



3 September 2003

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

Dear Sir

**re : Preliminary Final Report
Autron Corporation Limited and its Controlled Entities for year ended 30 June 2003**

Enclosed for release to the market is the Preliminary Final Report for the year ended 30 June 2003, which is subject to the completion of the audit process, and incorporating:

- Summary of Activities and Results
- Results for Announcement to the Market
- Consolidated Statement of Financial Performance
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows

and Notes thereto.

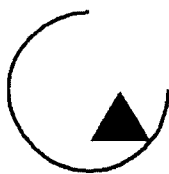
Yours faithfully
Autron Corporation Limited

per Mourice Garbutt
Company Secretary
autron\asx\preliminary final results 30 06 03

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

Registered Office

Level 33, 120 Collins Street, Melbourne Vic 3000
Toll free phone no. 1 800 001 748 and Toll free fax no. 1 800 002 741
Email : enquiries@autroncorp.com Website: <http://www.autroncorp.com> ABN 25 002 876 182
Autron Corporation Limited is an unrelated and distinct entity to Autron Electronics Pty Ltd



AUTRON CORPORATION LIMITED

Autron Corporation turns around with net profit after tax of A\$11.5m

On track to achieve long-term sustainable growth

SINGAPORE, 3 September 2003 – Autron Corporation Limited today reported after tax earnings of A\$11.5 million for its fiscal year ended June 2003, a sharp turnaround from a loss of A\$17.2 million in FY02. Fully diluted earnings per share swung to 2.0 cents, from loss per share of 3.3 cents in FY02. Sales grew 12 percent to A\$180 million.

The strong performance stems from the decisive overhaul of its operations over the last 2 years. This enabled the Company to capitalize on the growing demand for capital equipment in China and to significantly lower its cost structure in South East Asia.

"The relocation of manufacturers to China accelerated after the September 11 attacks 2 years ago, and South East Asia was badly affected. We decided then to bite the bullet, take some losses and completely reinvent ourselves. Now, I believe our efforts are starting to pay off and we now have the foundation for long-term sustainable growth," said Mr. Tan Cheng Leong, Group Managing Director. "While the headline numbers look impressive, I am particularly encouraged by the fact that our turnaround is evident even without the help of one-off or non-operating factors. Most of the growth was organic."

Sales from North Asia operations rose 13% from A\$128m in FY02 to A\$145m in FY03. Sales from the South East Asia operations rose 21% from \$38m in FY02 to \$46m in FY03. For FY03, our South East Asian sales included new revenue streams from our Reconditioned Machine Business and the acquisition of IC Equipment, of which about A\$15m were sales to Greater China.

An indicator of core profitability, gross profit, jumped 37.6 percent to A\$33.3 million, as gross margin widened 4 percentage points to 19 percent due to a better product mix as well as increased demand for the company's value-added services. Commissions, another yardstick of a recurrent nature, rose 28 percent to A\$8.9 million. Operating expenses fell 37 percent to A\$30.4 million, the result of the Company's consolidation efforts over the last 2 years.

The momentum created during the first half of FY03 carried into the second half of FY03. Sales grew 6% sequentially from A\$87m in H1 FY03 to A\$92m in H2 FY03. However, on a similar half-on-half basis, pretax profit jumped 87% from A\$4.4m to

Global Headquarters

53 Serangoon North Avenue 4 Singapore 555852 Tel: (65) 6538 7055 Fax: (65) 6536 9790
Email: enquiries@autroncorp.com Website: <http://www.autroncorp.com> ABN 25 002 876 182

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



AUTRON CORPORATION LIMITED

A\$8.3m. In the full fiscal year ended June 03, the Company's profit from ordinary business activities before income tax expense rose to A\$12.8m.

In terms of accounting procedure, the Company records its consolidated financial numbers in Australian dollar (AUD), which is unfortunately not the functional currency of the Company business activities. This has in turn resulted in a forex charge of A\$4.3m in June 03, most of which is unrealised.

The Company has also successfully recovered a portion of a specific debt incurred on its chemicals business. As at June 03, the Company successfully recovered more than A\$5.7m from the chemical debts, of which A\$3.2m worth of machines recovered was channelled into the growing Reconditioned Machine business as raw materials. The Company has since sold A\$1.8m of these recovered machines at a healthy margin of 30%. It is expected that the rest of these machines would be sold by end of the year.

Major developments in FY03

The Company continued to build on its well-established position as the most extensive and effective channel for electronics equipment in the Asia Pacific. Some key developments in the past financial year:

1. Continued to penetrate the Chinese market with the setting up of several sales and engineering centres in new key industrial areas including Chongqing, Dalian and Wuhan. This extended coverage allows the company greater depth and breadth in the fastest growing manufacturing location in the world.
2. Continued to strengthen core competencies in technical support and servicing with the addition of technical application centres; repair and refurbishment stations, spare parts hubs and training facilities for customers. Also introduced AutronCAM, the company's own assembly line integration software, which is being marketed across the customer base.
3. Made additional investments in human resources during this period with the training, development and appointment of senior professionals in the areas of design engineering, product development and market research. Also successfully overhauled the financial management team with the inclusion of senior executives such as Dr Lim Boh Soon as Group Corporate Director. Dr. Lim brings with him more than 20 years of corporate experience in major local and multinational companies, specialising in finance, banking and venture capital.

Global Headquarters

53 Serangoon North Avenue 4 Singapore 555852 Tel: (65) 6538 7055 Fax: (65) 6536 9790
Email: enquiries@autroncorp.com Website: <http://www.autroncorp.com> ABN 25 002 876 182

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



AUTRON CORPORATION LIMITED

4. Strengthened shareholder base by bringing in major institutional investors from Singapore, Hong Kong and Europe.

Outlook and future plans

Looking ahead, management is confident of the Company's prospects as the outsourcing and relocation wave to China is expected to continue. The order backlog, based on both firm and indicative orders, gives good near-term visibility and is already sufficient to maintain sales revenues at current levels.

The key strategic initiatives, which were put in place in the second quarter of FY03 will be further developed in the current fiscal year:

1. The equipment and spare parts manufacturing business, which exploits the design and manufacturing capabilities of I.C. Equipment, will be ramped up throughout the year.
2. The Reconditioned Equipment business which has been initiated would see significant growth from this year onwards.

Going forward, the Company intends to preserve its leading position as the largest and most extensive pipeline for electronics equipment in the Asia Pacific.

"The initiatives which we have taken form an integral part of our total solutions approach to strengthen our dominant position as the most sought-after equipment sales and distribution channel in the region. We have the largest customer base of about 500 multinational corporations and major Asian equipment manufacturers backed by proven, accredited technical servicing teams located in all the major industrial zones throughout the region," said Mr. Tan.

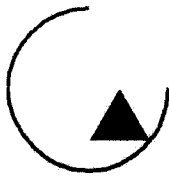
"We have proven that our new strategy works, even under highly challenging external environments. All that remains is for us to execute well and capitalise on our strengths to exploit new opportunities. We intend to build on and replicate the Company's model in new markets such as India and Vietnam this fiscal year," he added.

In line with its strong operating performance and confidence of sustaining good growth into the future, the directors would be recommending a dividend to its shareholders for FY03.

Global Headquarters

53 Serangoon North Avenue 4 Singapore 555852 Tel: (65) 6538 7055 Fax: (65) 6536 9790
Email: enquiries@autroncorp.com Website: <http://www.autroncorp.com> ABN 25 002 876 182

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



AUTRON CORPORATION LIMITED

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

Autron Corporation Limited is not related to Autron Electronics Pty Ltd

Global Headquarters

53 Serangoon North Avenue 4 Singapore 555852 Tel: (65) 6538 7055 Fax: (65) 6536 9790
Email: enquiries@autroncorp.com Website: <http://www.autroncorp.com> ABN 25 002 876 182

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

Autron Corporation Limited**ABN : 25 002 876 182****Appendix 4E for Year ended 30 June 2003****RESULTS FOR ANNOUNCEMENT TO THE MARKET**

		30 June 2003		30 June 2002	
		A\$'000	%	A\$'000	%
1	Revenue from ordinary activities	179,255	Up 12%	160,415	Down 11.5%
2	Profit/ (loss) from ordinary activities after tax attributable to members	11,508	NM	(17,242)	Down 153.6%
3	Net profit/ (loss) for the period attributable to members	11,508	NM	(17,242)	Down 153.6%
NM - Not meaningful (Percentage is not being in used, where the results goes from a negative to a positive).					
4	Dividends (distributions)	Amount per security		Unfranked amount per security	
	Final dividend	To be advised		To be advised	
	Interim dividend	NA		NA	
	Previous corresponding period	NA		NA	
5	Dividend - Record Date of establishing of entitlement of dividend:		To be advised		
6	Dividend - [Dividend Re-investment Plan: To be advised Share Purchase Plan: NA				
7	Explanatory Comment : Autron Corporation Limited reported earnings of A\$11.5m for its fiscal year ended June 2003. This is a sharp turnaround of 166% compared to a loss of A\$17.2m loss in FY2002. Sales has grew 12% to A\$179m over the corresponding period. In line with its strong operating performance and confidence into the future, the directors will be recommending dividends to its shareholders for FY2003. The amount of dividends declared will be announced later.				

Appendix 4E

7. Commentary on the results for FY2003:

The Company reported earnings of A\$11.5 million for its fiscal year ended June 2003, a sharp turnaround from a loss of A\$17.2 million in FY02. Fully diluted earnings per share swung to 2.0 cents, from a loss per share of 3.3 cents in FY02. Sales grew 12 percent to A\$180 million; while Returns to shareholders increased to 14.2% from a negative percentage of 35%.

The strong performance stems from the company's decisive overhaul of its operations over the last 2 years. This enabled the Company to capitalize on the growing demand for capital equipment in China and to significantly lower its cost structure in South East Asia.

Sales from North Asia operations rose 13% from A\$128m in FY 02 to A\$145m in FY 03. Sales from the South East Asia operations which in FY 03 also included the new revenue streams of Reconditioned Machine Business and IC's contract manufacturing rose 21% from \$38m in FY 02 to \$46m in FY 03; of which about A\$15m or 33% were sales to greater China. At the consolidated level, after deducting for inter-company sales of A\$17m; total sales revenue from ordinary business activities has increased 12% to A\$180m in FY 03 compared to last FY.

An indicator of core profitability, gross profit, jumped 37.6 percent to A\$33.3 million, as gross margin widened 4 percentage points to 19 percent due to a better product mix as well as increased demand for the company's value-added services. Commissions, another yardstick of a recurrent nature, rose 28 percent to A\$8.9 million. Operating expenses fell 37 percent to A\$30.4 million, the result of the Company's consolidation efforts 18 months ago.

The momentum created during the first half of FY03 continued to flow into the second half of FY03, which saw sales revenue for the whole year increasing to A\$180m; representing a 12% increase from FY02. ,

In the full FY ended June 03, the Company's profit from ordinary business activities before income tax expense rose to A\$12.8m compared to the A\$4.4m registered in the first 6 months of FY 03.

The Company has also successfully recovered a major portion of a specific debt incurred on its chemicals business. As at June 03, the Company successfully recovered more than A\$5.7m from the chemical debts, of which A\$3.2m worth of machines recovered was channelled into the growing Reconditioned Machine business as raw materials. The Company has since sold A\$1.8m of these recovered machines at a healthy margin of 30%. It is expected that the rest of these machines would be sold by end of the year. The legal process which the Company is pursuing is continuing.

The Company continues to build on its well-established position as the most extensive channel for electronics equipment in the Asia Pacific in the past financial year;

1. It continues to penetrate deeper and wider into China with the setting up of several sales and engineering centres in new key industrial areas including Chongqing, Dalian and Wuhan. This extended coverage allows the Company to have even greater depth and width in the fastest growth market.
2. It continues to strengthen its core competencies in technical support and servicing with the further addition of technical application centres; repair and refurbishment stations, spare parts hubs and training facilities for its customers. It also introduced its own assembly line integration software – the AutronCAM, which would be marketed across its customer base.
3. It has also made additional investments in human resources during this period with the training, development and appointment of senior professionals in the areas of design engineering, product development and market research. It has also successfully overhaul the financial management team with the inclusion of senior executives such as Dr Lim Boh Soon as

Group Corporate Director. Dr. Lim brings with him more than 20 years of corporate experience in major local and multinational companies, specialising in finance, banking and venture capital.

- 4. It has strengthened its shareholders' base by bringing in major institutional investors from Singapore, Hong Kong and Europe.**

Management is confident of the company's prospects as the outsourcing and relocation wave to China is expected to continue. The order backlog, based on both firm and indicative orders, gives good near-term visibility and is already sufficient to maintain sales revenues at current levels.

The key strategic initiatives, which were in place in the second quarter of FY03 will be further developed in the current fiscal year:

- 1. The equipment and spare parts manufacturing business, which exploits the design and manufacturing capabilities of I.C. Equipment, will be ramped up throughout the year.**
- 2. The Reconditioned Equipment business which has been initiated would see significant growth from this year onwards.**

Appendix 4E
Consolidated Statement of financial performance
for the year ended 30 June 2003

	notes	Consolidated 30 June 2003 A\$ 000	30 June 2002 A\$ 000
Total revenue from ordinary activities		179,255	160,415
Sales Revenue	1	169,341	152,578
Cost of Sales		(135,999)	(128,352)
Gross profit		33,342	24,226
Commission revenue		8,933	7,002
Interest revenue		84	277
Rental income		653	243
Other revenue		244	315
Other revenue from ordinary activities	1	9,914	7,837
Selling and distribution expenses		(3,574)	(3,900)
General & administrative expenses		(15,245)	(13,984)
Doubtful debts recovered/ (provided)		6,205	(11,521)
Salaries expenses		(11,087)	(13,135)
Office rental expenses		(1,349)	(1,474)
Amortisation expenses		(3,603)	(2,870)
Borrowing costs expenses		(1,783)	(1,420)
Total operating expenses	2	(30,436)	(48,304)
Share of loss of associate accounted for using the equity method	1	-	-
Profit / (Loss) from ordinary activities before income tax expenses		12,820	(16,241)
Income tax expense relating to ordinary activities	3	(1,368)	(732)
Profit / (Loss) from ordinary activities after income tax expenses		11,452	(16,973)
Profit / (loss) from extraordinary item after income tax benefit			
Net Profit		11,452	(16,973)
Net profit/ (loss) attributable to outside equity interest	17	56	(269)
Net Profit / (loss) attributable to Members of Autron Corporation Limited	16	11,508	(17,242)
Net exchange difference on translation of financial statements of foreign control 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 attributable to members of Autron Corporation Limited		5,625	(20,411)
Basic earnings per share (cents per share)	8	2.0	(3.3)
Diluted earnings per share (cents per share)	8	2.0	(3.3)
Franked dividends per share (cents per share)		-	-
Net tangible assets (NTA) backing per share (cents per share)		5.4	2.3

Appendix 4E
Consolidated Statement of financial position
for the year ended 30 June 2003

	notes	Consolidated 30 June 2003 A\$ 000	30 June 2002 A\$ 000
Current Assets			
Cash assets	5	7,416	5,939
Receivables	6	62,272	36,827
Inventories	7	35,364	33,218
Investment in finance lease	8	-	952
Total Current Assets		105,052	76,936
Non-Current Assets			
Receivables	6	1,046	1,389
Property, plant and equipment	11	14,919	7,041
Intangible assets	12	44,174	46,463
Deferred tax assets	3	19	66
Deferred expenditure		420	1,207
Total Non-Current Assets		60,578	56,166
Total Assets		165,630	133,102
Current Liabilities			
Payables	13	47,907	53,934
Interest bearing liabilities	14	28,476	26,541
Current tax liabilities	3	1,229	1,943
Provisions		211	124
Deferred Revenue		421	-
Total Current Liabilities		78,244	82,542
Non-Current Liabilities			
Interest bearing liabilities	14	6,397	1,192
Deferred tax liabilities	3	35	148
Total Non-Current Liabilities		6,432	1,340
Total Liabilities		84,676	83,882
Net Assets		80,954	49,220
Equity			
Contributed equity	15	74,508	48,753
Reserves	16	(3,751)	1,611
Retained profits / (accumulated losses)	16	9,601	(1,906)
Total Parent Entity Interest in Equity		80,358	48,458
Outside entity interest	17	596	762
Total equity		80,954	49,220

Appendix 4E
Consolidated Statement of cash flows
for the year ended 30 June 2003

	Consolidated	
	30 June 2003	30 June 2002
	A\$ 000	A\$ 000
Cash flow from operating activities		
Receipts from customers	145,593	154,523
Payments to suppliers and employees	(140,362)	(159,279)
Interest received	84	277
Interest and other cost of finance paid	(1,783)	(1,420)
Income tax paid	(2,148)	(2,531)
Net cash flows from / (used in) operating activities	1,384	(8,430)
Cash flows from investing activities		
Proceed from sale of property, plant and equipment	6	98
Purchase of property, plant and equipment	(1,165)	(3,047)
Net cash flow from acquisition of controlled entity	(2,080)	(2,219)
Investment in subsidiary	(1,307)	-
Loans repaid by controlled entities	-	-
Purchase of new business	-	(6,567)
Payment of deferred expenditure	-	(834)
Net cash flows used in investing activities	(4,546)	(12,569)
Cash flows from financing activities		
Proceeds from issues of securities	14,245	94
Payments of shares buy-back	(223)	(699)
Proceeds from borrowings - Other	4,843	12,034
Repayment of borrowings - Other	(11,594)	-
Repayment of finance lease principal	(499)	-
Dividend paid	-	(4,130)
Loans - Associated Company	343	(1,134)
Loans - Subsidiary	-	-
Net cash flows (used in) / from financing activities	7,115	6,165
Net (decrease) / Increase in cash held	3,953	(14,834)
Cash as at beginning of financial year	812	16,768
Effects of exchange rate changes on cash held in foreign currencies at the beginning of the financial year	(2,022)	(1,122)
Cash as at the end of the financial year	2,743	812

1. Revenue from ordinary activities

	Consolidated	
	30 June 2003 \$'000	30 June 2002 \$'000
Revenues from operating activities		
Revenue from sale of goods	169,341	152,578
Revenues from non-operating activities		
Rent	653	243
Commission	8,932	7,002
Management fees - Controlled entities	-	-
Interest - Others	84	277
Proceeds from sale of non-current assets	5	-
Dividend income - controlled entities	-	-
Exchange gain	-	-
Others	240	315
Total revenues from outside the operating activities	9,914	7,837
Total revenues from ordinary activities	179,255	160,415
Share of net profits (losses) of associates accounted for using equity method		
Share of associate's profits	-	-
	-	-

2. Expenses and losses / (gains)

	Consolidated	
	30 June 2003 \$'000	30 June 2002 \$'000
(a) Expenses		
Depreciation of non-current assets		
Plant and equipment	1,315	1,006
Motor vehicles	133	120
Leasehold and freehold property	277	15
Leasehold improvements	315	206
Total depreciation of non-current assets	2,040	1,347
Amortisation of non-current assets		
Goodwill	1,646	1,731
Preliminary expenses	9	222
Deferred Expenditures	970	917
Non-competitive agreements	978	-
Total amortisation of non-current assets	3,603	2,870
Total depreciation and amortisation expenses	5,643	4,217
Doubtful debts (recovered)/ provided		
- trade	(6,012)	10,374
- non-trade	(194)	1,147
Bad debts written off	-	116
Provision for stock obsolescence	14	503
Operating lease rental		
- minimum lease payments	18	19
- contingent rentals	-	-
Total operating lease rental	18	19
Research and redevelopment costs	-	-
Superannuation contributions		
- Central Provident Fund	476	652
- Superannuation Guarantee	6	43
- Mandatory Provident Fund	68	88
(b) Losses / (gains)		
Net gain on disposal of property, plant and equipment	92	83
Net foreign currency (gains) / losses	4,327	2,886
(c) Borrowing cost		
Bank overdraft	260	139
Finance lease interest	29	57
Term loan interest	642	341
Convertible notes / discount bill interest	339	4
Trade financing interest	513	879
	1,783	1,420

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

	Consolidated	
	30 June 2003 \$'000	30 June 2002 \$'000
Other borrowing costs	-	-
Total borrowing costs	1,783	1,420
Less: Borrowing costs capitalised	-	-
Total borrowing costs expensed	1,783	1,420

(d) Significant Items

Profit/(loss) from ordinary activities after tax

- contains the following specific items which are individually significant in explaining the financial performance of the group

Expenses

Business restructuring cost	-	1,200
Dual listing cost	-	772
Strategic acquisition cost	-	441
Doubtful debts (recovered)/ provided - trade	(5,736)	9,700

3. INCOME TAX

	Consolidated	
	30 June 2003 \$'000	30 June 2002 \$'000
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:		
Prima facie tax on profit from ordinary activities	(131)	(843)
Tax effect of permanent difference:		
Amortisation of intangible assets	1,147	672
Non-deductible expenses (including entertainment)	1,119	657
Provision for diminution in value of investments	-	-
Deferred tax	-	-
Tax losses not brought to account	127	115
Others	240	131
Decrease in income tax expenses due to:		
Tax credits		
Non-taxable income	(434)	-
Overprovision in prior year	(700)	-
Income tax expense attributable to ordinary activities	1,368	732

This future income tax benefit will only be obtained if:

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

4. Dividends

	Consolidated	
	30 June 2003 \$'000	30 June 2002 \$'000
(a) Dividends paid or provided for on ordinary shares during the year		
Dividends proposed and recognised as a liability	-	-
Franked dividends (2002: Nil)		
(b) Dividends paid during the year		
(i) Current year interim	-	-
Franked Dividends (2002: Nil)		
(ii) Previous year final	-	2,678
Franked dividends (2002: Nil)		
		2,678
c) Dividends proposed and not recognised as a liability		
Franked dividends (2002: Nil)	-	-

5. Cash

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
Current		
Cash at bank and on hand	7,400	5,924
Cash on interest bearings deposit at call	15	15
	<u>7,415</u>	<u>5,939</u>

6. Receivables

Current		
Trade debtors	59,676	44,501
Less provision for doubtful debts	(4,933)	(12,338)
Bills receivables	151	147
	<u>54,894</u>	<u>32,310</u>
Other Debtors	6,670	3,028
Deposits	708	1,489
	<u>7,378</u>	<u>4,517</u>
	<u>62,272</u>	<u>36,827</u>
Non-Current		
Loans to related entities	2,611	3,327
Less: Provision for doubtful debts	(1,565)	(1,938)
Loans to controlled entities	-	-
	<u>1,046</u>	<u>1,389</u>

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 180 days
(ii) Sundry debtors and other receivables are non-interest bearing and have repayment terms between 30 to 90 days.

7. Inventories

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
Current		
Finish goods - at cost	32,921	33,588
Provision for diminution in value	(540)	(619)
Finished goods - at net	<u>32,381</u>	<u>32,969</u>
Work In Progress - at cost	3,499	6
Provision for diminution in value	(969)	-
Work In Progress - at net	<u>2,530</u>	<u>6</u>
Raw materials - at cost	453	243
	<u>35,364</u>	<u>33,218</u>

8. Net investment in finance lease

The company leases out a number of items of machinery under finance lease. The leases typically run for a period of nine to seventeen months, with an options granted to the leasee 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 amount have been fully received from the customer during the year.

Terms and conditions relating to the above financial instruments

- (i) Future minimum lease payments are discounted at the implicit lease rate of 7.4%
(ii) The lease was over a period of 9 to 11 months and payments of the minimum amount are received monthly.

9. Investment accounted for using the equity method

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'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 6)

10. Other financial assets

	Interest Held		Country of Incorporation
	30 June 2003	30 June 2002	
	%	%	
Controlled Entities of Autron Corporation Limited			
Australasian Technology Corporation (Properties) Pty Limited	100	100	Australia
Australasian Technology Corporation NZ Limited	100	100	New Zealand
Australasian Technology (Properties) Pty Ltd	100	100	Australia
Vision Tech (Australia) Pty Limited	80	80	Australia
Microtel Australia Pty Limited	60	60	Australia
Autron (S.E.A) 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 Tech 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 (interest acquired 1 July 2001)	100	100	Taiwan
Info-Tek Technology (Suzhou) Company Limited			
(interest acquired 3 August 2001)	100	100	China
Autron Engineering Service Company Limited			
I.C. Equipment Pte Limited (interest acquired 24 December 2002)	100	-	Hong Kong
Controlled Entities of Autron (SEA) Pte Ltd			
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 I.C. Equipment Pte Limited			
Aeromatrix Pte Ltd (formerly known as August Equipment)	100	100	Singapore
I.C. Equipment (Shanghai) Co Ltd	100	100	China

11. Property, Plant and Equipment

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
Plant and equipment - at cost	7,960	5,485
Less: accumulated depreciation	(5,179)	(2,066)
	2,781	3,419
Plant and equipment under lease	1,713	1,187
Less: accumulated depreciation	(708)	(285)
	1,005	902
Motor vehicles - at cost	235	109
Less: accumulated depreciation	(110)	(77)
	125	32
Motor vehicles under lease	308	460
Less: accumulated depreciation	(139)	(137)
	169	323
Freehold and leasehold property - at cost	12,357	1,340
Less: accumulated depreciation	(2,644)	(95)
	9,713	1,245
Leasehold improvements - at cost	1,796	1,653
Less: accumulated depreciation	(670)	(533)
	1,126	1,120
	14,919	7,041

11. Property, Plant and Equipment (cont'd)

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
Leasehold improvements		
Carrying amount at beginning	1,120	774
Additions	530	608
Additions through acquisition of controlled entity	-	-
Disposals	(74)	(6)
Depreciation expense	(315)	(206)
Net foreign currency movements arising from self-sustaining foreign operation	(135)	(50)
	<u>1,126</u>	<u>1,120</u>

12. Intangibles

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
Goodwill	50,072	49,895
Non competition agreement	-	-
Less: Accumulated amortisation	(5,898)	(3,432)
	<u>44,174</u>	<u>46,463</u>

13. Payables (Current)

Trade creditors	25,542	15,410
Business acquisition - consideration payable	8,678	19,568
Other creditors & accruals	13,687	18,956
	<u>47,907</u>	<u>53,934</u>

Terms & conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade creditor and accruals are non-interest bearing and are normally settled on 30 days - 150 days terms.
- (ii) Consideration payable business acquisitions are non-interest bearing and will be settled between January 2004 and January 2005.

14. Interest bearing liabilities

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
Currents		
Term loan (secured)*	2,553	11,450
Hire purchase creditors	391	523
	<u>2,944</u>	<u>11,973</u>
Bills payable **	20,860	9,441
Bank overdraft ***	4,672	5,127
	<u>28,476</u>	<u>26,541</u>
Non-Current		
Loan from controlled entities	-	-
Term loan (secured)*	5,916	344
Hire purchase creditors	481	848
	<u>6,397</u>	<u>1,192</u>

*The term loans are secured by way of legal mortgage over Autron (SEA) Pte Limited's long term leasehold property and corporate guarantee from parent entity - Autron Corporation Limited

**Bills payable are interest bearing at an average rate of 2%.

*** Bank overdrafts of the controlled entities are secured by corporate guarantee from parent entity - 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 for the asset's agreed value. The average discounted rate implicit in the contract is 6.0% (2002: 6.0%). Hire purchase liabilities are secured by a charge over the assets.
- (ii) Term loans are repayable less than 5 years time.

15. Contributed equity

Consolidated	
30 June 2003	30 June 2002
\$'000	\$'000
(a) Issued and paid up capital	
Ordinary shares fully paid	
74,508	48,753
74,508	48,753

(b) Movements in shares on issue

	30 June 2003		30 June 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)		
	685,902,302	74,508	533,795,123	48,753

- (i) On 22 January 2003, 15,087,871 ordinary shares were issued @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 Company Limited (2002: 16,000,000 shares A\$0.2625)
- (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 being A\$285,228.90. These cancellations brings 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 Agreements announced in 2001 the Company on 24 December 2002 issued the following shares to vendors of Taiwan Sigma an 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 @A\$0.18023
- (v) In April 2003, the Company announced the completion of the raising of an aggregate of the raising of an aggregate of A\$14,764,643.50 in equity capital through the following placement.
- Seletar Investments 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 issues

(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.

16. Reserves and retained profits

	Consolidated	
	30 June 2003 S'000	30 June 2002 S'000
Capital profits reserve	571	571
Foreign currency translation reserve	(4,324)	1,040
	(3,753)	1,611
Retained profits	9,601	(1,906)
(a) Capital profits reserve		
(i) Nature and purpose of reverse		
The capital profits reserve is used to accumulate realised capital profits.		
The reserve can be used to pay dividends or issued bond shares.		
(ii) Movements in reserve		
Balance at end of year	571	571
(b) Foreign currency translation reserve		
(i) Nature and purpose of reverse		
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.		
(ii) Movements in reserve		
Balance at the beginning of year	1,040	4,209
Gain / (loss) on translation of overseas controlled entities	(5,364)	(3,169)
Balance at end of year	(4,324)	1,040
(c) Retained profits / (accumulated losses)		
Balance at the beginning of year	(1,906)	18,014
Net (loss) / profit attributable to members of Autron Corporation Limited	11,508	(17,242)
Total available for appropriation	9,602	772
Dividends provided for or paid	-	(2,678)
Balance at the end of year	9,602	(1,906)

17. Outside Equity Interests

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
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 / (losses) 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 profit / (loss)	(56)	269
Closing balance	596	762

18. Earnings Per Share

	Consolidated	
	30 June 2003	30 June 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 earnings per share	585,177,081	522,933,876
Reconciliation of earnings used in the calculation of earnings per share		
Operating loss after income tax (in A\$'000)	11,452	(16,973)
Less: Outside equity interests (in A\$'000)	56	(269)
Earnings used in the calculation of basic earnings per share (in A\$'000)	11,508	(17,242)

19. Acquisition/Disposal of Controlled Entities

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

	Consideration	Net Tangible Assets at date of disposal/ acquisition	Consolidated profit on disposal	The Company's interest
	\$'000	\$'000	\$'000	%
Acquisitions				
2003				
I.C. Equipment Pte Ltd	3,058	3,058	N/A	100%
On 24 December 2002, Autron Corporation Limited 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.				
	1 Jan 2003 30 Jun 2003 \$'000	1 Jan 2002 - 30 Jun 2002 \$'000		
Net Profit after tax for the period under control	406	1,232		
2002				
Taiwan Autron business	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%
Disposals				
2003				
No disposals				
2002				
IT Connections Pty Limited (disposed through voluntary deregistration)				

20. Statement of Cashflows

	Consolidated	
	30 June 2003	30 June 2002
	\$'000	\$'000
(I) Reconciliation of Cash		
Cash at the end of the year is shown in the financial statement as:		
Cash at bank and on hand	7,400	5,924
At call deposits with financial institutions	15	15
Bank overdraft	(4,672)	(5,127)
	<u>2,743</u>	<u>812</u>
(ii) Reconciliation of Cashflow from operations with operating profit/ (loss) after income tax expenses		
Profit/(Loss) from ordinary activities after income tax expenses	12,820	(16,973)
Non cash items:		
Depreciation and amortisation	5,634	4,205
Income tax expense	(2,149)	(1,799)
(Profit) / Loss on sales of fixed assets	92	83
Bad debts written off	-	116
Provision for doubtful debts - written back	-	-
Provision for doubtful debts	(6,205)	11,521
Provision for obsolete stock	14	503
Foreign exchange difference	4,327	1,690
Fixed assets written off	7	58
Changes in assets & liabilities		
Inventories	911	(13,039)
Trade and other debtors	(25,162)	1,946
Trade and other creditors	11,095	3,259
Net cash outflow from operating activities	<u>1,384</u>	<u>(8,430)</u>
(iii) Net cash flows from acquisition of controlled entity		
Acquisition of controlled entity		
Fixed assets	11,827	
Inventories	3,070	
Debtors	2,296	
Cash balance	(2,080)	
Deferred Expenditure	5	
Creditors	(3,792)	
Term loan	(8,268)	
Net assets acquired	3,058	
Goodwill arising from acquisition	-	
Consideration	3,058	
Less: Cash of controlled equity	2,080	
Net cashflow used in acquisition of controlled entity	<u>5,138</u>	
(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 / letter 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 / letter of credit	20,860	9,441
	<u>34,001</u>	<u>26,362</u>
Facilities unused at Balance Date		
Bank overdraft	1,876	695
Bank loans	-	-
Trade finance / letter of credit	13,630	35,801
	<u>15,506</u>	<u>36,496</u>

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

21. Associates and Joint Venture Entities

The company does not have any associate or joint venture interest to report.

22. Accounting Standards

Australian Accounting Standards have been used to compile the financial results of all companies included within this report. This report is based on accounts that are in the process of being audited.

Autron Corporation Limited

Segment Information - June 2003

Segment Information - Primary Segment
-Business segments
-(A\$'000)

Appendix 1

	Machines, Spares & Consumables		Trading		Other		Elimination		Sub-Total		Discontinuing Operations Computer & Peripherals		Combined Grand Total	
	June 2003	June 2002	June 2003	June 2002	June 2003	June 2002	June 2003	June 2002	June 2003	June 2002	June 2003	June 2002	June 2003	June 2002
Revenue														
Sales to customer outside the consolidated entity	174,499	153,618		760	3,784	5,202			178,274	159,560			178,274	159,560
Other revenue from customer outside the consolidated entity	951	676			31	159			982	835			982	835
Intersegment revenues	8,352	2,528			4,789	15,234	(15,111)	(17,782)	-	-			-	-
Share of net profit of equity accounted investment														
Total segment revenue	183,793	156,822	-	760	8,574	20,395	(15,111)	(17,782)	179,256	169,415	-	-	-	-
Unallocated revenue														
Total consolidated revenue													179,256	169,415
Results														
Profit from ordinary activities before income tax expense	19,883	(4,229)		(9,204)	(9,841)	4,503	(483)	(9,311)	12,829	(16,241)			12,829	(16,241)
Unallocated expenses														
Consolidated profit from ordinary activities before income tax expense													12,829	(16,241)
Income tax expense													(1,389)	(732)
Income taxes													11,451	(16,973)
Consolidated profit from ordinary activities after income tax expense													-	-
Extraordinary item													11,451	(16,973)
Net profit													-	-
Assets														
Segment assets	131,897	115,185		(3,360)	87,966	82,443	(86,852)	(61,146)	163,381	133,102			163,381	133,102
Unallocated assets														
Total assets													163,381	133,102
Liabilities														
Segment liabilities	96,184	66,530		3,355	17,873	32,902	(31,439)	(42,206)	82,439	83,881			82,439	83,881
Unallocated liabilities													-	-
Total liabilities													82,439	83,881
Other segment information:														
Equity accounted investments included in segment assets														
Acquisition of property, plant and equipment, intangible assets and other non current assets	846	26,303			319	3,131			1,185	28,434			1,185	28,434
Depreciation	1,448	821			660	514			2,940	1,335			2,940	1,335
Amortisation	288	192			3,948	2,378	(834)	300	3,864	2,870			3,864	2,870
Non-cash expenses other than depreciation and amortisation	3,285	3,897		8,813	968	-	191	(430)	4,444	12,280			4,444	12,280

Autron Corporation Limited
Segment Information - June 2003

Segment Information - "Secondary Segment"
-Geographical Segments
-(A\$'000)

Segment revenue

Segment assets

Other segment information:

Acquisition of property, plant and equipment,
Intangible assets and other non-current assets

	Australia June 2003	Australia June 2002	South East Asia June 2003	South East Asia June 2002	North Asia June 2003	North Asia June 2002	Elimination June 2003	Elimination June 2002	Sub-Total June 2003	Sub-Total June 2002	Discontinuing Operations Australia June 2003	Discontinuing Operations Australia June 2002	Combined Grand Total June 2003	Combined Grand Total June 2002
Segment revenue	2,021	12,578	96,377	67,862	97,727	97,707	(19,899)	(17,782)	179,296	160,415			179,296	160,415
Segment assets	84,196	79,868	76,512	73,113	64,823	41,207	(66,832)	(61,148)	163,381	133,102			163,381	133,102
Other segment information:														
Acquisition of property, plant and equipment, Intangible assets and other non-current assets	-	-	443	2,213	722	27,221			1,165	29,434			1,165	29,434

NB: In this segment by company geographical location. South East Asia includes Australtech Corp (L) - a company incorporated in Malaysia but of which its main business is in North Asia.