship capitalises on Autron's strength as a value-added integrator of first class technologies.”*

“Autron understands the market and has a sound reputation for sales and service, making them an ideal partner to help us further our commitment in the Asian region,” added Mr Levy.



The MPM application enables Autron to unify and integrate the diverse software solutions currently provided by different machine vendors.

US\$2m Demo and Training Centre Set-up in SuZhou, China

Autron opened its largest electronics demo and training centre in China in last year, underscoring the company's position as a dominant supplier of capital equipment to the country's growing electronics market.

The new demo and training centre, located in SuZhou Industrial Park, is the company's most comprehensive showcase of electronics manufacturing technology. Costing more than US\$2 million to set up, the facility puts on demo products from its MPM, Electrovert, Camalot, Assembleon, Nutek, ViTechnology and Mirtec brands.

The centre also serves to strengthen Autron's ability to offer quick response to customers' requirement for maintenance in this region. The centre works as a functional storage of 130 types of spare parts, 250 kinds of repairing and calibration tools, which can cover 90 percent of the demand of spare parts in North China.

Another function of the centre is to offer integrated training to Autron's customers from north China. Presently, standard courses for various equipment



The largest demo and training centre at Suzhou spans a total area of 1,200 square metres.

have been set. Experienced trainers from Singapore with CTT and CRI offer machine-side training at different levels to the customers. Specialists from Cookson (USA) and Assembleon (Holland) will also share with customers their knowledge, experience and their know-how on latest processing technology. Furthermore, the centre can also provide a 'total solution course'

- a flexible training course depending on the customer's needs.

The Company estimates that 70 percent of its turnover will be from the Chinese market. The turnover for sales of capital equipment in China is approximately US\$1 billion and is expected to grow at 30 percent compound annual growth rate (CAGR).

ISO Certified Smartag to Develop UHF Tags

Autron subsidiary Smartag (S) Pte Ltd has received ISO 9001: 2000 certification for its Radio Frequency Identification Tags (RFID) manufacturing operations. Based on the latest 2000 specifications, the ISO 9001:2000 certifies Smartag's total quality management system.

"This certification affirms Smartag's compliance with international standard requirements for quality assurance," said Smartag's Managing Director Lian Tiang Siong.

"This is an important element as we market our proprietary technology and products globally. The ISO award is particularly important for worldwide markets."

Smartag had to establish and formalise management, implementation and corrective processes, systems and standards of its operations to qualify for the ISO certification.

"The six-month ISO project involved all departments including research and

development, project management, customer service, sales division and even our finance and administration divisions of the business," Mr Lian further commented.

"Smartag's customers can rest assured that the products and the services are consistent and backed by a quality process."

With Smartag's proprietary inlay technology for attaching the chip to the antenna, the company's RFID tags are only 0.25 mm thick. Consisting of a smart chip and an antenna, these tags can be as small as 8 mm in diameter. The tags can store and transmit user data to nearby readers.

The ISO certification comes at an appropriate time as Smartag intends to expand into new RFID markets through its latest innovation in ultra high frequency (UHF) tags that can be used from a distance of 3.5 metres. Existing low frequency tags have a 1 metre working range.

With the very compact size of tags, the new Smartag transponder devices can be used on very wide range of applications and products. These include access control, airline baggage, animal and object identification, computer security, logistics, parcel services, retailing and traffic tolls.

"In these applications, the increased working radius is a boon to the logistics industry where multiple parcels on pallets can be tracked in an instant from a distance," said Lian.

Smartag is further investing in the development of the UHF tags through joint development with technology providers and research institutes in response to healthy market growth. For instance, Venture Development Corp forecasts that the RFID industry will sustain a 24 percent annual growth rate. Worldwide transponder sales are also expected to rise from US\$835 million in 2002 to US\$1.5 billion by 2005.

Night of Four Seasons – 2nd Annual Dinner & Dance

The 2nd Annual Dinner & Dance was held at the Singapore Swimming Club on 22 November 2002. Close to a hundred management and staff under the Autron Global HQ, Autron SEA, Autron Global Services, Smartag and IC Equipment were present for the event.



Board members, Directors & other senior managers leading a toast for the Dinner & Dance.



Mr. CL Tan presenting prize to our Lucky Draw winner.



Contestants for the Best Dressed Contest receiving final pointers in performing a catwalk.

Besides the usual lucky draw segments, our staff joined in and were entertained

with “Millionaire” Quiz game, Best Dressed contest, magic show and other variety performances.

The evening highlight was the “Millionaire” game whereby each table from the floor nominated a leader to be quizzed on general questions on Autron. It was a good opportunity to enjoy each other’s company outside our workplace and at the same time learn about Autron businesses.

On behalf of the Company and the entire organizing committee of the Dinner and Dance, we trust everyone had a wonderful gathering. We look forward to more participation in other company organised events thus bringing us closer together as a cohesive work force.

We also like to express our sincere thanks to all our kind sponsors and members involved in making the function a successful one.

Acknowledgement:

Gui Kim Young • Cookson Electronics • Densu Design • All Freight Cont Line P.L. • Vi Technology • Great Eastern Insurance • Nutek Pte Ltd • Corporate Travel • Asher Communication • Linque Communication • Grand Central Management • Netwide Communication • Megatron • UOB Bank • DHL International • Lancer Communication • Creative Software • Singtel • Windsor Hotel • ANA Hotel • DBS Bank • Standard Chartered • Fileco • Royal Printing • William Oh & Partners • Eastlife Clinic • Eric Wong Machinery • R. Anderson & Partner • Orchard Grand Court

New Staff On Board

AUTRON CORPORATION LIMITED

Tan Cheow Peng, Josephine, Accountant
Ng Ting Leong, Financial Analyst

AUTRON (S.E.A.) SINGAPORE

Low Peng Choon, Roy, Asst Sales Manager
Chua Juay Kuang, Asst Application Manager
Cheng Chai Ping, Gina, Sales Coordinator

AUTRON GLOBAL SERVICES SINGAPORE

Arcena Lucas Allan Nazareno, Service Engineer
Chai Kau Tien, Training Engineer
Ng Seow Yong, Service Engineer
Tan Meng Pok, Service Engineer
Lau Hee Soon, Product Specialist
Tan Hwee Ying, Jacqueline, Service Coordinator
Kwek Ser Pheng, Service Engineer
Chew Shi Yun, Serene, Service Coordinator
Lam Su Bing, Samantha, Service Coordinator
Ang Yu Xiang, Alvin, Production Machine Operator

NICHE TECH MALAYSIA

Ooi Ooi Theam, Daniel, Asst Service Manager
Lay Chun Yuen, Service Engineer
Gui Soon Kee, Service Engineer
Chin Han Choong, Service Engineer

Lim Woon Heong, Service Engineer

AUTRON (S.E.A.) THAILAND

Chukiat Boonkorkoer, Test & Inspection Manager

AUTRON (S.E.A.) PHILIPPINES

Ramon Sacdalan, Business Development Manager
Arnold Banasihan, Service Engineer
Christopher Moje, Service Engineer
Alexander Francisco, Service Engineer
Nelson Cacharo, Service Engineer
Karlo Blanca, Service Engineer
Jaymar Hernandez, Service Engineer
Jesus Jovan Medrano, Service Engineer

TAIWAN AUTRON CORPORATION

Janet Liu Li Zhen, Receptionist/HR Asst
Vincent Tso Chuan Wei, Sales Engineer
Joyce Huang Yu Zhi, Sales Assistant
Nicole Lo Yi-Ling, Sales Assistant
Anny Chih Chin Lian, Accountant
Andy Chen Xia Wen, Service Engineer
Tony Chang Ya Bei, Service Engineer
Simon Yang Wen Tai, Service Engineer
Gina Xie Qiu Ting, Receptionist
Grace Lin Xiao Juan, Assistant Finance Manager
Addie Weng Ren Zhi, Service Engineer
Truck Che Fu Zhi, Sales Manager
Dali Wang Li Hong, Chief Sales
Mole Chiu Yi Hong, Sales Assistant

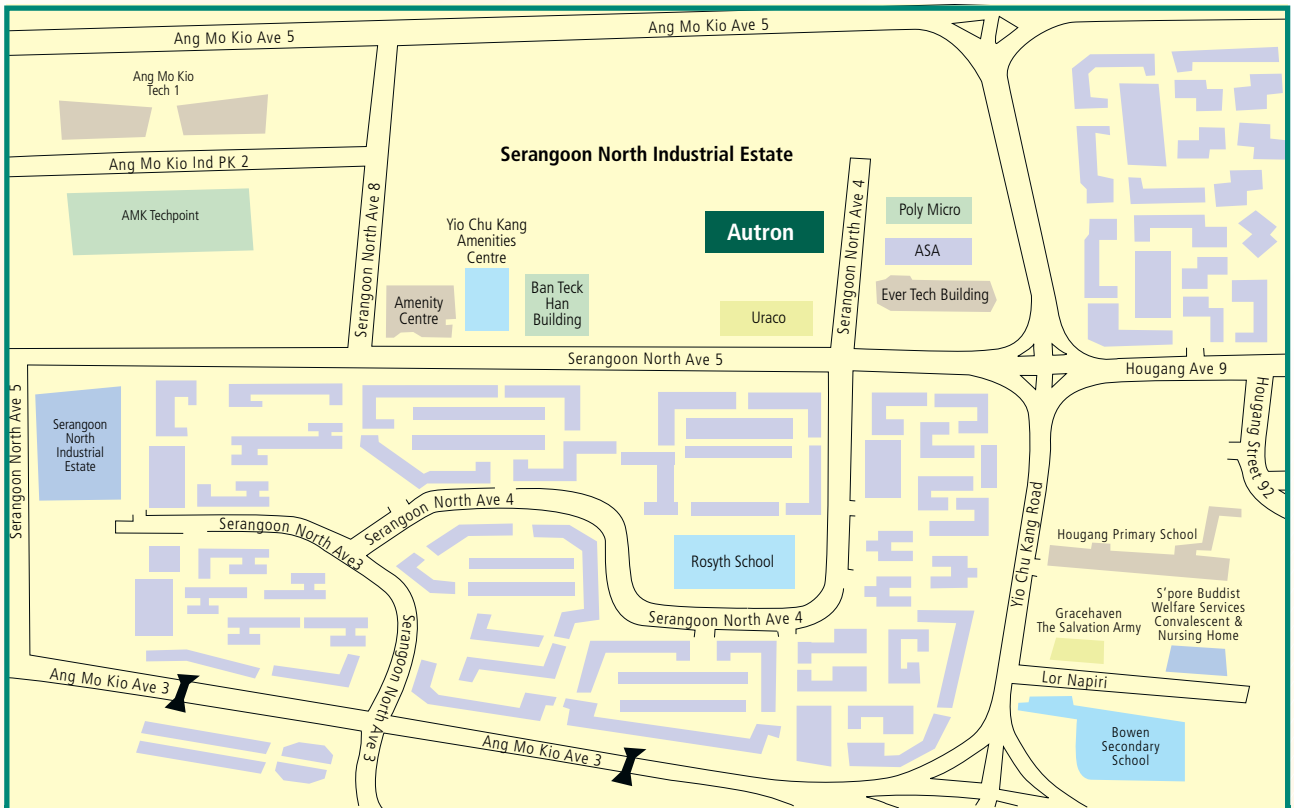
Lee Hong Bong, Service Assistant

Rose Zou Quan Gui, Accounts
Hao Hong Qiang, Sales Engineer
Jack Wang, Service Engineer
Candy Yang, Sales Assistant
Jack Chen, Service Engineer
Jin Ming Wang, Service Engineer
Tony Wang, Service Engineer
Vivian Wang Wei, Admin Assistant
Sea Zhang, Service Engineer
Simon Zhang, Service Engineer
Sky Geng, Service Engineer
Flash Shuai, Service Assistant
Sam Gu, Service Assistant

AMERICAN TEC

Chan Wai Kwong, Sales Engineer
Yuen Ka Chun, Jon, Service Assistant
Li Kin Ming, Freeman, Snr Sales Engineer
Law Chung Kwong, David, Store Keeper
Chan Kok Hin, James, Account Manager
Wong Yuen Ming, Kylie, Snr Account Clerk
Choi Nga Sha, Account Clerk
Lam Kit Yee, Micky, Receptionist
Xu Xu Qiang, Sales Engineer
Liu Wei Sheng, Sales Engineer
Li Xiao Liang, Sales Engineer
Yin Yan, Secretary
Li Feng Mei, Secretary
Yan Ai Hong, Secretary
Zhang Yu, Service Supervisor
Huo Xiao Yong, Sales Engineer
Li Gong Xi, Sales Engineer

Liang Xin, Sales Engineer
Zhu Cai Ping, PMC Planner
Jenny Xu, Service Support
Sun Hong Jun, SMT Engineer
Fanny Poon, Secretary
Li Yu Ming, Service Engineer
Chen Yun Gen, Service Engineer
Qiu Guo Bin, Service Engineer
Zhen Yi, Cashier
Wong Fu Xiang, Service Engineer
Yang Li Feng, Service Engineer
Fang Rei Lan, Service Support
Miao Ai Jun, Semi-conductor Manager
Han Qing Hua, Service Engineer
Xu Ji Bin, Service Engineer
Sun Li Gen, Service Engineer
Yu Yin, Sales Engineer
Zhang Pei Xin, Sales Engineer
Zhang Qian Rachael, Marketing Manager
Li Fei, Figo, Semi-conductor Manager
Lu Dong Qing, David, Deputy General Manager
Dong Jian, Deputy General Manager
Chin Lai, PCB Sales Manager
Jiang Ying Luo, Clerk
Tong Yu Wen, Service Engineer
Liu Lei, Service Engineer
Zhu Rui, Service Engineer
Zhao Xin Rei, Service Engineer
Li Chong, Service Engineer
Li Zhi Gang, Service Engineer
Chen Jian Gang, Service Engineer
Ning Xiao Dong, SMT Service Engineer



Autron has recently shifted into its own office building at 53 Serangoon North Avenue 4. The 4-storey building which spans a total floor area of 114,000 sq ft, now houses together the newly acquired subsidiary IC Equipment and its own manufacturing plant. With this move, there will now be closer interaction between staff in IC Equipment and Autron Global Headquarters.



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