



6 January 2004

**The Manager  
Company Announcements Office  
Australian Stock Exchange Limited**

Dear Sir

**re : AUTRON CORPORATION LIMITED  
SMARTAG (S) PTE LTD  
SPECIAL INTERIM DIVIDEND**

The Board of Directors is pleased to advise that the Company has accepted a takeover offer for its 52 per cent interest in Smartag (S) Pte Ltd. The sales proceeds to the Company will amount to S\$5.2 million (cost in 2000 A\$771,000).

As a result of this profitable disposal and after settlement the Board of Directors intends to recommend the declaration of a special interim dividend of A\$0.005 a share. For more details refer to the attached press release.

In addition to the above announcement the Board of Directors advises:

- (a) the Company has been informed that Seletar Investments Pte Ltd, a wholly owned subsidiary of Temasek Holdings (Private) Ltd, has placed out a block of 33 million shares it held in the Company, through Cazenove Asia Limited; and
- (b) the Company has been served with documents pertaining to a claim by California based business operating under the name of Pelco. Details of this claim which the Company intends to fully defend are set out in the attached press release.

Yours faithfully  
Autron Corporation Limited

per Mourice Garbutt  
Company Secretary  
autron\asx\smartag 06 01 04

copy to: The Singapore Exchange Securities Trading Limited  
for the attention of Ms June Sim /Ms Darrell Lam

**Registered Office**

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



## **PRESS RELEASE**

### **Autron Corporation Begins New Year with Big Bang – Intention to Pay a Special Cash Dividend to Shareholders**

Singapore, January 06, 2004 – Dual-listed Autron Corporation Limited ('Autron Corporation') today takes pleasure in announcing the signing of a Sale & Purchase Agreement with a group of Malaysian investors to divest its 52% shareholding stake in Smartag (S) Pte Ltd ('Smartag') for a cash consideration of S\$5.2 million. Upon the successful completion of this divestment, the Directors intend to recommend the declaration of a special cash dividend of Australian 0.5 cents a share to its shareholders. This special dividend comes straight on the heels of its recently disbursed final dividend of Australian 0.5 cents from the profits of its business operations for the financial year ending June 2003.

"We strive to continue delivering sustainable shareholder value in both the short and long term, through the consistent issue of dividends from organic business growth as well as from unlocking value in corporate investments unrelated to our core businesses. We have an enviable track record in Australia (before our dual listing on the Singapore Stock Exchange) when we grew from a small company of A\$12 million market capitalization in January 1999 to more than A\$250 million in December 2002. We delivered good dividends and good shareholder value. As a result, we became part of the S&P/ASX 300 Index and later the S&P/ASX 200 Index. We intend to try our best not just to replicate but to surpass this record in Singapore", said Mr Tan Cheng Leong, Autron Corporation's Group Executive Chairman.

"We invested in Smartag in year 2000 when it was just a startup and we are proud to say that we have helped to shape and grow it through its management to become a well-established manufacturer of Radio Frequency Identification labels (RFID) with its own brand and patented technology. Today, Smartag is a highly regarded player in its industry as the close partner with several multinational corporations including Philips Semiconductor and Singapore Technologies."

"Autron Corporation has taken it to a commercially viable level to enable another group of entrepreneurs and financial investors with the connections and resources to bring it to the next level to fulfill the aspiration of its management and shareholders." said Mr Tan.

The buyer of Smartag is Smartag Solutions Sdn Bhd, a newly incorporated Malaysian entity controlled by Penang based broadband technopreneur Mr Johann Lim Noordin together with a consortium of venture capital funds led by MAVCAP, the Malaysian government-owned venture capital corporation.

Mr Tan explained, "This profitable divestment of the 52% stake in Smartag for S\$5.2m, for which Autron originally had paid for only A\$771,000 in year 2000 enables the Management to focus on its core competencies in growing and operating the largest distribution pipeline for electronics manufacturing equipment in Asia".

The total sales consideration for Smartag is S\$10 million, out of which, Autron Corporation will receive S\$5.2 million for its 52% equity stake. In line with its dividend policy for value-added corporate divestments, Autron Corporation intends to distribute more than 95% of its net gain to its shareholders, taking into account its current financial position and requirements. This special dividend would be in addition to that which is derived from its organic business operations.

The Company is confident and continues to be excited over the several recently announced business initiatives to further enhance the delivery of value-added products and services capabilities to its customers. Some of these initiatives have now been successfully implemented and higher margins are expected to contribute increasingly to business operations over the next few years.

At the same time, the Company has been informed that Seletar Investments Pte Ltd ("SIPL"), a wholly-owned subsidiary of Temasek Holdings (Private) Ltd ("Temasek"), had placed out a block of 33 million shares in Autron Corporation through Cazenove Asia Limited. After the disposal, SIPL will continue to remain a significant shareholder in Autron Corporation with direct interests of approximately 3.75% of the issued capital of the Company. Temasek has confirmed that it continues to take a keen interest in the future of the Company.

Additionally, the Board of Directors also wishes to announce it was served with documents pertaining to a claim in the State of California, United States of America, by a Californian based business operating under the name, Pelco ("the Pelco Claim").

Autron Corporation has conducted investigations into the matter in consultation with its Singapore solicitors. The conclusion of this preliminary assessment is that there may be no basis for such a claim as the business has already been sold. The Company is now in the process of obtaining legal advice from Californian attorneys on the Pelco Claim. The Board intends to fully defend this claim.

This claim pertains to an original business belonging to the old Pacific Communications Holdings Limited ("PACOM")- the public company in Australia into which Autron Corporation's original shareholders injected their equipment supply business in January 1999.

This business involving the manufacturing of close circuit TVs is totally unrelated to Autron Corporation's core businesses in the distribution of SMT Equipment and was sold off in June 2000 to an Australian entity known as Wadestone Pty Ltd ("Wadestone"). Under the terms of Autron Corporation's agreement with Wadestone, Wadestone agreed to be responsible for the payment of liabilities in connection with the Pelco Agreement and to indemnify Autron Corporation against all of its liabilities and the costs incurred in connection with all demands, actions and other proceedings against Autron Corporation arising directly or indirectly as a result of, or in connection with the Pelco Agreement.

By an agreement dated 2 April 1998 ("the Pelco Agreement") PACOM had licensed Pelco to use certain technology in the form of software and hardware for matrix switches. Under the terms of the Pelco Agreement, PACOM is required to defend and indemnify Pelco against any claim of patent infringement relating to the products licensed to Pelco

The Pelco Claim essentially seeks, inter alia, a declaration that Pelco is entitled to be indemnified for an unspecified amount of damages in settlement of a patent infringement action in the United States of America brought by an entity known as Lectrolarm Custom Systems, Inc. ("Lectrolarm"). Lectrolarm had in the claim against Pelco, alleged that products licensed under the Pelco Agreement had infringed one of Lectrolarm's patents.

The Board will keep its shareholders informed of developments on the Pelco Claim.

*Autron Corporation Limited (Reuters AAT.AX and AAT.SI; Bloomberg AAT AU and AAT SP) is headquartered in Singapore and dual-listed on the ASX and SGX-ST. The company distributes capital equipment to the electronics manufacturing services industry through its 30 sales and service centres in Greater China and South East Asia. Major principals include Assembléon and Speedline. Our global headquarters is located at 53 Serangoon North Avenue 4 Singapore 555852. Please visit us on the web at [www.autroncorp.com](http://www.autroncorp.com)*

*Autron Corporation Limited is not related to Autron Electronics Pty Ltd*