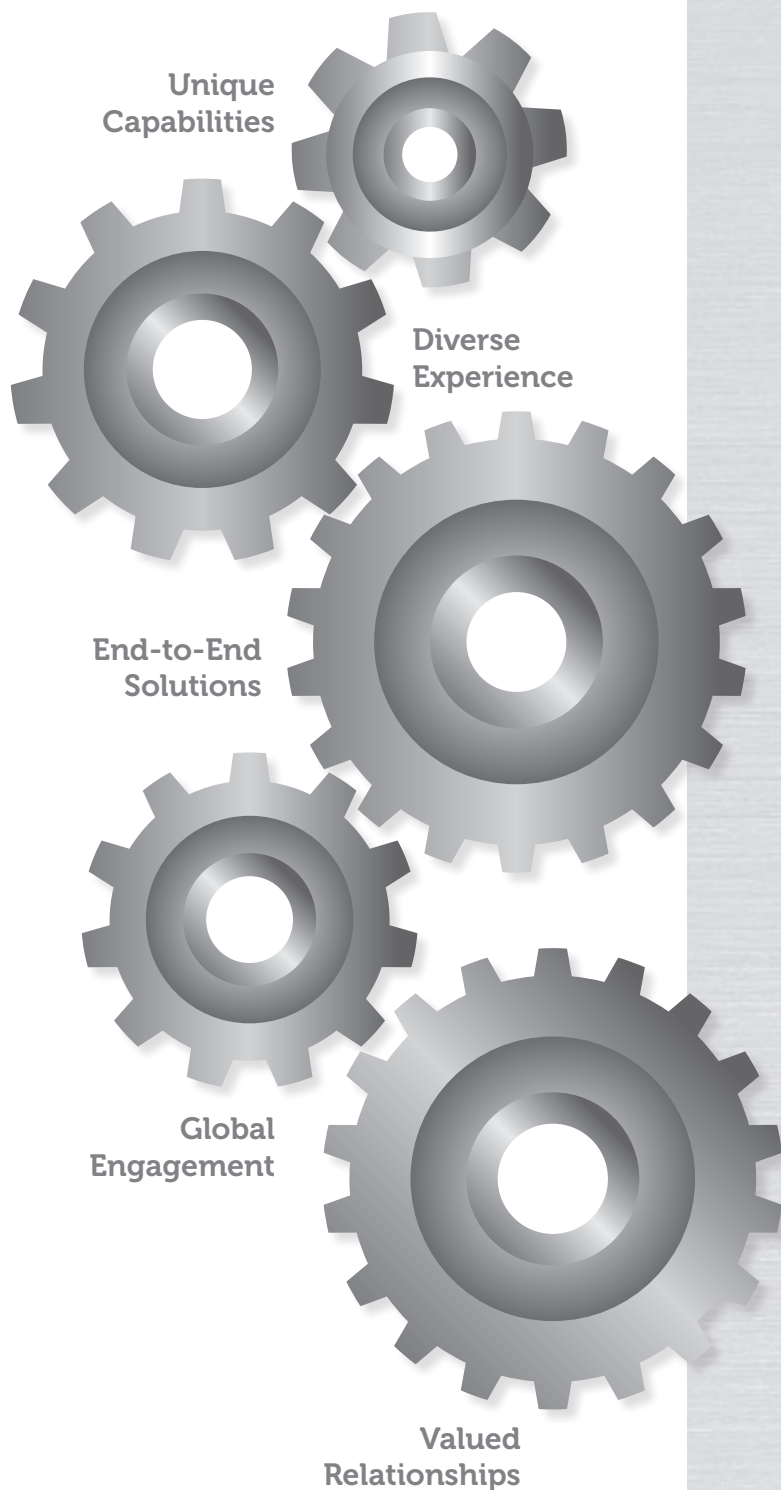




Annual Report
2011



The initial public offering of Amtek Engineering Ltd was sponsored by Credit Suisse (Singapore) Limited and Morgan Stanley Asia (Singapore) Pte. (the "Joint Global Coordinators and Joint Issue Managers"). The Joint Global Coordinators and Joint Issue Managers assume no responsibility for the contents of this Annual Report.

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ABOUT AMTEK

Amtek was established in 1970 as a precision engineering service provider. Today, it is recognised as one of the world's leading precision engineering company offering end-to-end solutions that encompasses design, prototyping, tool and die and mould making, precision metal stamping, plastic and rubber moulding, machining, welding, finishing as well as electro-mechanical and mechanical product assembly and testing.

The Group has developed core capabilities and know-how in the areas of progressive precision metal stamping; progressive precision cold forging; precision machining; laser welding and bonding as well as plastics and rubber moulding, providing: automotive components; casing and enclosures for enterprise servers and networking equipment; electrical and electronics products for the power and energy sectors; consumer electronic products; imaging and printing products as well as other life science and industrial equipment products.

Headquartered in Singapore, the Group has manufacturing facilities in Singapore, Malaysia, Indonesia, Thailand, Vietnam, China, France and Czech Republic and its own in-house tool and mould making capabilities.

Amtek is a strategic partner of choice for companies requiring complex supply chain and precision engineering solutions globally. It is committed to enhancing and developing its core capabilities through investments in technologies and its people to maintain its leading edge and relevance to meet the evolving needs of electro-mechanical outsourcing.



OUR VISION

Be the Provider of Choice in

- Precision Metal Stamping
- Precision Machining
- Precision Plastics Molding

with Turnkey Capabilities in Product Assemblies

OUR MISSION

- Satisfied Customers
- Satisfied Shareholders
- Happy Employees

and Technical Leadership through Continuous Upgrading of Technology, Innovation and Partnership

CHAIRMAN'S STATEMENT



I am very pleased to report that despite the challenging conditions of certain market segments and the Japanese earthquake and subsequent tsunami in March 2011, the Group performed well in our debut year of re-listing on the SGX-ST, delivering growth in revenue and more than doubling our net profits after tax in FY2011.

Daniel Yeong
Chairman and CEO

DEAR SHAREHOLDERS

Amtek Engineering Ltd (“Amtek” or the “Group”) achieved two additional milestones during FY2011 - we celebrated our 40th anniversary and re-listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) in December 2010. I am pleased to report that the Group performed well in our debut year of re-listing on the SGX-ST, delivering growth in revenue and more than doubling our net profits after tax in FY2011.

During the past few years, we have undertaken several operational, strategic and organizational repositioning initiatives. We now have an expanded capability to provide complete end-to-end solutions starting with industrial design of the product, to the design and manufacture of tools, moulds and dies which complement the manufacture of complex mechanical modules and parts. We employ progressive precision stamping, cold forging, 3-D forming technology, precision machining as well as laser bonding and special finishes in our entire manufacturing process. Our ability to integrate plastics with metal parts has enabled us to offer our customers a complete turnkey mechanical assembly solution – a key differentiator in the competitive precision engineering industry.

Our multiple skills set have enabled us to expand our product offerings into multiple industry sectors. Today, the Group is a highly diversified precision engineering company offering a comprehensive range of metal, plastics and rubber solutions to a wide variety of industry sectors, from automotive, consumer white (durable) goods, to IT and industrial products sectors, just to name a few.

I am very pleased that despite the challenging conditions of certain market segments and the supply chain interruptions caused by the Japan earthquake and tsunami in March 2011, the Group’s overall performance in FY2011 was commendable.

Diversification strategy delivers performance

The Group’s revenue grew 7% year-on-year to US\$681.6 million. This is a clear indicator that our strategy to diversify our industry segments further by expanding our product offerings to new and existing customers across industry segments and global network has borne results.

Revenue from the Automotive product sector grew by 21% year-on-year. Although demand was originally driven by the need for localization of automotive components in China, our automotive division has grown as we expand our end market reach beyond China by becoming the approved global supplier to our automotive customers. Automotive products now contribute 14% to the Group’s revenue.

Our efforts at cross selling across multiple geographic locations have helped generate 36% sales growth in the Electrical and Electronic Components sector, which predominantly supplies industrial products to customers in the power and energy generation industry.

The Consumer Electronic products sector grew 8% on the back of increased demand for durable household goods

CHAIRMAN'S STATEMENT

components which includes garment care and oral health care products as well as panels for washing machines and other durable household appliances.

Despite being impacted by supply chain interruptions as a result of the Japan earthquake and subsequent tsunami in March 2011, the printing and imaging sector nevertheless registered revenue growth of 24%, due mainly to contribution from the Group's new plant in Hanoi, Vietnam.

Our ongoing efforts to develop new product sectors, which include healthcare and medical equipment products contributed to the 10% year-on-year growth of the "Others" product sector.

The weak global demand for hard disk drive products and certain IT products which predominantly affected the Mass Storage product sector in FY2011 had negatively impacted the Group's earnings. Accordingly, revenue contribution from the Mass Storage sector declined 13% year-on-year.

The weak demand for certain IT products also impacted demand from certain customers in the enterprise server industry, however, this was largely offset by revenue increases from new as well as existing customers in the networking and router equipment industry sector. As a result, revenue in the Casing and Enclosure product sector declined only marginally by 1% in FY 2011.

On balance, despite weaker market demand in the IT industry which affected the Group's revenue contribution from the Mass Storage and Casing and Enclosure businesses, the Group was able to demonstrate revenue resilience to sector-specific weaknesses because of its diversified industry sectors, product offerings and customer base.

Strong financial position

Full year profit attributable to shareholders rose 109% year-on-year to US\$45.2 million. This is due largely to a favourable product mix resulting in improved gross profit margin year-on-year. More efficient cost structure, lower interest and tax expense, partially offset by certain non-recurring expense in relation to the initial public offering ("IPO") of the Company's shares on SGX-ST and the impairment loss on an available-for-sale investment contributed to the Group's improved profitability in FY2011.

The Group remains in a strong cash position, generating cash from operations of US\$67.6 million in FY2011. The Group repaid US\$49.7 million in aggregate borrowings resulting in a net debt position of US\$23.8 million as at

30 June 2011. Notwithstanding the foregoing repayment in aggregate borrowings, the Group's cash and cash equivalent balances grew to US\$119.0 million as at 30 June 2011.

Diluted earnings per share grew to 8.3 US cents from 4.0 US cents a year ago. As of 30 June 2011, total shareholders' equity amounted to US\$174.5 million and net asset per share was 32 US cents.

Building a stronger global business

Regionally, the Group's China operations which are located in five locations in East and South China continued to register strong growth. Due to its diversified industry segments, product mix and customer base, revenue contribution from China continued to demonstrate resilience despite also being impacted by weaker demand in the IT sector which affected both its Mass Storage and Casing & Enclosure product sectors. The Japan earthquake and subsequent tsunami also impacted revenue contribution from China's imaging and printing sector in 4QFY2011. Nevertheless, the Group total revenue contribution from China grew 12% year-on-year. China will continue to play a pivotal role in the Group's growth in the near to mid-term. In response to growing cost concerns, in particular to labour cost increases, the Group is looking into further improving its productivity and yield through increased industrial automation and improvement of its processes. The Group is also considering further expansion inland and accordingly, will review its plans for expanding its Shanghai plant.

Despite the continuing economic challenges facing the European Union, the Group's operations in Europe reported revenue growth of 10% year-on-year, driven by rising demand for its automotive components products as well as electrical/electronic products. Over the past two years, the Group has consolidated its main European operations in its Czech Republic plant and focused on increased product offerings and diversifying its industry sectors. Europe remains an important part of our global footprint and plays a key role in our ability to serve our customers in multiple locations.

Revenue contribution from South East Asia in FY2011 was impacted by the weaker demand for both Mass Storage and Casing and Enclosure products. Notwithstanding stronger revenue growth from new products such as health care and medical equipment and consumer electronics products, South East Asia revenue was flat year-on-year. The Group's South East Asia presence spans Singapore, Malaysia, Indonesia, Vietnam and a joint venture in Thailand. In response to escalating cost of operations in Singapore, the Group has continued to relocate its

CHAIRMAN'S STATEMENT

manufacturing operations to Malaysia, Batam, Indonesia and China throughout FY2011 and this will continue into FY2012. The closure of its plant in Jakarta, Indonesia, has been completed, and the Group's Indonesia operations are now consolidated at three sites in Batam for greater operational efficiency.

As part of our overall strategy to further integrate our plastics and metal offerings, we have signed an agreement to buy out all our minority shareholders in Lian Jun Industrial Pte Ltd ("Lian Jun"). Lian Jun holds the Group's plastics operations in Shenzhen and Batam, and the acquisition will enable us to further expand our integrated plastics and metal offerings. In FY2011, the Group's Plastic and Rubber division registered revenue growth of 44% year-on-year. Expected to be completed in October 2011, the acquisition is not expected to have a material impact on the consolidated net tangible assets or earnings per share of the Group for the financial year ending 30 June 2012.

Looking ahead, the Board of Directors believes that, whilst the global economic outlook remains uncertain and challenging, barring unforeseen circumstances, the Group's performance in FY2012 will remain satisfactory.

Dividends

The Board is pleased to recommend a first and final dividend of 5.5 Singapore cents per share on a one-tier tax-exempt basis in respect of the financial year ended 30 June 2011.

Subject to the approval of shareholders at the Annual General Meeting to be held on 31 October 2011, the proposed dividend will be paid on 22 November 2011. The Share Transfer Books and Register of Members of Amtek Engineering Limited will be closed on 10 November 2011 for the purpose of determining entitlement to dividends.

Appreciation

During the year, in preparation for the IPO, we reconstituted our Board of Directors. We are pleased to welcome Messrs Low Seow Juan, Steven Lim Kok Hoong and Leong Horn Kee on board as Independent Directors. Mr. Low Seow Juan, Chairman of the Remuneration Committee, is also our Lead Independent director and member of the Audit and Nominating Committees. Mr. Steven Lim Kok Hoong is our Audit Committee Chairman and Mr. Leong Horn Kee is our Nominating Committee Chairman and member of the Audit and Remuneration Committees. To William Edward Alastair Morrison and Sigit Prasetya, our non-executive

directors, we extend a special vote of thanks for their advice and guidance to the Board and the management over the years. We would also like to record our thanks and appreciation for the invaluable contribution of Messrs Lee Tjen Chew and Hans Wang Watganai who stepped down as directors of the company during the year.

To all our business partners, banks, suppliers and service providers who have given us their support all these years, we convey our deep appreciation and heartfelt thank you.

We would also like to record our gratitude to all our customers, some of whom have been with us since we started business 40 years ago, for your belief and trust in Amtek – thank you for giving us the opportunity to work with you on your visions and goals. We look forward to continue serving you in the future.

The pillars of every successful organization are built on and supported by its dedicated employees. On behalf of the Board, I wish to thank the management staff and all employees across the Group for their support and dedication to the execution and delivery our goals and targets.

On behalf the Board, I would like to express my thanks and appreciation to the teams at Amtek, Metcomp Group Holdings, Standard Chartered Private Equity Limited, Credit Suisse, Morgan Stanley, Standard Chartered Bank, DBS Bank, Ernst & Young, Deloitte & Touche, Linklaters, Allen and Gledhill, WongPartnership, Shearman and Sterling, all our foreign legal and other advisors, analysts, Kreab Gavin Anderson and everyone who has played a part, for their dedication and hard work to ensure the success of our IPO.

Last but not least, on behalf of the Board and management, I would like to thank all our shareholders for your loyalty and belief in Amtek's long term growth potential.

Daniel Yeong
Chairman and CEO

BOARD OF DIRECTORS



Mr. Daniel Yeong Bou Wai
Chairman and Chief Executive Officer

Mr. Yeong joined our Group in 2007 as an executive director and oversees the direction and strategy, and is in charge of financial management, marketing and operations of our Group.

From 1996 to 2007, he was the chief executive officer and managing director of GES International Ltd (“GES”) where he was responsible for the strategic planning, overall marketing, financial management and operations of GES and its group companies. He oversaw a restructuring of GES before it was sold to Venture Corp Ltd (“Venture”). Before his promotion to the position of chief executive officer and managing director of GES, he was the international sales manager of GES where he managed the company’s global portfolio of customers from 1986 to 1996.

Mr. Yeong graduated from Ngee Ann Technical College, Singapore in 1979 with a Diploma in Mechanical Engineering.



Ms. Sheila Ng Won Lein
Executive Director and Chief Financial Officer

Ms. Ng joined us in 2007 and oversees all the financial reporting and treasury functions of our Group. She is also involved in our human resource and administration functions. Prior to this, Ms. Ng served as chief financial officer of GES from 2000 to 2007, where she took charge of financial reporting and treasury matters of GES, including investor relations, human resources and mergers and acquisitions. Her experience spans various industries: from 1997 to 2000, she was the financial controller of RSP Architects & Planners; from 1995 to 1997, the financial controller of SMP Investment Pte Ltd and from 1990 to 1995, the vice president, finance, of Superior Metal Printing Limited. Ms. Ng was responsible for overseeing the financial reporting and treasury obligations and merger and acquisition activities of each of these companies. Ms. Ng began her career in audit, and was an auditor with KPMG, Malaysia from 1988 to 1990.

Ms. Ng graduated from the University of Kent at Canterbury, the United Kingdom in 1987 with a Bachelor of Arts (Honours) degree in Accounting.



Mr. Peter Ho Kheong Chun
Executive Director, Precision Engineering

Mr. Ho has been with our Group for 40 years, since our Company commenced providing services as Metaltek Engineering Pte Ltd. Mr. Ho has served in various capacities: before becoming Managing Director in 2008, he served as an executive director overseeing the business development function of the company, which was preceded by seven years as marketing and purchasing director, being involved in sales and marketing and material procurement. He joined our Group in 1970 as a works manager and was involved in its general sales, factory operations and administration. Prior to 1970, Mr. Ho was a production assistant technician at the Engineering Industrial Development Agency of EDB.

Mr. Ho attended a material management and accounting extension course in 1970 conducted by the University of Singapore; he also passed his first year Technician Engineering Course at Singapore Polytechnic in 1971. Mr. Ho is currently a senior member of the Society of Manufacturing Engineers, an international professional society based in the United States.

BOARD OF DIRECTORS



Mr. William Edward Alastair Morrison

Non-Executive Director

Mr. Morrison joined our Board of Directors in 2008 and is currently the managing director and global head of the private equity arm of Standard Chartered Bank. He joined Standard Chartered Bank in April 2002 after more than 20 years at 3i Group plc, a European private equity investment house listed on the FTSE 100 index. Mr. Morrison joined 3i Group in 1981 and established the 3i Group Asia business in Singapore in 1997. Mr. Morrison has investment experience across a wide range of industries in Europe and Asia.

Mr. Morrison holds a Bachelor of Arts (Honours) degree in Politics, Philosophy and Economics from Oriel College, University of Oxford, which he obtained in 1979; he also graduated with a Masters of Philosophy degree in Management Studies from University of Oxford in 1981.



Mr. Sigit Prasetya

Non-Executive Director

Mr. Prasetya joined our Board of Directors in August 2007 and is currently a partner of CVC Asia Pacific (Singapore) Pte Ltd, responsible for South East Asia. Prior to joining CVC Asia Pacific in March 2007, Mr. Prasetya was the senior principal and head of South East Asia for Henderson Private Capital, the private equity arm of Henderson Global Investors. Previously, he was an executive director with Morgan Stanley Investment Banking between 1999 and 2006. Prior to that, he had worked with Booz Allen Hamilton, a management consulting firm (1996 to 1999), Peregrine Sewu Securities (1995 to 1996) and Citibank N.A. (1991 to 1992).

Mr. Prasetya graduated with a Master of Business Administration degree (Dist.) from the University of New South Wales, Australia, in 1994.



Mr. Low Seow Juan

Lead Independent Director and Remuneration Committee Chairman

Mr. Low is the chairman of Pinetree Capital Partners Pte Ltd which is a private equity fund specialising in pre-initial public offering investments. He has acted as a consultant to various companies such as Broadven Pte Ltd (2005 to 2009), Lee & Lee (2004 to present) and PrimePartners Corporate Finance Pte Ltd (2004 to 2005). Prior to these engagements, he was a partner of Harry Elias Partnership (1998 to 2003) and a partner of Drew & Napier LLC (1984 to 1993). In between his involvements as partners of the two law firms, Mr. Low was self-employed from 1993 to 1998 and he managed various joint venture investments during that period. Before his legal career, he was an assistant manager in the banking and corporate finance department of Morgan Grenfell (Asia) Limited from 1982 to 1984.

Mr. Low completed his first degree in 1974, obtaining a Bachelor of Electrical Engineering (Honours) from Monash University, Australia. He later enrolled and graduated from the University of London, United Kingdom in 1979 with a Bachelor of Laws (Honours) degree and obtained a Master of Business Administration degree from the National University of Singapore, Singapore in 1983.

BOARD OF DIRECTORS



Mr. Steven Lim Kok Hoong
*Independent Director and Audit
Committee Chairman*

Mr. Lim provided business and financial advisory services to MBE Corporate Advisory Pte Ltd from 2003 until his retirement in 2004. From 2002 to 2003, he was a senior partner with Ernst & Young Singapore. Before joining Ernst & Young Singapore, he was a regional managing partner of Arthur Andersen ASEAN from 2000 to 2002 and the managing partner of Arthur Andersen Singapore until he left the firm in 2002. From 1999 to 2000, he was the area managing partner of Arthur Andersen Asia Pacific, Assurance & Business Advisory Business. He joined Arthur Andersen Perth, Australia in 1971 as a staff accountant where he served until 1974, whereupon he left for Arthur Andersen Singapore, joining as an audit senior from 1974 to 1981 and promoted to audit partner in 1981.

Mr. Lim is a member of the Institute of Certified Public Accountants of Singapore and the Institute of Chartered Accountants in Australia. Mr. Lim graduated from the University of Western Australia, Australia in 1971 with a Bachelor of Commerce degree.



Mr. Leong Horn Kee
*Independent Director and
Nominating Committee Chairman*

Mr. Leong is currently the chairman and chief executive officer of CapitalCorp Partners Private Limited. He has also been Singapore's non-resident ambassador to Mexico since 2006 and a member of the Securities Industry Council since 2008. From 1993 to 2008, he was an executive director and chief operating officer of Far East Organization. He was concurrently the chief executive officer of Yeo Hiap Seng Ltd from 1999 to 2002 and the chief executive officer of Orchard Parade Holdings Limited from 1993 to 1999. Mr. Leong was a director of NM Rothschilds & Sons (Singapore) Pte Ltd from 1989 to 1992 where he was head of corporate finance. Prior to that, he was a vice-president of Transtech Ventures Pte Ltd, an assistant director at the Ministry of Finance, and a deputy director at the Ministry of Trade and Industry. Mr. Leong was a Member of Parliament from 1984 to 2006.

Mr. Leong graduated with a Bachelor of Technology degree (First-Class Honours) in Production Engineering and Management from Loughborough University of Technology, United

Kingdom in 1975 under a Colombo Plan scholarship. As an external student, he obtained a Bachelor of Science (Honours) degree in Economics from the University of London, United Kingdom in 1979. He obtained a Master of Business Administration (MBA) degree from the European Institute of Business Administration (INSEAD), France in 1980 under a French government post-graduate scholarship. He obtained a Bachelor of Arts in Chinese Language and Literature from Beijing Normal University, China in 2008 and a Master of Business Research from the University of Western Australia, Australia in 2009. Mr. Leong was conferred the NTUC Meritorious Service award in 2002 and the NTUC Friend of Labour award in 1993.

SENIOR MANAGEMENT TEAM

Mr. Ang Tong Huat

President, Europe Operations

Mr. Ang joined our Group in 2008. Prior to joining our Group, Mr. Ang was at GES from 2003 to 2008 as country general manager and vice-president of China and from 1998 to 2003 as division manager of manufacturing operations. Mr. Ang worked in the field of quality assurance in Elbiru Electronics Pte Ltd from 1997 to 1998, SCI Manufacturing (S) Pte Ltd from 1992 to 1997 and Tri-M Technologies Pte Ltd from 1990 to 1992, and was a quality assurance supervisor with Seagate International from 1988 to 1990.

Mr. Ang graduated from Ngee Ann Polytechnic, Singapore in 1985 with a Technician Diploma in Shipbuilding and Repair Technology. He also obtained a diploma in Business Efficiency & Productivity (Production Management) from the NPB Institute for Productivity Training in 1990. Mr. Ang attended the Advanced Diploma in Business Administration programme from PSB Academy from 1996 to 1998.

Mr. Bay Lim Thiam

Vice-President, Eastern China Operations

Mr. Bay has been with the Group since 1989. Before being appointed to his present position, Mr. Bay had served in various managerial capacities within the Group. Prior to joining the Group, Mr. Bay held various managerial positions in E M Tools Pte Ltd from 1986 to 1989 as the overall in-charge of tool manufacturing.

Mr. Bay obtained a Diploma in Production Technology from the German-Singapore Institute, Singapore in 1986.

Mr. Chong Yong Min

President, South Asia Operations

Mr. Chong joined our Group in 2002 and is responsible for the business development and factory operations of our Group's business in South and South East Asia. Prior to joining our Group, Mr. Chong held managerial positions in Hitachi Electronic Devices (S) Pte Ltd from 1978 to 2001. He was a personnel officer dealing with human resource matters at the Sembawang Shipyard from 1977 to 1978 and was a management trainee (marketing) with Sembawang Engineering from 1975 to 1977.

Mr. Chong graduated from the Nanyang University, Singapore in 1975 with a Bachelor of Commerce degree.

Mr. Goh Sing Hook

Chief Marketing Officer

Mr. Goh joined our Group in 2008. Prior to joining the Group, Mr. Goh was the sales director of GES from 1989 to 2007 where he headed the sales team. From 1986 to 1988, Mr. Goh was employed as a sales manager of Ecolab Pte Ltd, a US company specialising in water treatment. From 1983 to 1986, Mr. Goh was a project engineer at UMW. He began his career in 1982 as a sales executive with ChemLab.

Mr. Goh obtained an Advanced Diploma in Business Administration from the Association of Business Executives in 1987 and a Diploma in Marketing from the Institute of Marketing, the United Kingdom in 1985. Mr. Goh graduated from Singapore Polytechnic in 1979 with a Diploma in Marine Engineering.

Ms. Jocelin Soon Swee Har

Vice President

Ms. Soon is the Vice President of our Group's Finance department, where she is involved in Group reporting and treasury matters. Prior to joining the Company in 2010, Ms. Soon served in similar capacity as Group Finance Manager at Banyan Tree Holdings Limited. Prior to working for Banyan Tree Holdings Limited, Ms. Soon was an audit manager with Ernst & Young LLP, Singapore.

Ms. Soon graduated from the Nanyang Technological University of Singapore in 2004 with a Bachelor of Accountancy (Honours). She is a member of the Institute of Certified Public Accountants of Singapore.

SENIOR MANAGEMENT TEAM

Mr. Lee Jeff Kingsley

President, China Operations

Mr. Lee first joined our Group in 1985, but left in 1988 to take on various managerial positions with other manufacturing companies, including NCT Technology Pte Ltd (1995 to 1997), Metal Component Engineering Pte Ltd (1990 to 1995) and Lek Sun Industrial Pte Ltd (1988 to 1990), before rejoining the Group in 1997. Mr. Lee also gained experience as a production engineer with Smith Corona Pte Ltd from 1982 to 1985 and, prior to that, was a tooling analyst with GE Controls Pte Ltd from 1979 to 1982.

Mr. Lee holds a Technician Diploma in Mechanical Engineering from the Singapore Polytechnic. He was awarded a Grade Two National Trade Certificate in tool and die making from the Industrial Training Board of Singapore in 1976 and the certificate of Craftsman from the Tata Government Training Centre, Singapore in 1978.

Mr. Ling Ka Yew

Chief Technical Officer

Mr. Ling oversees technical and tooling matters and is also in charge of research and development since 2008. He joined our Group in 2004 from Kris Components Bhd and was the head of corporate technical of our Group from 2007 to 2008. Between 1983 and 2004, Mr. Ling worked in Kris Components Bhd in various positions; chief operating officer (1999 to 2008), general manager (1994 to 1999), factory manager (1990 to 1994), technical manager (1989 to 1990), senior executive (1988 to 1989) and various tooling executive positions (1983 to 1988).

Mr. Ling obtained a Diploma from the Technical Training Institute, Kuala Lumpur in 1983.

Mr. Quek Pek Chuan

Chief Design and Development Officer

Mr. Quek joined our Group in 2008 and is responsible for the overall management of the research and development function of our Group. Prior to joining the Group, Mr. Quek was the Vice-President (R&D) of GES from 1993 to 2008. In that position, he undertook research and development work relating to the design and manufacturing of information technology and industrial products. Mr. Quek worked as a System Engineer at SIS Technologies in 1990, where he was involved in building, testing and repairing information technology products, prior to his enrolment in the Nanyang Technological University. Before that, Mr. Quek worked in SAFT Singapore Pte Ltd from 1987 to 1989.

Mr. Quek graduated from Ngee Ann Polytechnic with a Technical Diploma (Electrical & Electronic Engineering) in 1985 and the Nanyang Technological University, Singapore with a Bachelor of Electrical Engineering (Honours) degree in 1993.

Mr. Yuen Yeng Kwong

Supply Chain Officer

Mr. Yuen is responsible for the overall management of our Group's supply chain. Mr. Yuen joined our Group in 2008. Prior to joining our Group, Mr. Yuen worked in GES from 1997 to 2008, where he started out as a procurement manager before he became the vice president of the materials department in 2007.

Between 1986 and 1996, Mr. Yuen worked in Seagate Technology, where he started out as a buyer and planner before he became the procurement engineer with its sourcing department in 1992.

Mr. Yuen graduated from the University of London, United Kingdom in 1996 with a Bachelor of Science degree in Economics and Management Studies.

Mr Adrian Teo Guan How

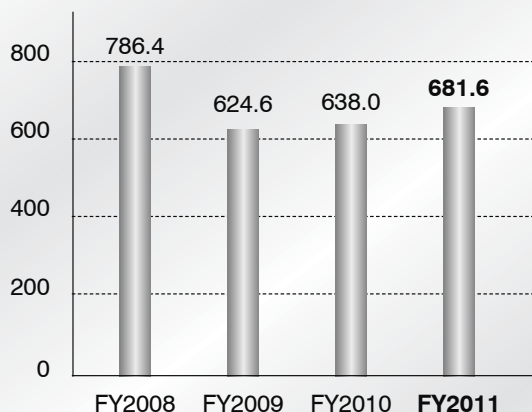
Human Resource Director

Mr. Teo is the Human Resource Director of our Group. He joined our Group in 2008 and is responsible for the human resource and administrative functions of our Group. Prior to joining Amtek, Mr. Teo was the Director, Worldwide, Sourcing Quality Assurance network at Thomson Asia Pacific Pte Ltd, where he started as Manager, Sourcing Quality Assurance Asia. Before that, he held various managerial positions at several multi national corporations in Corporate Quality and Manufacturing Support (1994 – 1999), Senior R&D Engineering (1986 to 1987), Product Introduction & Engineering Services (1987 to 1988), Production Control & Material Logistics (1988 to 1990) and Quality (1990 to 1993). Mr. Teo started his career in 1985 as R&D Engineer at Motorola Electronics Pte Ltd.

Mr. Teo graduated from University of Strathclyde, United Kingdom in 1984 with a Master degree (Research) in Mechanics of Materials. He also holds a Bachelor Degree (Honours) in Mechanical Engineering (1983) from the same University.

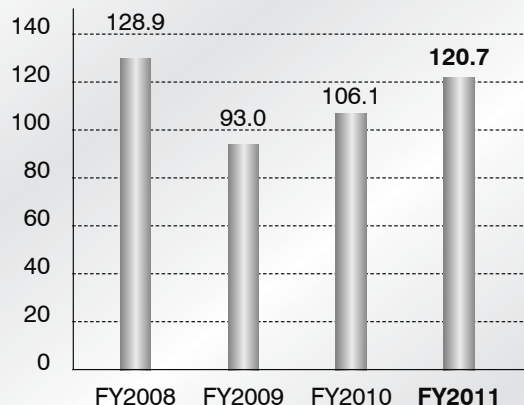
FINANCIAL HIGHLIGHTS

REVENUE (US\$m)



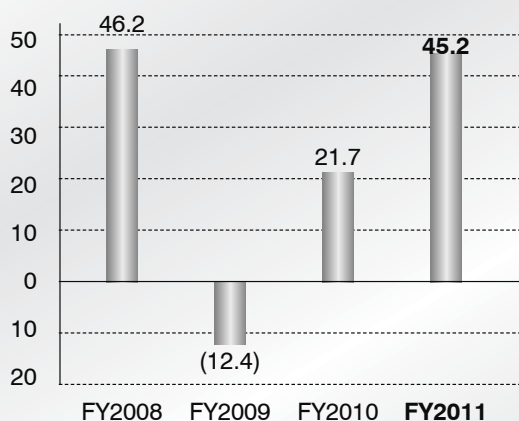
Revenue for FY2011 grew 7%, driven by strong performances from most product sectors, partially offset by weakened demand for hard disk drives and certain IT products.

GROSS PROFIT (US\$m)



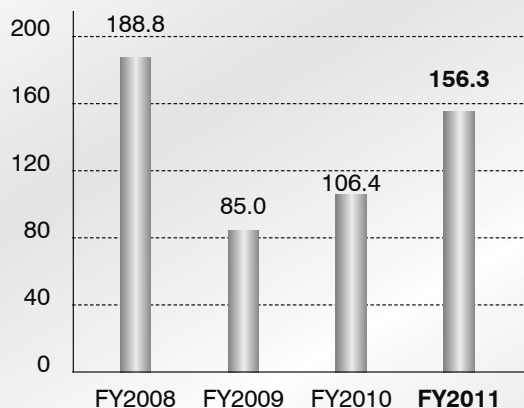
Gross profit margins improved from 16.6% to 17.7% due to product mix and improved production efficiencies.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (US\$m)



Profit attributable to owners of the Company ("PATMI") for FY2011 grew 109% year-on-year due to higher gross profit margins, lower net financial expense, and a lower non-recurring restructuring expense relating to the closure of the Group's Jakarta plant and lower tax expenses which were partially offset by higher staff and administrative expenses due to the higher US dollar against operational currencies and despite charging an impairment loss on an available-for-sale investment of US\$1.1 million.

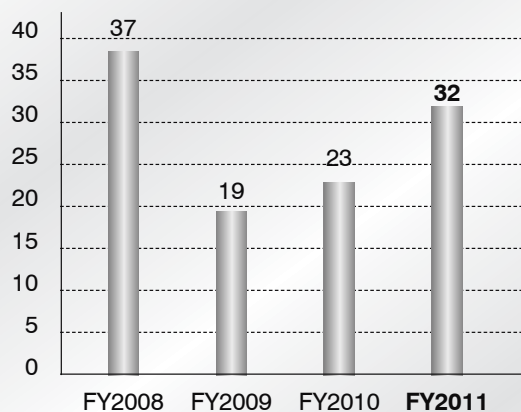
SHAREHOLDERS' EQUITY (US\$m)



Shareholders' equity increased due to increase in net profits generated during FY2011 of US\$45.2 million.

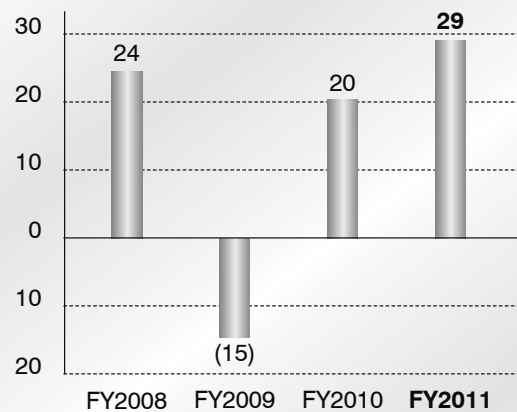
FINANCIAL HIGHLIGHTS

NET TANGIBLE ASSET VALUE PER SHARE (US cents)



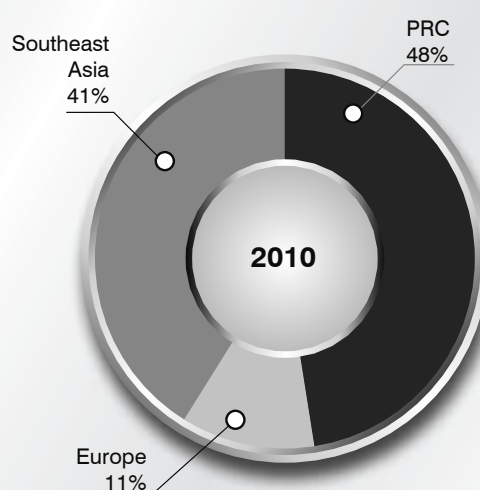
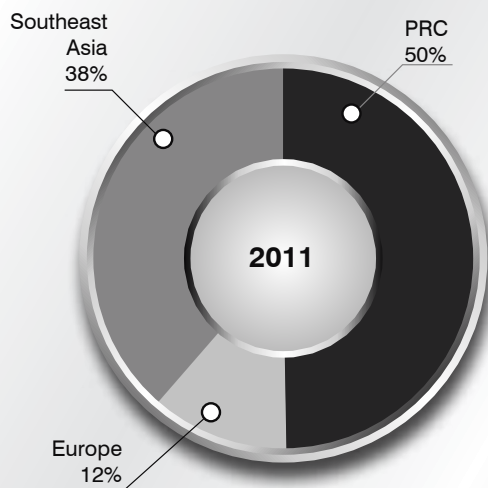
Net tangible assets per share grew 9 US cents per share due to the Europe's 109% increase in PATMI.

RETURN ON EQUITY (%)



Return on equity improved due to increase in Group's net profits attributable to shareholders.

REVENUE BY GEOGRAPHICAL SEGMENT

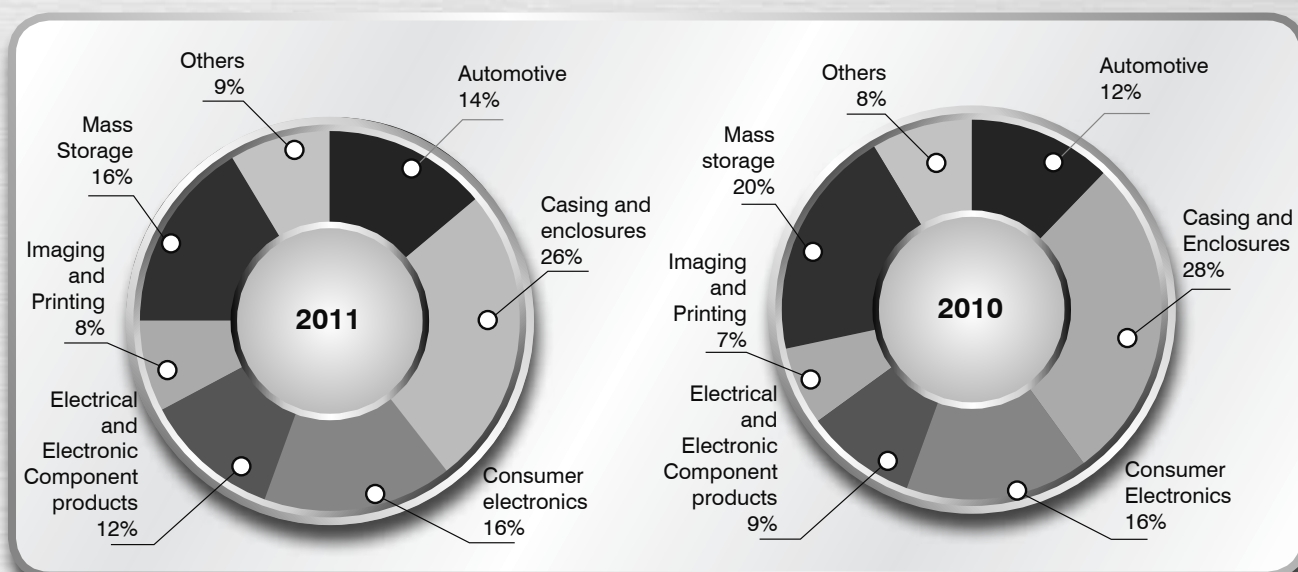


GEOGRAPHICAL SEGMENT	2011 (US\$m)	2010 (US\$m)
People's Republic of China	339.9	303.5
Europe	79.7	72.5
Southeast Asia	262.1	262.0
	681.6	638.0

Geographically, the Group's revenue growth was driven by stronger sales in the PRC and Europe which contributed to increases of 12% and 10% respectively. Revenue from the PRC increased across most product sectors, driven by domestic and export demand. The rise in Europe's revenue was driven by growth in the Electrical and Electronic component and Automotive product sectors. However, revenue growth from these geographies were offset by flat growth in Southeast Asia in FY2011 due mainly to lower sales of Mass storage and Casing and enclosure products.

FINANCIAL HIGHLIGHTS

REVENUE BY INDUSTRY SEGMENT



INDUSTRY SEGMENT	2011 (US\$m)	2010 (US\$m)
Consumer Electronics	108.2	100.2
Imaging and Printing	53.4	43.0
Electrical and Electronic Component products	80.7	59.2
Automotive	95.8	79.1
Mass Storage	110.2	126.7
Casing and Enclosures	174.8	176.6
Others	58.6	53.2
	681.6	638.0

FY2011 revenue grew 7% year-on-year as a result of:

- an 8% increase in Consumer and Electronics product sector due to increase in sales of home appliances and white goods products;
- a 24% increase in Imaging and Printing segment, due mainly to contributions from the Group's plant in Hanoi, Vietnam, which commenced operations in 2009;
- a 36% increase in sales of industrial products to the energy and power generation sectors by the Electrical and Electronic Component product sector;
- a 21% increase in Automotive product sales, mainly from growing demand from automotive customers in the PRC and Europe; and

- a 10% increase in the "Others" product sector, which includes revenue from tool and dies, personal healthcare and medical equipment products as well as life sciences products;

Partially offset by:

- a 13% decline in Mass Storage product sector revenue, due to weaker market demand for hard disk drives in FY2011;
- 1% decline in the Casing and Enclosure product sector due to weaker demand from customers in the enterprise server industry.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Daniel Yeong Bou Wai
(Chairman and Chief Executive Officer)

Peter Ho Kheong Chun
(Executive Director, Precision Engineering)

Sheila Ng Won Lein
(Executive Director and Chief Financial Officer)

William Edward Alastair Morrison
(Non-Executive Director)

Sigit Prasetya
(Non-Executive Director)

Low Seow Juan
(Lead Independent Director)
appointed on 4 November 2010

Steven Lim Kok Hoong
(Independent Director)
appointed on 4 November 2010

Leong Horn Kee
(Independent Director)
appointed on 4 November 2010

AUDIT COMMITTEE

Steven Lim Kok Hoong (Chairman)
Low Seow Juan
Leong Horn Kee

REMUNERATION COMMITTEE

Low Seow Juan (Chairman)
Leong Horn Kee

NOMINATING COMMITTEE

Leong Horn Kee (Chairman)
Daniel Yeong Bou Wai
Low Seow Juan

COMPANY SECRETARIES

Tan San-Ju
Jocelin Soon Swee Har
appointed on 11 February 2011

AMTEK ENGINEERING LTD

Company Registration No: 198003886K

REGISTERED OFFICE

1 Kian Teck Drive
Singapore 628818
Tel: (65) 6264 0033
Fax: (65) 6261 7693

AUDITORS

Ernst & Young LLP

Public Accountants and Certified Public Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Tel: (65) 6535 7777

Fax: (65) 6532 7662

Partner-in-charge: Michael Sim Juat Quee
(since financial year ended 30 June 2008)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Tel: (65) 6536 5355

Fax: (65) 6536 1360

CORPORATE GOVERNANCE REPORT

The Board and management of Amtek Engineering Ltd (“the Company”) and its subsidiaries (together, “the Group”) are committed to maintaining high standards of corporate governance in line with the recommendations of the Code of Corporate Governance 2005 (the “Code”) issued by the Corporate Governance Committee, and have always recognised the importance of good corporate governance to promote greater transparency and to strengthen investors’ confidence. This statement sets out the main corporate governance practices that had been adopted by the Group, and deviations from the Code are explained.

1. Board Matters

1.1 Board Composition

The Board comprises 8 directors. There are 3 independent directors, 2 non-executive directors and 3 executive directors.

The Board is of the opinion that, given the scope and nature of the Group’s operations, the present size of the Board is appropriate in facilitating effective decision-making. The independent and non-executive Directors also bring with them a wealth of experience, extensive business network and expertise in specialised fields such as accountancy, mergers and acquisitions, corporate finance, manufacturing, business development, technical expertise and law. These enable the management to benefit from their collective experience and gain greater perspective of matters brought before the Board. The profiles of each of the Directors is provided in pages 5 to 7 of this annual report. Accordingly, the current Board comprises persons who, as a group, have core competencies necessary to lead and manage the Group.

All newly appointed Directors are given briefings by the management on the history and business operations of the Group. The Company will, if necessary, organise briefing sessions and/or regular training for, or circulate memoranda to Directors to enable them to keep pace with regulatory changes, where such changes have a material bearing on the Group.

1.2 Role of Board of Directors

The Board of Directors is responsible for the overall strategic direction and policies of the Group and providing guidance for corporate actions. It reviews and approves all corporate actions, and is responsible for monitoring the management’s performance.

The Company holds regular scheduled Board meetings at least once every quarter. Additional meetings are convened when circumstances require. The Articles of Association of the Company allows Directors to participate in a meeting of the Board through the use of conference telephone, or similar communication equipment in such manner as the Board may determine.

CORPORATE GOVERNANCE REPORT

The Company was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 1 December 2010. The number of Board and Board Committee meetings held and attended by each Board member as at the date of this report since 1 December 2010 is set out as follows:

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	5	4	1	1
Number of meetings attended				
Daniel Yeong Bou Wai	5	–	–	1
Peter Ho Kheong Chun	5	–	–	–
Sheila Ng Won Lein	5	–	–	–
William Edward Alastair Morrison	4	–	–	–
Sigit Prasetya	5	–	–	–
Low Seow Juan ¹	5	4	1	1
Steven Lim Kok Hoong ¹	5	4	–	–
Leong Horn Kee ¹	5	4	1	1

¹ Appointed on 4 November 2010

The Board supervises the management and corporate affairs of the Group. Apart from fulfilling its statutory responsibilities, the Board's principal functions include the review and approval of the following:

- Strategic plans, major investments and divestments as well as funding requirements;
- Budget and performance of the business;
- Approving the release of the financial results announcements;
- Interested persons transactions;
- Dividend payment; and
- Transactions of a material nature requiring announcement under the listing rules of the SGX-ST.

1.3 Access to Information

The management provides the Directors with complete, adequate and timely information and on an on-going basis. The Directors have independent access to the Company's senior management.

The Directors also have access to the advice and services of the Company Secretaries, who also attend meetings of the Board and Audit Committee. The Company Secretaries are responsible for ensuring that Board procedures are adhered to. Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs.

CORPORATE GOVERNANCE REPORT

1.4 Chairman and Chief Executive Officer

The Board is of the view that it is in the best interests of the Group to adopt a single leadership structure, whereby the CEO and Chairman of the Board is the same person, so as to ensure that the decision-making process of the Group would not be unnecessarily hindered.

Mr. Daniel Yeong Bou Wai, the Executive Chairman of the Group, is responsible for charting the strategic direction and growth of the Group, as well as the day-to-day management affairs of the Group. Mr. Yeong also ensures that the strategic plans set out by the Board are properly executed and that the Directors are kept updated and informed of the Group's business performance regularly.

He also ensures that Board meetings are held when necessary, sets the meeting agenda and ensures that Directors are provided with complete, adequate and timely information. He also assists in ensuring compliance with the Company's guidelines on corporate governance.

All major proposals and decisions made by the Executive Chairman are discussed and reviewed by the Board. His performance and remuneration package is reviewed periodically by the Nominating and Remuneration Committees. The majority of these Committee members are independent directors of the Company. Therefore, the Board believes that there are adequate safeguards against an uneven concentration of power and authority in a single individual.

To strengthen corporate governance, the Company appointed Mr. Low Seow Juan as its Lead Independent Director with effect from 4 November 2010. The Lead Independent Director will lead and coordinate the activities of the Independent Directors and serve as a principal liaison on Board issues between the Independent Directors and the Chairman of the Board. The Lead Independent Director is available to shareholders who have concerns when contact through the normal channels of the Executive Chairman, Executive Directors or Chief Financial Officer ("CFO") have failed to resolve, or for which such contact is inappropriate.

1.5 Board Committees

To assist the Board in the execution of its duties and to enable the Board to exercise objective judgment independently from the management, the Board has delegated specific functions to the Audit, Nominating and Remuneration Committees.

1.5.1 Audit Committee

The Audit Committee ("AC") comprises Mr. Steven Lim Kok Hoong, Chairman, and two other members, Mr. Low Seow Juan and Mr. Leong Horn Kee.

All of the AC members are non-executive independent directors, and are appropriately qualified. They variously have the necessary experience in business management, finance, audit and law. The Chairman of the AC is a member of the Institute of Certified Public Accountants in Singapore and Institute of Chartered Accountants in Australia.

Accordingly, the Board is of the view that the AC members have sufficient financial management expertise and experience to discharge the AC's functions.

The AC carried out its functions in accordance with the Companies Act, Cap. 50 and its terms of reference, which includes authority to investigate any matter within its terms of reference, full access to and co-operation by the management and full direction to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE REPORT

In performing those functions, the AC:

- Reviews the annual audit plan of the Company's external auditors;
- Reviews the results of the external auditors' examination and their evaluation of the Group's internal control system;
- Nominates the external auditors of the Company for re-appointment;
- Reviews the Company's quarterly results announcements, the financial year statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval to release the results announcements to the SGX-ST;
- Reviews audit plans of the internal and external auditors of the Company and ensures the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the external and internal auditors;
- Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management via reviews carried out by the internal auditors;
- Approves the internal audit plans and reviews results of the internal audits as well as the management's responses to the recommendations of the internal auditors;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors annually;
- Reviews the non-audit services provided by the external auditors yearly to determine their independence;
- Recommends to the Board the appointment and re-appointment of external auditors, approves the compensation and terms of engagement of the external auditors;
- Conducts any other reviews as required by the Listing Manual of the SGX-ST.

The AC has also put in place a Whistle Blowing Policy, where staff of the Group may raise concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters and ensure that arrangements are in place for independent investigations of such matters and appropriate follow up actions.

The AC meets with the external auditors, without the presence of the Company's management, at least once a year.

The AC confirms that it has undertaken a review of all the non-audit services provided by the Company's auditors during the financial year and is satisfied such services would not, in the AC's opinion, affect the independence of the external auditors.

The aggregate amount of fees paid to the External Auditors, Ernst & Young LLP, amounted to approximately S\$670,000 for statutory audit services, S\$625,000 for audit services in connection with the initial public offering of the Company, and S\$70,000 for non-audit services.

The Company has complied with Rule 712 and Rule 715 of the SGX-ST Listing Manual.

CORPORATE GOVERNANCE REPORT

1.5.2 Nominating Committee

The Nominating Committee (“NC”) comprises, Mr. Leong Horn Kee, Chairman, Mr. Low Seow Juan and Mr. Daniel Yeong Bou Wai, the majority of whom are non-executive independent directors. The NC Chairman is an independent director.

Under its Terms of Reference the NC:

- Evaluates and reviews nominations for appointment and re-appointment to the Board and the various Committees, including the development of a set of criteria for appointment and re-appointment;
- Reviews annually the independence of a Director;
- Evaluate the individual directors’ performance; and
- Assess the effectiveness of the Board as a whole.

Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company.

Pursuant to the Articles of Association of the Company:

- One-third of the Directors retire from office at every Annual General Meeting (“AGM”); and
- Directors appointed during the course of the year must submit themselves for re-election at the next AGM of the Company.

The NC has reviewed the independence of the Board members and is of the opinion that Mr. Steven Lim Kok Hoong, Mr. Low Seow Juan and Mr. Leong Horn Kee are independent.

The NC also evaluates the Board’s performance as a whole and individually on an annual basis. The factors taken into consideration in reviewing each applicable Director’s re-nomination includes their attendance, the extent of their participation and contribution to the meetings.

The Board is of the view that the financial parameters recommended by the Code as performance criteria for the evaluation of Directors’ performance may not fully measure the long-term success of the Company and is less appropriate for the Non-executive Directors and the Board’s performance as a whole.

1.5.3 Remuneration Committee

The Remuneration Committee (“RC”) comprises Mr. Low Seow Juan, Chairman, and Mr. Leong Horn Kee.

The role of the RC is to determine and recommend to the Board the specific remuneration packages and terms of employment for each of the executive directors and key senior executives, including those employees related to the executive directors and controlling shareholders of the Group, if any, after taking into account the performance of the Group as well as the Directors and key executives.

In reviewing the recommended directors’ remuneration for the year ended 30 June 2011, the RC has adopted a framework based on guidelines recommended by the Singapore Institute of Directors, which comprises a base fee, fees for membership in Board Committees as well as fees for chairing Board Committees, taking into consideration the amount of time and effort that each Board member may be required to devote to the role and the fees paid by comparable companies.

The RC seeks expert advice inside and/or outside the Company whenever required.

The RC also implements and administers the Company’s Share Based Incentive Plan which comprises the Restricted Share Plan (“RSP”) and Performance Share Plan (the “PSP”), (collectively the “Share Plans”) to ensure that a suitable number of candidates are retained, recruited or promoted to leadership positions.

CORPORATE GOVERNANCE REPORT

All Directors, save for employees and directors of associated companies, are eligible to participate in the Share Plans. Details of the Share Plans are set out in pages 69 to 70 of this annual report.

Details of remuneration paid to the Directors of the Company in respect of FY2011 are set out below:

Remuneration Band and Name of Directors	Fixed Component ¹ %	Variable Component ¹ %	Directors' Fees ¹ %	Restricted Shares ² % of total cash remuneration
S\$2,000,000 – S\$2,250,000				
Daniel Yeong Bou Wai	40	58	2	164
S\$750,000 – S\$1,000,000				
Sheila Ng Won Lein	45	51	4	77
S\$500,000 to S\$750,000				
Peter Ho Kheong Chun	76	17	7	58
Below S\$250,000				
William Edward Alastair Morrison	–	–	100	–
Sigit Prasetya	–	–	100	–
Low Seow Juan	–	–	100	–
Steven Lim Kok Hoong	–	–	100	–
Leong Horn Kee	–	–	100	–

Footnotes:

1. Represents 100% of cash-based remuneration.
2. Restricted shares award are presented as a percentage against 100% of cash based remuneration in the year of grant and not part of total annual remuneration as it vests over 5 years and is subject to certain conditions before it vests.

Details of remuneration paid to the key executives of the Company are set out below:

Remuneration Band and Name of Key Executives	Fixed Component ¹ %	Variable Component ¹ %	Restricted Shares ² % of total cash remuneration
S\$250,000 to S\$500,000			
Ang Tong Huat	80	20	33
Bay Lim Thiam	74	26	41
Chong Yong Min	72	28	47
Goh Sing Hook ³	69	31	51
Lee Jeff Kingsley	70	30	50
Ling Ka Yew	79	21	48
Quek Pek Chuan	70	30	50
Below S\$250,000			
Jocelin Soon Swee Har	69	31	52
Adrian Teo Guan How ⁴	70	30	–
Yuen Yeng Kwong	70	30	50

Footnotes:

1. Represents 100% of cash based remuneration.
2. Restricted shares award is presented as a percentage against 100% of cash-based remuneration in the year of grant and not part of total annual remuneration as it vests over 5 years and is subject to certain conditions before it vests.
3. Goh Sing Hook is the brother-in-law of the CEO's spouse.
4. Teo Guan How Adrian is the CEO's brother-in-law.
5. Save for those disclosed above, there are no other immediate family members of a director or the CEO whose remuneration exceed S\$150,000 during the financial year ended 30 June 2011.

The RC met once in the financial year ended 30 June 2011, with the full attendance of its members.

CORPORATE GOVERNANCE REPORT

1.5.4 Material Contracts

Save as disclosed under Interested Party Transaction on page 21, there is no material contract entered into by the Company and its subsidiaries companies involving the interests of the CEO, Director, or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

2. Communication with Shareholders

The Company does not practice selective disclosure and is committed to providing easy access to timely and pertinent information about the Company and to continuously review ways to enhance the corporate reporting process. The Company also maintains a website (www.amtek.com.sg) where the public can access investor-related information on the Group.

Shareholders are also encouraged to attend the Annual General Meetings to ensure high level of accountability. During the AGM, shareholders are given the opportunity to communicate their views and direct questions to directors and management regarding the Company. The chairpersons of the Audit, Remuneration and Nominating Committees and the external auditors are present at the Company's AGM and other general meetings of shareholders, to assist the Board in addressing shareholder's questions.

The Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects through its reports.

3. Securities Transaction

The Company has adopted a code of conduct on securities dealing modeled after the Best Practices Guide issued by the SGX-ST, which requires its directors and officers to refrain from dealing in the Company securities at any time after a price sensitive development has occurred until the price sensitive information has been publicly announced. The Company has complied with its Best Practices Guide on Securities Transactions which states that Officers of the Company should not deal in the Company's securities on short-term considerations and during the period commencing two weeks before the announcements of the Company's financial statements for each of the first three quarters of its financial year, or one month before the announcement of the Company's full year financial statements.

4. Risk Management

The practice of risk management is undertaken by the Company's Executive Directors and senior executives under the purview of the Board. The management reviews, on an on-going basis, the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategy. The financial risk management objectives and policies of the Group are set out in the Notes to the Financial Statements in Note 36 under the heading "Financial risk management objectives and policies".

The Board is satisfied with the Group's risk management practices and that the risks facing the Group have been adequately addressed.

CORPORATE GOVERNANCE REPORT

5. Interested Person Transactions

The Group has adopted an internal policy with respect of any transaction with interested persons, and has set out the procedure for review and approval of the Group's interested person transactions. Any interested party transaction that falls within the scope of the SGX-ST listing manual are reviewed by the AC.

When a potential conflict of interest arises, the director concerned will not participate in discussions and refrains from exercising any influence over other members of the Board.

As required under the SGX-ST Listing Rules, the following are details of the interested person transactions in year ended 30 June 2011:

Name of Interested Person	Aggregate value of all interested parties transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate) S\$'000	Aggregate value of all interested parties transactions conducted under Shareholders' Mandate (excluding transactions less than S\$100,000) S\$'000
Standard Chartered Bank		-
- Principal term loan repayment ^	216,291	
- Principal credit facility repayment ^	64,529	
- Interest on term loan and credit facility ^	6,066	
- Term loan drawdown *	78,408	
- Revolving credit facility drawdown *	51,364	
- Upfront fee payment *	1,960	
- Agency and commitment fees	86	
- Bank charges	39	
infastech TM Limited	280	-
TOTAL	419,023	-

Note:

^ Pursuant to the US\$245.0 million term loan and revolving credit facilities agreement amended and restated on 11 June 2008 and 22 August 2008.

* Pursuant to the US\$120.0 million million term loan and revolving credit facility agreements entered into jointly with Standard Chartered Bank and DBS Bank Ltd on 8 November 2010 and 23 November 2010 respectively.

CORPORATE GOVERNANCE REPORT

6. Internal Audit

The scope of internal audit is to:

- Review the effectiveness of the Group's material internal controls;
- Provide assurance that key business and operational risks are identified and managed;
- Ensure that internal controls are in place and functioning as intended; and
- Operations are conducted in an effective and efficient manner.

Non-compliance and internal control weaknesses noted during the internal audit and the recommendations thereof are reported to the AC as part of the review of the Group's internal control system.

The newly set up Internal Audit function reports to the Chairman of the Audit Committee directly and the Group's CEO administratively.

The Company has instituted a system of internal controls for the Group. While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to address the financial, operational and compliance risks and provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In designing these controls, the management has taken into consideration the financial, operational and compliance risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

The Board has adopted a set of internal controls which sets out approval limits for expenditure, investments and divestments and cheque signatory arrangements. Approval sub-limits are also provided at the management level to facilitate operational efficiency.

7. Use of Proceeds

Pursuant to the IPO of the Company shares on the SGX-ST on 1 December 2010, the Company received repayment of the Vendor loan, as defined in the Amtek IPO Prospectus dated 24 November 2010, of approximately US\$52.7 million. The repayment of the Vendor loan was funded from IPO proceeds received by the Vendor, Metcomp Holdings.

As at 31 August 2011, the status on the use of the net proceeds from the repayment of Vendor loan is as follows:

Intended use as per Prospectus dated 24 November 2010	Amount set aside as per Prospectus (US\$ million)	Amount received (US\$ million)	Amount used (US\$ million)	Balance (US\$ million)
Repayment of credit facility	25.0	25.0	25.0	-
Capital expenditures	25.0	25.0	11.2	13.8
Listing expenses	0.7	0.7	0.7	-
Working capital	2.0	2.0	2.0	-
Total	52.7	52.7	38.9	13.8

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of Amtek Engineering Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2011.

Directors

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

Daniel Yeong Bou Wai

Peter Ho Kheong Chun

Sheila Ng Won Lein

William Edward Alastair Morrison

Sigit Prasetya

Low Seow Juan

(appointed on 4 November 2010)

Steven Lim Kok Hoong

(appointed on 4 November 2010)

Leong Horn Kee

(appointed on 4 November 2010)

Arrangements to enable directors to acquire shares and debentures

Except as described in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, other than pursuant to the Performance Share Plan and Restricted Share Plan.

Share-based incentive plans

On 4 November 2010, our shareholders approved a Restricted Share Plan (the "RSP") and a Performance Share Plan (the "PSP"), (collectively the "Share Plans").

At the date of this report, the Share Plans are administered by the Remuneration Committee which comprises Low Seow Juan and Leong Horn Kee, both of whom are Independent Directors of the Company (appointed on 4 November 2010).

The objectives of the Share Plans are to reward and retain staff whose contributions are essential to the well-being and prosperity of the Group, to give recognition to outstanding employees and Executive Directors who have contributed to the growth of the Group and to strengthen the Group's competitiveness in attracting and retaining talented key senior management and employees. The Share Plans will give participants an opportunity to have a personal equity interest in the Company.

More information about the Share Plans and details of share awards granted to Executive Directors and eligible participants during the financial year under the RSP, can be found in Note 31 to the financial statements.

DIRECTORS' REPORT

Directors' interest in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:-

Name of directors	Direct Interest		Deemed Interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Daniel Yeong Bou Wai	–	24,785,376	–	–
Peter Ho Kheong Chun	–	1,357,655	–	–
Sheila Ng Won Lein	–	2,950,641	–	–
William Edward Alastair Morrison	–	–	–	–
Sigit Prasetya	–	–	–	–
Low Seow Juan	–	–	–	–
Steven Lim Kok Hoong	–	–	–	–
Leong Horn Kee	–	20,000	–	–

There was no change in any of the above-mentioned interests in the Company or related corporations between the end of the financial year and 21 July 2011, except for the following:

- On 6 July 2011, Mr. Daniel Yeong Bou Wai settled all his shares on a revocable trust for the benefit of himself and his family; and
- On 8 July 2011, the Company granted share awards of fully paid ordinary shares of the Company or their cash equivalent, pursuant to its RSP to some of its directors as follows:

Name of directors	Shares granted on 8 July 2011	Estimated fair value at grant date
Daniel Yeong Bou Wai	98,410	S\$0.991
Peter Ho Kheong Chun	43,940	S\$0.991
Sheila Ng Won Lein	36,920	S\$0.991
Low Seow Juan	150,000	S\$0.991
Steven Lim Kok Hoong	150,000	S\$0.991
Leong Horn Kee	150,000	S\$0.991

Except as disclosed in this report, no director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or date of appointment if later, or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT

Audit committee

The audit committee performed the functions specified in the Act. The functions performed are detailed in the Report on Corporate Governance.

Auditors

Ernst & Young LLP has expressed its willingness to accept reappointment as auditors.

On behalf of the board of directors:

Daniel Yeong Bou Wai
Director

Sheila Ng Won Lein
Director

Singapore
30 September 2011

STATEMENT BY DIRECTORS

Pursuant to Section 201(15)

We, Daniel Yeong Bou Wai and Sheila Ng Won Lein, being two of the directors of Amtek Engineering Ltd, do hereby state that, in the opinion of the Directors:

- (i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Daniel Yeong Bou Wai
Director

Sheila Ng Won Lein
Director

Singapore
30 September 2011

INDEPENDENT AUDITORS' REPORT

For the year ended 30 June 2011

To the Members of Amtek Engineering Ltd

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Amtek Engineering Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 29 to 82, which comprise the balance sheets of the Group and the Company as at 30 June 2011, the statements of changes in equity of the Group and the Company, and the consolidated income statement, consolidated statement of comprehensive income, and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
30 September 2011

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2011

	Note	2011 US\$'000	2010 US\$'000
Revenue	3	681,601	638,000
Cost of sales		<u>(560,870)</u>	<u>(531,864)</u>
Gross profit		120,731	106,136
Add/(Less):			
Other operating income		4,826	2,631
General and administrative expenses		(57,833)	(48,578)
Loss on classification of associate to available-for-sale investments		–	(882)
Impairment loss on available-for-sale investments		(1,060)	–
Foreign exchange gain/(loss)		3,026	(2,623)
Fair value loss on derivatives		(2,050)	(2,977)
Finance income	4	756	722
Finance costs	5	(7,726)	(10,293)
Other items	6	<u>(1,334)</u>	<u>(6,500)</u>
Profit before taxation and share of results of associates		59,336	37,636
Share of results of associates		<u>336</u>	<u>810</u>
Profit before taxation	7	59,672	38,446
Taxation	9	<u>(11,629)</u>	<u>(16,165)</u>
Profit for the year		<u>48,043</u>	<u>22,281</u>
Attributable to:			
Owners of the Company		45,234	21,682
Non-controlling interests		<u>2,809</u>	<u>599</u>
		<u>48,043</u>	<u>22,281</u>
Earnings per share attributable to owners of the Company (in USD cents)			
Basic	10	8.3	4.0
Diluted	10	<u>8.3</u>	<u>4.0</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Note	2011 US\$'000	2010 US\$'000
Profit for the year		48,043	22,281
Other comprehensive income:			
Exchange differences arising from consolidation of foreign operations		4,597	2,791
Share of associate's other comprehensive income		–	(316)
Capital reserves attributed to a former associate deemed realised		–	(2,780)
Other comprehensive income attributed to a former associate deemed realised		–	316
Other comprehensive income for the financial year		4,597	11
Total comprehensive income for the financial year		52,640	22,292
Total comprehensive income attributable to:			
Owners of the Company		49,312	21,418
Non-controlling interests		3,328	874
		52,640	22,292

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 June 2011

	Note	Group		Company	
		2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	116,237	120,743	672	722
Investment in subsidiaries	12	–	–	131,721	108,321
Investment in associate	13	7,821	7,830	2,369	2,369
Other investments	14	4,083	5,232	54	54
Other receivables and deposits	15	986	224	149	–
Prepaid expenses		1,654	1,672	–	–
Amounts due from former holding company	16	–	52,668	–	52,668
Amounts due from subsidiaries	17	–	–	3,805	3,220
Deferred tax assets	18	2,589	1,694	–	–
Fixed deposits	19	11,952	12,141	–	–
		<u>145,322</u>	<u>202,204</u>	<u>138,770</u>	<u>167,354</u>
Current assets					
Inventories	20	57,463	48,584	–	–
Trade receivables	21	152,062	145,189	–	–
Other receivables and deposits	15	19,788	22,043	528	640
Prepaid expenses		4,410	3,034	69	–
Amounts due from subsidiaries	17	–	–	10,499	22,119
Fixed deposits	19	10,102	1,546	53	50
Cash and bank balances	23	108,882	81,443	9,820	3,852
		<u>352,707</u>	<u>301,839</u>	<u>20,969</u>	<u>26,661</u>
TOTAL ASSETS		<u>498,029</u>	<u>504,043</u>	<u>159,739</u>	<u>194,015</u>
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	24	122,995	123,339	–	–
Other payables and accrued expenses	25	41,563	45,174	562	1,424
Finance lease obligations	26	297	167	–	–
Amounts due to subsidiaries	27	–	–	50,996	65,906
Loans and borrowings	28	59,733	64,000	4,290	14,700
Provision for taxation		9,242	9,372	2,603	2,932
Derivatives	22	1,569	2,499	288	1,225
		<u>235,399</u>	<u>244,551</u>	<u>58,739</u>	<u>86,187</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>117,308</u>	<u>57,288</u>	<u>(37,770)</u>	<u>(59,526)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 June 2011

	Note	Group		Company	
		2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Non-current liabilities					
Finance lease obligations	26	790	463	–	–
Loans and borrowings	28	81,950	130,000	15,024	63,700
Deferred tax liabilities	18	5,346	6,343	67	847
		<u>88,086</u>	<u>136,806</u>	<u>15,091</u>	<u>64,547</u>
Total liabilities		<u>323,485</u>	<u>381,357</u>	<u>73,830</u>	<u>150,734</u>
Equity attributable to equity holders of the Company					
Share capital	29	36,482	36,482	36,482	36,482
Other reserves	30	33,241	26,166	541	–
Revenue reserve		86,568	43,790	48,886	6,799
		<u>156,291</u>	<u>106,438</u>	<u>85,909</u>	<u>43,281</u>
Non-controlling interests		18,253	16,248	–	–
Total equity		<u>174,544</u>	<u>122,686</u>	<u>85,909</u>	<u>43,281</u>
TOTAL EQUITY AND LIABILITIES		<u>498,029</u>	<u>504,043</u>	<u>159,739</u>	<u>194,015</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2011

Group	Share capital US\$'000	Statutory reserve fund US\$'000	Capital reserve US\$'000	Foreign currency translation reserve US\$'000	Share-based payment reserve US\$'000	Other reserves, total US\$'000	Equity attributable to owners of the Company, total			Non-controlling interests US\$'000	Total US\$'000
							Revenue reserve US\$'000	Company, total US\$'000	Non-controlling interests US\$'000		
Balance at 1 July 2009	36,482	12,801	5,678	5,157	–	23,636	24,902	85,020	16,874	101,894	
Profit for the year	–	–	–	–	–	–	21,682	21,682	599	22,281	
Other comprehensive (loss)/income for the financial year	–	–	(2,780)	2,516	–	(264)	–	(264)	275	11	
Total comprehensive (loss)/income for the financial year	–	–	(2,780)	2,516	–	(264)	21,682	21,418	874	22,292	
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(1,500)	(1,500)	
Transfer to statutory reserve fund	–	2,794	–	–	–	2,794	(2,794)	–	–	–	
Balance at 30 June 2010 and 1 July 2010	36,482	15,595	2,898	7,673	–	26,166	43,790	106,438	16,248	122,686	
Profit for the year	–	–	–	–	–	–	45,234	45,234	2,809	48,043	
Other comprehensive income for the financial year	–	–	–	4,078	–	4,078	–	4,078	519	4,597	
Total comprehensive income for the financial year	–	–	–	4,078	–	4,078	45,234	49,312	3,328	52,640	
Share-based payment expense	–	–	–	–	541	541	–	541	–	541	
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(1,323)	(1,323)	
Transfer to statutory reserve fund	–	2,456	–	–	–	2,456	(2,456)	–	–	–	
Balance at 30 June 2011	36,482	18,051	2,898	11,751	541	33,241	86,568	156,291	18,253	174,544	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2011

Company	Share capital	Share-based payment reserve	Revenue reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2009	36,482	–	5,982	42,464
Profit for the year	–	–	817	817
Total comprehensive income for the financial year	–	–	817	817
Balance at 30 June 2010 and 1 July 2010	36,482	–	6,799	43,281
Profit for the year	–	–	42,087	42,087
Total comprehensive income for the financial year	–	–	42,087	42,087
Share-based payment expense	–	541	–	541
Balance at 30 June 2011	36,482	541	48,886	85,909

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2011

	Note	2011 US\$'000	2010 US\$'000
Cash flows from operating activities			
Profit before taxation		59,672	38,446
Adjustments for:			
Loss on classification of associate to available-for-sale investments		–	882
Impairment loss on available-for-sale investments		1,060	–
Fair value loss on derivatives		2,050	2,977
Allowance for inventory obsolescence, net	7	434	893
(Write back of)/allowance for doubtful debts, net	7	(525)	385
Bad debts recovered – trade	7	–	(498)
Depreciation of property, plant and equipment	7	21,675	22,995
Impairment of property, plant and equipment	6	–	2,865
Share-based payments		541	–
Finance income	4	(756)	(722)
Finance costs	5	7,726	10,293
Gain on disposal of property, plant and equipment	7	(3,919)	(1,657)
Property, plant and equipment written off	7	62	449
Share of results of associates		(336)	(810)
Operating profit before working capital changes		87,684	76,498
Increase in inventories		(9,313)	(1,805)
Increase in receivables and prepaid expenses		(6,477)	(41,018)
(Decrease)/Increase in payables and accrued expenses		(4,305)	41,660
Cash generated from operations		67,589	75,335
Finance income received		756	722
Finance cost paid		(7,376)	(10,293)
Income tax paid, net		(13,377)	(16,675)
Net cash generated from operating activities		47,592	49,089
Cash flows from investing activities			
Purchases of property, plant and equipment	(a)	(17,573)	(15,743)
Proceeds from disposal of property, plant and equipment		7,923	5,251
Acquisition of non-controlling interests	(b)	–	(2,921)
Dividend received from associates		520	598
Net cash used in investing activities		(9,130)	(12,815)
Cash flows from financing activities			
Repayment of loans and borrowings		(193,167)	(16,000)
Repayment of finance lease obligations		(124)	(245)
Proceeds from loans and borrowings		143,500	–
Payment of upfront fee		(3,000)	–
Settlement of derivative		(2,980)	–
Payment from former holding company		52,668	–
Dividends paid to non-controlling interests		(1,323)	(1,500)
Movement in restricted fixed deposits		189	(82)
Net cash used in financing activities		(4,237)	(17,827)
Net effect of exchange rate changes		1,770	3,116
Net increase in cash and cash equivalents		35,995	21,563
Cash and cash equivalents at beginning of the year		82,989	61,426
Cash and cash equivalents at end of the year	(c)	118,984	82,989

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2011

Notes:

- (a) This represents the cash outflow excluding plant and equipment acquired under finance lease arrangements, amounting to US\$581,000 (2010: US\$82,000).

In prior year, there is an amount of US\$1,396,000 being excluded from the purchase of property, plant and equipment in 2010 as it pertains to prepayment for capital expenditure in 2009 being capitalised as property, plant and equipment in 2010.

- (b) The consideration on acquisition of non-controlling interests in year 2008, amounting to US\$13,094,000 was paid in three tranches of US\$2,921,000, US\$2,782,000 and US\$7,391,000 in the financial years ended 30 June 2010, 2009 and 2008, respectively.

- (c) Cash and cash equivalents included in the consolidated cash flow statement comprise the following balance sheet amounts:

	Note	2011 US\$'000	2010 US\$'000
Fixed deposits with financial institutions – current portion	19	10,102	1,546
Cash and bank balances	23	108,882	81,443
		<u>118,984</u>	<u>82,989</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

1. Corporate information

Amtek Engineering Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since 1 December 2010.

The former immediate holding company is Metcomp Co (Singapore) Pte. Ltd, a company incorporated in Singapore and the former ultimate holding company is Metcomp Holdings, a company incorporated in Cayman Islands.

The registered office and principal place of business is located at 1 Kian Teck Drive, Singapore 628818.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.

The financial statements are presented in United States Dollars (USD or US\$) and all values are rounded to the nearest thousand (US\$'000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 July 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Revised FRS 24 Related Party Disclosures	1 January 2011
Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115 Agreements for the Construction of Real Estate	1 January 2011
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax – Recovery of Underlying Assets	1 January 2012
Improvements to FRSs 2010	1 January 2011, unless otherwise stated

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2012.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currencies

The Group's consolidated financial statements are presented in United States Dollars (USD or US\$), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to income statement of the Group on disposal of the foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.6 Foreign currencies (cont'd)

For consolidation purposes, the assets and liabilities of foreign operations are translated into United States Dollars (USD or US\$) at the rate of exchange ruling at the balance sheet date and their statement of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The cost comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Subsequent to recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

The carrying values of property, plant and equipment are reviewed for impairment, when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.8 Depreciation

Depreciation is not provided for freehold land due to its unlimited useful life. Works in progress are not depreciated until they are completed and put into use. Assets held under finance leases are depreciated over their estimated useful lives or the lease terms, whichever is shorter, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Freehold and leasehold properties	- 20 to 99 years
Equipment and machinery	- 2 to 10 years
Furniture and fittings	- 2 to 10 years
Motor vehicles	- 4 to 10 years
Office equipment	- 2 to 5 years
Computer software	- 3 to 5 years

The useful life, residual value and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.8 Depreciation (cont'd)

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.9 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 Subsidiaries

A subsidiary is a company over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. This is usually when the Group, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.11 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

The financial statements of the associates are prepared as of the same reporting date as the Company. When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company, where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through the income statement, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the income statement.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit and loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Any gains or losses arising from changes in fair value of the financial assets are recognised in the income statement.

(ii) *Loans and receivables*

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are those financial assets that are designated as available-for-sale or are not classified in any of the above categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses from changes in fair value of the financial asset being recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the income statement.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment when the financial asset is derecognised.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the end of the reporting period. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. Where the fair value cannot be reliably determined, the investment will be carried at cost less impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.13 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(a) *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(b) *Assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) *Available-for-sale financial assets*

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals of impairment loss in respect of equity instruments are not recognised in the income statement. Reversals of impairment losses on debt instruments are reversed through the income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.14 Inventories

Raw materials, consumables, finished goods and work-in-progress are stated at the lower of cost and net realisable value. Cost is primarily determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Net realisable value is the estimated selling price in the normal course of business less estimated costs of completion and the estimated costs necessary to make the sale. Allowance is made, where necessary, for obsolete, slow-moving and defective stocks.

2.15 Cash and short-term deposits

Cash and short-term deposits in the consolidated balance sheets comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.16 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable to transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.18 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

2.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue from its test and technical services is recognised when the services are rendered.

Interest income is recognised using the effective interest rate method.

Dividend income is recorded when the Group's right to receive payment is established.

2.20 Income taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in the income statement except to the extent that the tax relates to items recognised outside the income statement, either in other comprehensive income or directly in equity.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all temporary differences, except:

Where the deferred income tax liabilities arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither the accounting profit nor taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.20 Income taxes (cont'd)

Deferred tax (cont'd)

In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax losses and unused tax credits can be utilised except:

Where the deferred income tax assets relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales 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 that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.22 Employee benefits

(i) *Defined contribution plans*

As required by law, the Company and certain subsidiaries make contributions to the national pension schemes in their respective countries. Such national pension schemes are defined contribution pension schemes which are recognised as an expense in the same period in which the related service is performed.

(ii) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(iv) *Share-based payments*

The Restricted Share Plan (the "RSP") and Performance Share Plan (the "PSP") are accounted using either equity-settled and cash-settled share-based payments.

The cost of equity-settled share-based payment transactions is measured at fair value at the date of grant. This cost is recognised in the consolidated income statement, with a corresponding increase in the share-based payment reserve, on a straight-line basis over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. At every balance sheet date, the Group revises its estimates of the number of RSP and PSP shares that are expected to vest on vesting date. Any revision of this estimate is included in the consolidated income statement and a corresponding adjustment to equity over the remaining vesting date. The charge or credit to the consolidated income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.22 Employee benefits (cont'd)

(iv) Share-based payments (cont'd)

The share-based payment reserve is transferred to accumulated profits reserve upon expiry of the plan. Where shares are issued under the RSP or PSP, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the plan is satisfied by the reissuance of treasury shares.

The cost of cash-settled share-based payment transaction is measured initially at fair value at the grant date. This fair value is recognised in profit or loss over the vesting period with recognition of a corresponding liability. Until the liability is settled, it is remeasured at each reporting date with changes in fair value recognised in profit or loss.

2.23 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

Finance leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised, at the inception of the lease, at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. Finance charges are charged directly to the income statement.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. Gains or losses arising from sale and operating leaseback of property are determined based on fair values. Differences between sales proceeds and fair values are taken to the statement of financial position as deferred gain on sale and leaseback transactions, included under deferred account and amortised over the minimum lease terms.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.24 *Contingent liabilities*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 *Related parties*

A party is considered to be related to the Group if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Group;
 - (ii) has an interest in the Group that gives it significant influence over the Group; or
 - (iii) has joint control over the Group;
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Group or its parent;
- (e) The party is a close member of the family of any individual referred to in (a) or (d); or

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.26 Related parties (cont'd)

- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

2.27 Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these assets to be within 2 to 99 years. The carrying amounts of the Company's and Group's property, plant and equipment as at 30 June 2011 was US\$672,000 (2010: US\$722,000) and US\$116,237,000 (2010: US\$120,743,000) respectively. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 2%, or US\$1,084,000 (2010: 3% or US\$1,150,000) variance in the Group's profit before taxation.

(ii) *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets at 30 June 2011 was US\$2,589,000 (2010: US\$1,694,000).

(iii) *Impairment of loans and receivables*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in the related notes to the financial statements. The Group has fully impaired loans and receivables identified as doubtful. Accordingly, the change in present value of estimated cash flows on receivables is not expected to have an impact on the impairment allowance in income statement.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

2. Summary of significant accounting policies (cont'd)

2.27 Significant accounting estimates and judgements (cont'd)

Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

(i) *Income taxes*

The Group operates in various countries and is subject to different tax jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Company's and the Group's provision for taxation as at 30 June 2011 was US\$2,603,000 (2010: US\$2,932,000) and US\$9,242,000 (2010: US\$9,372,000) respectively. The carrying amounts of the Company's and Group's deferred tax liabilities as at 30 June 2011 was US\$67,000 (2010: US\$847,000) and US\$5,346,000 (2010: US\$6,343,000) respectively.

(ii) *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(iii) *Fair value of financial statements*

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. The valuation of financial instruments is described in more detail in Note 35.

(iv) *Provisions*

Provisions are recognised in accordance with the accounting policy in Note 2.17. To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Group takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

3. Revenue

	Group	
	2011	2010
	US\$'000	US\$'000
Sale of goods	680,905	637,384
Rendering of services	696	616
	<u>681,601</u>	<u>638,000</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

4. Finance income

	Group	
	2011 US\$'000	2010 US\$'000
Interest earned from fixed deposits	595	522
Other interest income	161	200
	756	722

5. Finance costs

	Group	
	2011 US\$'000	2010 US\$'000
Interest on loans and borrowings	6,687	9,872
Interest on finance lease obligations	145	43
Interest - others	894	378
	7,726	10,293

6. Other items

	Group	
	2011 US\$'000	2010 US\$'000
Restructuring costs	764	4,243
Listing expenses	703	-
Impairment of property, plant and equipment	-	2,865
Insurance claim recovered	(200)	(608)
Others	67	-
	1,334	6,500

7. Profit before taxation

Other than those disclosed elsewhere in the financial statements, this is determined after charging/(crediting) the following:

	Note	Group	
		2011 US\$'000	2010 US\$'000
Allowance for inventory obsolescence, net		434	893
(Write back of)/allowance for doubtful debts, net	21	(525)	385
Bad debts recovered - trade		-	(498)
Gain on disposal of property, plant and equipment		(3,919)	(1,657)
Property, plant and equipment written off		62	449
Depreciation expense	11	21,675	22,995
Operating lease expense		6,346	6,653
Government grants		(180)	(803)
Staff costs	8	125,217	115,978

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

8. Staff costs

	Group	
	2011 US\$'000	2010 US\$'000
Salaries, bonus and other benefits	115,889	107,690
Contributions to state provident funds	8,787	8,288
Share-based payments	541	-
	125,217	115,978

Staff costs represent total employee costs and are allocated into cost of sales and general and administrative expenses according to where the employees are deployed.

9. Taxation

	Note	Group	
		2011 US\$'000	2010 US\$'000
Income statement			
Current income tax:			
Current income taxation		12,018	13,774
Over-provision in prior years		(315)	(638)
		11,703	13,136
Deferred tax:	18		
Origination and reversal of temporary differences		(1,562)	(1,701)
Deferred taxation related to undistributed profits of an associate		63	57
Deferred taxation related to undistributed profits of subsidiaries		485	1,594
Over-provision in prior years		(698)	-
		(1,712)	(50)
Foreign tax		1,638	3,079
		11,629	16,165

The income tax expense on the results of the Group differs from the amount of tax determined by applying the Singapore statutory tax rate to the profit before taxation due to the following factors:

Profit before taxation	59,672	38,446
Taxation at statutory tax rate of 17% (2010: 17%)	10,144	6,536
Adjustments:		
Non-deductible expenses	2,241	7,686
Income not subject to tax	(2,383)	(779)
Effects of differences in tax rates of subsidiaries	763	(350)
Tax exemption and incentive	(49)	-
Foreign tax	1,638	3,079
Deferred tax related to undistributed profit of an associate	63	57
Deferred tax related to undistributed profit of subsidiaries	485	1,594
Deferred tax assets not recognised	448	391
Others	(708)	(1,411)
	12,642	16,803
Over-provision in prior years	(1,013)	(638)
	11,629	16,165

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9. Taxation (cont'd)

As at 30 June 2011, the Group has estimated unabsorbed tax losses and unutilised wear and tear allowances amounting to US\$24.0 million (2010: US\$25.1 million) for which deferred tax benefits have not been recognised in the financial statements because it may not be certain that future taxable profit will be available against which the respective subsidiaries can utilise the benefits. However, the unabsorbed losses and unutilised wear and tear allowances are available for offsetting against future taxable income subject to the provisions of the income tax regulations in the respective countries in which the Group operates.

10. Earnings per share

On 4 November 2010, the Company's shareholders approved and executed a sub-division of each of the Company's 10 ordinary shares into 25 ordinary shares ("share split"). All ordinary shares and per share amounts presented in the accompanying consolidated financial statements have been revised on a retroactive basis to give effect to the share split.

Basic earnings per share amounts are calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, which have been adjusted retrospectively to reflect the share split.

The following table reflects the income statement and share data used in the computation of basic and diluted earnings per share for the years ended 30 June 2011 and 2010:

	Group	
	2011	2010
	US\$'000	US\$'000
Net profit attributable to owners of the Company	<u>45,234</u>	<u>21,682</u>
Weighted average number of ordinary shares for basic earnings and loss per share computation ('000)	543,213	543,213
Effects of dilution:		
Contingently issuable shares under Employee Share Plan	<u>2,708</u>	–
Weighted average number of ordinary shares for diluted earnings and loss per share computation ('000)	<u>545,921</u>	<u>543,213</u>
Earnings per share (cents)		
– Basic	8.3	4.0
– Diluted	<u>8.3</u>	<u>4.0</u>

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11. Property, plant and equipment

Group	Freehold	Leasehold	Work in	Equipment	Furniture	Motor	Office	Computer	Total
	properties	properties		and	and				
	US\$'000	US\$'000	progress	machinery	fixtures	vehicles	equipment	software	US\$'000
Cost:									
At 1 July 2009	1,038	75,461	583	194,998	3,243	3,087	12,556	–	290,966
Reclassification	–	2,048	(19)	(2,060)	(904)	–	935	–	–
Additions	49	1,312	190	9,442	14	640	968	4,606	17,221
Disposals/write-off	–	(3,761)	(279)	(2,856)	(223)	(409)	(1,042)	–	(8,570)
Currency realignment	96	426	(49)	781	(93)	65	6	–	1,232
At 30 June 2010 and 1 July 2010	1,183	75,486	426	200,305	2,037	3,383	13,423	4,606	300,849
Reclassification	–	–	(29)	806	(140)	–	(2,420)	1,783	–
Additions	–	2,269	107	13,826	339	283	1,177	153	18,154
Disposals/write-off	–	(2,454)	–	(2,565)	(63)	(167)	(275)	(1)	(5,525)
Currency realignment	24	2,153	96	653	112	51	(971)	(388)	1,730
At 30 June 2011	1,207	77,454	600	213,025	2,285	3,550	10,934	6,153	315,208
Accumulated depreciation and impairment:									
At 1 July 2009	137	24,161	–	118,844	2,315	2,495	9,474	–	157,426
Reclassification	–	964	–	(982)	(613)	–	631	–	–
Charge for the year	12	3,586	–	17,714	187	232	1,102	162	22,995
Impairment	–	306	–	2,420	48	14	77	–	2,865
Disposals/write-off	–	(402)	–	(2,730)	(102)	(286)	(1,007)	–	(4,527)
Currency realignment	14	8	–	1,126	43	65	91	–	1,347
At 30 June 2010 and 1 July 2010	163	28,623	–	136,392	1,878	2,520	10,368	162	180,106
Reclassification	–	–	–	722	(105)	–	(1,581)	964	–
Charge for the year	14	3,444	–	15,827	152	253	1,157	828	21,675
Disposals/write-off	–	(435)	–	(568)	(44)	(166)	(245)	(1)	(1,459)
Currency realignment	11	166	–	(1,103)	6	26	(775)	318	(1,351)
At 30 June 2011	188	31,798	–	151,270	1,887	2,633	8,924	2,271	198,971
Net carrying value:									
At 30 June 2010	1,020	46,863	426	63,913	159	863	3,055	4,444	120,743
At 30 June 2011	1,019	45,656	600	61,755	398	917	2,010	3,882	116,237

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

Company	Leasehold properties US\$'000	Motor vehicles US\$'000	Total US\$'000
Cost:			
At 1 July 2009	721	580	1,301
Disposals	–	(214)	(214)
At 30 June 2010 and 1 July 2010	721	366	1,087
Disposals	–	(100)	(100)
At 30 June 2011	721	266	987
Accumulated depreciation:			
At 1 July 2009	103	277	380
Charge for the year	9	69	78
Disposals	–	(93)	(93)
At 30 June 2010 and 1 July 2010	112	253	365
Charge for the year	9	41	50
Disposals	–	(100)	(100)
At 30 June 2011	121	194	315
Net carrying value:			
At 30 June 2010	609	113	722
At 30 June 2011	600	72	672

Assets with net carrying values of US\$1,270,000 (2010: US\$1,554,000) of the Group were acquired under finance lease arrangements. The details are as follows:

	Group	
	2011 US\$'000	2010 US\$'000
Leasehold properties	–	434
Equipment and machinery	1,175	1,011
Motor vehicles	95	109
	1,270	1,554

The leased assets are pledged as security for the related finance lease liabilities.

12. Investment in subsidiaries

	Company	
	2011 US\$'000	2010 US\$'000
Unquoted equity shares, at cost	111,155	89,478
Less: Impairment loss	(12,592)	(12,592)
	98,563	76,886
Quasi-equity advances to subsidiaries	33,158	31,435
	131,721	108,321

The quasi-equity advances to subsidiaries are unsecured and is not expected to be repaid by the subsidiary within the next 12 months.

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12. Investment in subsidiaries (cont'd)

The Group assesses at year-end whether there is an indication that the investment may be impaired. If any indication exists, the Group makes an estimate of the recoverable amounts. The recoverable amounts of the investment in subsidiaries are determined based on value-in-use calculations using discounted cash flow projections based on financial budget approved by management covering a five-year period.

Details of the subsidiaries are as follows:

	Name of company (Country of incorporation)	Principal activities (Place of business)	Effective percentage of equity held by the Group	
			2011 %	2010 %
(1)	Amtek Precision Technology Pte. Ltd. (Singapore)	Manufacture of precision metal parts and toolings (Singapore)	100	100
(3)	Amtek Investments Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(3)	Amtek International Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
(1)	Amtek Technology Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
#	Amtek Industries Pte. Ltd. (Singapore)	Dormant (Singapore)	100	100
(1)	Lian Jun Industrial Pte Ltd (Singapore)	Manufacture of plastic components (Singapore)	55	55
(3)	AE Rubber Sdn. Bhd. (Malaysia)	Manufacture of precision rubber components (Malaysia)	66.3	66.3
(3)	AE Technology Sdn. Bhd. (Malaysia)	Manufacture of precision metal parts and toolings (Malaysia)	100	100
*	AE Components Sdn. Bhd. (Malaysia)	In the Process of Voluntary Liquidation (Malaysia)	100	100
(2)	PT Amtek Engineering Batam (Indonesia)	Manufacture of precision metal parts (Indonesia)	100	100
(2)	PT Amtek Engineering Jakarta (Indonesia)	Dormant (Indonesia)	100	100
(2)	Amtek Huizhou (H.K.) Industries Limited (Hong Kong)	Trading of precision metal stamping parts and toolings (Hong Kong)	75	75
(2)	Amtek (Huizhou) Industries Ltd. (People's Republic of China)	Manufacture of precision metal parts and toolings (People's Republic of China)	75	75
(2)	Amtek (Suzhou) Precision Engineering Co., Ltd. (People's Republic of China)	Manufacture of precision metal parts and toolings (People's Republic of China)	100	100

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12. Investment in subsidiaries (cont'd)

	Name of company (Country of incorporation)	Principal activities (Place of business)	Effective percentage of equity held by the Group	
			2011 %	2010 %
(2)	Amtek Precision Engineering (Shanghai) Co., Ltd. (People's Republic of China)	Trading of precision metal parts (People's Republic of China)	100	100
(2)	Amtek Metalforming (Shanghai) Co., Ltd. (People's Republic of China)	Manufacture of precision metal parts and toolings (People's Republic of China)	100	100
(2)	Amtek Precision Technology (Hanoi) Co Ltd (Vietnam)	Manufacture of precision metal parts (Vietnam)	100	100
#	Amtek (USA) Enterprises Inc (United States of America)	Provision of customers service (United States of America)	100	100
(3)	Amtek Europe Development SA (France)	Investment holding (France)	100	100
(3)	Amtek Precision Technology (India) Private Limited (India)	Provision of design services (India)	100	100

Details of the subsidiaries of Lian Jun Industrial Pte Ltd are as follows:

(3)	Lian Jun Plastic Technology Pte. Ltd. (Singapore)	Dormant (Singapore)	55	55
(2)	Lian Jun Industrial (H.K.) Limited (Hong Kong)	Manufacture of precision plastic injection moulded parts (Hong Kong)	55	55
(2)	PT Amtek Plastic Batam (Indonesia)	Manufacture of precision plastics injection moulding products (Indonesia)	55	55

Details of the subsidiary held through Lian Jun Industrial (H.K.) Limited are as follows:

(2)	Lian Jun (Shenzhen) Technology Ltd. (People's Republic of China)	Manufacture of precision mould and plastic parts (People's Republic of China)	55	55
(2)@	Amtek Plastic (Shenzhen) Ltd (People's Republic of China)	Manufacture of precision mould and plastic parts (People's Republic of China)	55	-

Details of the subsidiaries held through Amtek Technology Pte Ltd are as follows:

(2)	PT Amtek Precision Components Batam (Indonesia)	Manufacture of high precision metal parts (Indonesia)	100	100
(1)	Amlab Services Pte. Ltd. (Singapore)	Provision of environmental, chemical and micro-contamination analysis services and equipment calibration (Singapore)	100	100

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12. Investment in subsidiaries (cont'd)

	Name of company (Country of incorporation)	Principal activities (Place of business)	Effective percentage of equity held by the Group	
			2011 %	2010 %

Details of the subsidiaries held through AE Rubber Sdn. Bhd. are as follows:

(3)	AE Polymer Sdn. Bhd. (Malaysia)	Manufacture of rubber compounding materials and other related products (Malaysia)	66.3	66.3
(3)	Rising Effort Sdn. Bhd. (Malaysia)	Dormant (Malaysia)	66.3	66.3

Details of the subsidiaries of Amtek Europe Development SA are as follows:

(3)	Amtek Precision Engineering France (France)	Manufacture of precision metal parts (France)	100	100
(3)	Amtek Hungary ZRT (Hungary)	Dormant (Hungary)	100	100
*	Amtek Poland Sp.Z.o.o (Poland)	In the Process of Voluntary Liquidation (Poland)	100	100

Details of the subsidiary held through Amtek Engineering Ltd and Amtek Europe Development SA are as follows:

(3)	Amtek Precision Engineering Czech Republic s.r.o. (Czech Republic)	Manufacture of precision metal parts (Czech Republic)	100	100
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Details of the subsidiary of Amtek Huizhou (H.K.) Industries Limited are as follows:

(2)	Amtek (Zhongshan) Industries Ltd (People's Republic of China)	Dormant (People's Republic of China)	75	75
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Details of the subsidiary held through Amtek Technology Pte Ltd and Amtek Huizhou (H.K.) Industries Limited are as follows:

(2)	Amtek Technology (H.K.) Limited (Hong Kong)	Trading of precision metal parts and toolings (Hong Kong)	92.5	92.5
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Details of the subsidiary held through Amtek Technology Pte Ltd and Amtek (Huizhou) Industries Ltd are as follows:

(2)	Huizhou Amtek Technology Ltd. (People's Republic of China)	Manufacture of precision metal parts and toolings (People's Republic of China)	92.5	92.5
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(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by audit firms other than member firms of Ernst & Young Global.

Not required to be audited in the country of incorporation.

* The subsidiaries have been placed under Voluntary Liquidation.

@ Newly incorporated during the year.

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13. Investment in associate

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Unquoted equity shares, at cost	2,369	2,369	2,369	2,369
Share of post acquisition reserves	5,068	5,252	–	–
Exchange differences	384	209	–	–
	<u>7,821</u>	<u>7,830</u>	<u>2,369</u>	<u>2,369</u>

The summarised financial information of associates, not adjusted for the proportion of ownership interest held by the Group is as follows:

	Group	
	2011 US\$'000	2010 US\$'000
Assets and liabilities:		
Current assets	10,972	10,927
Non-current assets	<u>10,268</u>	<u>10,831</u>
Total assets	<u>21,240</u>	<u>21,758</u>
Current liabilities	4,322	4,966
Non-current liabilities	<u>324</u>	<u>1,550</u>
Total liabilities	<u>4,646</u>	<u>6,516</u>
Results:		
Revenue	<u>27,726</u>	<u>111,189</u>
Profit for the year	<u>668</u>	<u>2,069</u>

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity held by the Group	
		2011 %	2010 %

Details of the associated company held by Amtek Engineering Ltd are as follows:

(1) Cheval Electronic Enclosures Co., Ltd (Thailand)	Manufacturing of standard and customised I.T. racks (Thailand)	50	50
(1) Audited by audit firm other than member firms of Ernst & Young Global.			

14. Other investments

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Quoted equity shares, at fair value	4,029	5,089	–	–
Unquoted equity shares, at cost	54	143	54	54
	<u>4,083</u>	<u>5,232</u>	<u>54</u>	<u>54</u>

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15. Other receivables and deposits

	Note	Group		Company	
		2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Due after one year:					
Staff loans	(a)	71	224	–	–
Other receivables		915	–	149	–
		<u>986</u>	<u>224</u>	<u>149</u>	<u>–</u>
Due within one year:					
Staff loans	(a)	1,395	430	–	–
Other receivables	(b)	16,481	17,254	528	640
Deposits		696	980	–	–
Tax recoverable		1,216	3,379	–	–
		<u>19,788</u>	<u>22,043</u>	<u>528</u>	<u>640</u>
Total other receivables and deposits		<u>20,774</u>	<u>22,267</u>	<u>677</u>	<u>640</u>

(a) Staff loans comprise advances to staff for the purchase of motor vehicles, which are held as collateral until full repayment of the loans. The loans bear effective interest at 2% per annum and are repayable over periods between four and eight years.

(b) Other receivables include primarily of tooling cost recoverables and indirect tax receivables.

16. Amounts due from former holding company

Amounts due from former holding company were unsecured and interest free as of 30 June 2010. All the amounts due have been repaid during the year.

17. Amounts due from subsidiaries

	Company	
	2011 US\$'000	2010 US\$'000
Due after one year:		
Non-trade bears interest at rates ranging from 4.5% to 6.0% (2010: 4.5% to 6.0%) per annum	<u>3,805</u>	<u>3,220</u>
Due within one year:		
Trade	2,148	5,406
Non-trade	<u>13,873</u>	<u>25,563</u>
	16,021	30,969
Less: Allowance for doubtful debts	<u>(5,522)</u>	<u>(8,850)</u>
	<u>10,499</u>	<u>22,119</u>
Total amounts due from subsidiaries	<u>14,304</u>	<u>25,339</u>

The amounts due from subsidiaries are unsecured and repayable on demand. The amounts are interest-free except for a non-trade amount of US\$2,697,000 (2010: US\$1,639,000) which bears interest ranging from 4.5% to 6.0% (2010: 4.5% to 6.0%) per annum.

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18. Deferred taxation

Recognised deferred tax assets and liabilities, determined after appropriate offsetting, are attributable to the following:

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Deferred tax assets				
Unutilised capital allowances	–	68	–	–
Provisions and other temporary differences	2,589	1,626	–	–
	<u>2,589</u>	<u>1,694</u>	–	–
Deferred tax liabilities				
Excess of net book values over tax written down values of property, plant and equipment	(1,851)	(3,300)	–	–
Undistributed profits of an associate	(580)	(517)	–	–
Undistributed profits of foreign subsidiaries	(2,079)	(1,594)	–	–
Other temporary differences	(836)	(932)	(67)	(847)
	<u>(5,346)</u>	<u>(6,343)</u>	<u>(67)</u>	<u>(847)</u>

Deferred tax assets and liabilities are netted off when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

Movements in deferred tax assets and liabilities of the Group and of the Company are analysed as follows:

	Note	Group		Company	
		2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Deferred tax assets					
Balance at 1 July		1,694	1,488	–	–
Transfer (to)/from the income statement					
Unutilised capital allowances		(68)	3	–	–
Provisions and other temporary differences		854	194	–	–
Exchange differences		109	9	–	–
Balance at 30 June		<u>2,589</u>	<u>1,694</u>	–	–
Deferred tax liabilities					
Balance at 1 July		(6,343)	(6,143)	(847)	(2,273)
Transfer from/(to) the income statement					
Excess of net book values over tax written down values of property, plant and equipment		1,566	1,535	–	–
Undistributed profits of an associate		(63)	(57)	–	–
Undistributed profits of foreign subsidiaries		(485)	(1,594)	–	–
Other temporary differences		(92)	(31)	780	1,426
Exchange differences		71	(53)	–	–
Balance at 30 June		<u>(5,346)</u>	<u>(6,343)</u>	<u>(67)</u>	<u>(847)</u>
Net deferred taxation credited to income statement	9	<u>1,712</u>	<u>50</u>	<u>780</u>	<u>1,426</u>

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19. Fixed deposits

The fixed deposits are placed with financial institutions and mature on varying periods within one year from the end of the respective financial year. The effective interest rates for the financial year ended 30 June 2011 range from 0.4% to 4.1% per annum (2010: 0.4% to 4.1% per annum).

Included in fixed deposits are:

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Total fixed deposits	22,054	13,687	53	50
Less: Restricted non-current fixed deposits	(11,952)	(12,141)	–	–
Fixed deposits - current portion	10,102	1,546	53	50

The non-current fixed deposits are pledged as security under the obligations under a lease arrangement for a subsidiary in People's Republic of China ("PRC").

20. Inventories

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Raw materials	20,872	18,449	–	–
Work-in-progress	10,326	8,940	–	–
Finished goods	25,855	20,677	–	–
Consumables	410	518	–	–
Total inventories at lower of cost and net realisable value	57,463	48,584	–	–
Inventories are stated after deducting allowance for obsolescence amounting to	1,492	1,804	–	–
Income statement:				
Inventories recognised as an expense in cost of sales	559,962	531,208	–	–
Inclusive of the following charge:				
- Inventories written down	434	893	–	–

21. Trade receivables

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Trade receivables	152,062	145,189	–	–

Trade receivables of the Group are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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21. Trade receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to US\$24,316,000 (2010: US\$28,209,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2011 US\$'000	2010 US\$'000
Trade receivables past due but not impaired:		
Lesser than 30 days	19,350	19,883
30 to 60 days	3,666	4,790
61 to 90 days	717	1,435
91 to 120 days	111	853
More than 120 days	472	1,248
	24,316	28,209

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group			
	Collectively impaired		Individually impaired	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Trade receivables – nominal amounts	–	662	544	646
Less: Allowance for impairment	–	(662)	(544)	(646)
	–	–	–	–
Movement in allowance accounts:				
At 1 July	662	386	646	686
(Write back of)/charge for the year	(662)	329	137	56
Written off	–	–	(337)	(82)
Exchange differences	–	(53)	98	(14)
At 30 June	–	662	544	646

Trade receivables of the Group that are individually determined to be impaired at the balance sheet date relate to customers that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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22. Derivatives

	2011		2010	
	Contract/ Notional Amount US\$'000	Liability recognised US\$'000	Contract/ Notional amount US\$'000	Liability recognised US\$'000
Group				
Interest rate swap	108,000	(1,569)	144,000	(2,499)
Company				
Interest rate swap	19,800	(288)	70,560	(1,225)

The Group and Company have entered into interest rate swaps to hedge the exposure to interest rate on its borrowings. The interest rate swaps entitle the Group and Company to receive interest at floating rates on notional principal amounts and oblige the Group and the Company to pay interest at fixed rates on the same notional principal amounts.

The Group and Company have designated the interest rate swap contracts as derivative under financial assets at fair value through profit or loss. The Group and Company do not apply hedge accounting.

23. Cash and bank balances

Cash at banks for the Group and Company earns interest at daily bank deposit rates.

The cash and bank balances, including current portion of fixed deposits (Note 19), of the Group denominated in Renminbi ("RMB") amounted to US\$29,221,000 (2010: US\$18,912,000) as at 30 June 2011. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

24. Trade payables

Trade payables of the Group are non-interest bearing. These amounts are normally settled on 30 to 120 days' terms.

25. Other payables and accrued expenses

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Advances	1,717	925	65	65
Advance billings	11	156	–	–
Other payables	14,490	16,706	297	289
Accrued expenses	25,345	27,387	200	1,070
	41,563	45,174	562	1,424

Other payables of the Group and Company are non-interest bearing. These amounts are normally settled on 30 to 180 days' terms.

NOTES TO THE FINANCIAL STATEMENTS

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26. Finance lease obligations

	Group			
	Minimum lease payments 2011	Present value of payments 2011	Minimum lease payments 2010	Present value of payments 2010
	US\$'000	US\$'000	US\$'000	US\$'000
Not later than one year	366	297	214	167
Later than one year but not later than five years	889	790	507	446
Later than five years	–	–	18	17
Total minimum lease payments	1,255	1,087	739	630
Less: Amounts representing finance charges	(168)	–	(109)	–
Present value of minimum lease payments	1,087	1,087	630	630

The effective interest rates for the Group range between 3.0% and 7.1% (2010: 3.0% and 5.2%) per annum.

27. Amounts due to subsidiaries

Amounts due to subsidiaries are trade-related, unsecured, interest-free, and repayable on demand.

28. Loans and borrowings

	Note	Group		Company	
		2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Due within one year:					
Unsecured:					
Other short-term loans	(a)	16,333	14,000	–	–
Current portion of term loan	(b)	23,400	–	4,290	–
Revolving facility loan	(c)	20,000	–	–	–
Secured:					
Current portion of term loan	(d)	–	30,000	–	14,700
Revolving facility loan	(d)	–	20,000	–	–
		59,733	64,000	4,290	14,700
Due after one year:					
Unsecured term loan	(b)	81,950	–	15,024	–
Secured term loan	(d)	–	130,000	–	63,700
		81,950	130,000	15,024	63,700
		141,683	194,000	19,314	78,400

(a) The short-term loans are repayable upon demand and bear interest ranging from 2.41% to 2.80% (2010: 2.95% to 3.35%) per annum.

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28. Loans and borrowings (cont'd)

- (b) The unsecured term loan has been drawn down under a US\$120 million syndicated loan facility with a tenure of 60 months from 10 December 2010.

The interest rate payable on the term loan, within twelve (12) months from 10 December 2010, was LIBOR plus 2.50% per annum.

The unsecured term loan is repayable at pre-determined instalments spread over 53 months from the end of 30 June 2011 (2010: Nil), as follows:

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Not later than one year	23,400	–	4,290	–
Later than one year but not later than five years	81,950	–	15,024	–
	<u>105,350</u>	<u>–</u>	<u>19,314</u>	<u>–</u>

- (c) The revolving credit is repayable upon demand and bear interest ranging from 2.70% to 2.80% (2010: Nil) per annum.
- (d) The term loan was drawn down under a US\$245 million syndicated loan facility comprising US\$200 million term loan facility and US\$45 million revolving credit facility with a tenure of 80 months from 31 March 2008.

The interest rate payable on the term loan and revolving credit facility, within twelve (12) months from 31 March 2008, was LIBOR plus 2.65% per annum. Thereafter, the interest rate payable equals LIBOR plus a margin which is dependent upon the ratio of the Group's consolidated net debt to earnings before interest, taxes, depreciation and amortisation ("EBITDA"), ranging from 1.75% to 2.5%.

The term loan and revolving credit facility were secured on the assets of the Company and the shares in the subsidiaries held by the Group.

The term loan has been fully repaid in the current year and the securities have been discharged accordingly.

29. Share capital

	Group and Company	
	2011 US\$'000	2010 US\$'000
Issued and fully paid ordinary shares:		
At the beginning and end of year		
543,213,028 (2010: 543,213,028) ordinary shares	<u>36,482</u>	<u>36,482</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

All ordinary shares and per share amounts presented in the accompanying consolidated financial statements have been revised on a retroactive basis to give effect to the share split, following the share-split exercise as mentioned in Note 10.

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30. Other reserves

	Note	Group		Company	
		2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Statutory reserve fund	(a)	18,051	15,595	–	–
Capital reserve	(b)	2,898	2,898	–	–
Foreign currency translation reserve	(c)	11,751	7,673	–	–
Share-based payment reserve	(d)	541	–	541	–
		<u>33,241</u>	<u>26,166</u>	<u>541</u>	<u>–</u>

(a) *Statutory reserve fund*

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, these subsidiaries are required to make appropriation to a Statutory Reserve Fund (“SRF”). At least 10% of the statutory after tax profit as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries’ registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders.

(b) *Capital reserve*

The capital reserve represents issuance of bonus shares in the subsidiaries by way of capitalising its retained profit in the prior years.

(c) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company’s presentation currency.

(d) *Share-based payment reserve*

The share-based payment reserve represents the equity-settled share grants granted to Directors and employees (Note 31). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share grants.

31. Share-based payments

On 4 November 2010, our shareholders approved the Restricted Share Plan (the “RSP”) and Performance Share Plan (the “PSP”), (collectively the “Share Plans”).

At the date of this report, the Share Plan is administered by the Remuneration Committee which comprises Low Seow Juan and Leong Horn Kee, both of whom are Independent Directors of the Company (appointed on 4 November 2010).

The objectives of the Share Plans are to reward and retain staff whose contributions are essential to the well-being and prosperity of the Group, to give recognition to outstanding employees and executive directors who have contributed to the growth of the Group and to strengthen the Group’s competitiveness in attracting and retaining talented key senior management and employees. The Share Plans will give participants an opportunity to have a personal equity interest in the Company.

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31. Share-based payments (cont'd)

Shares under the RSP are awarded to Directors and employees of the Group, taking into consideration the vesting schedule and conditions set and approved by the Remuneration Committee administering the RSP at the grant date. The conditions include (but not limited to) the Group's financial performance, as well as the employee's rank, job performance, years of service and potential for future development and contribution to the success and development of the Group. The award of restricted shares to Non-Executive Directors will be determined based on their contribution to the success and development of the Group. Employees and directors of associated companies will not be eligible to participate in the Share Plans. Pursuant to the terms of the RSP, the restricted shares are to be released over a specified number of years from the grant date.

Shares under the PSP will be awarded to Directors and employees of the Group, taking into consideration the extent of effort and difficulty with which the performance condition(s) may be achieved within the performance period. Under the PSP, the shares will be released dependent on the achievement of pre-determined targets over a specified performance period. No shares will be released if the threshold targets are not met at the end of the performance period. There is no further vesting period for shares released under the PSP at the end of the performance period. As at 30 June 2011, there are no share awards under the PSP.

The fair value of the RSP share awards is determined at grant date taking into consideration the share price of the Company's shares at grant date, adjusted for estimated dividend yield.

The awards granted under the RSP during the financial year ended 30 June 2011 are as follows:

	RSP		
	Shares granted during financial year	Balance as at 30 June 2011	Estimated fair value at grant date
Grant date			
1 December 2010			
Chairman and Executive Director (Daniel Yeong Bou Wai)	2,884,615	2,884,615	S\$1.30
Executive Director (Sheila Ng Won Lein)	540,750	540,750	S\$1.30
Executive Director (Peter Ho Kheong Chun)	257,692	257,692	S\$1.30
Other Participants	978,877	978,877	S\$1.30
	<u>4,661,934</u>	<u>4,661,934</u>	

As at 30 June 2011, there was no vesting or cancellation of these awards.

32. Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence, related parties may be individuals or other entities.

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32. Significant related party transactions (cont'd)

Compensation of key management personnel

	Group	
	2011 US\$'000	2010 US\$'000
Short-term employee benefits	4,978	4,007
Staff provident fund	115	96
Share-based payments expenses	541	–
	<u>5,634</u>	<u>4,103</u>
Comprise amounts paid to:		
- Directors of the Company	3,232	2,151
- Other key management personnel	2,402	1,952
	<u>5,634</u>	<u>4,103</u>

33. Commitments

(a) Capital commitments

Capital expenditure contracted for as at the end of the respective financial years ended 30 June 2011 and 2010 but not recognised in the financial statements are as follows:

	Group	
	2011 US\$'000	2010 US\$'000
Purchase of toolings and property, plant and equipment	<u>5,229</u>	<u>6,374</u>

(b) Operating lease commitments as a lessee

The Group has entered into commercial leases principally for land rent, office, warehouse and production floor with lease term of between 30 years to 99 years (2010: 30 years to 99 years) with no renewal option or contingent rent provision included in the contracts.

Operating lease expenses for the Group during the financial years ended 30 June 2011 amounted to US\$6,346,000 (2010: US\$6,653,000).

Future lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Within one year	3,988	5,023	–	–
Later than one year but not later than five years	7,136	14,164	–	–
Later than five years	10,043	7,103	–	–
	<u>21,167</u>	<u>26,290</u>	–	–

Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debts or future leasing.

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34. Contingent liabilities

Contingent liabilities of the Company are as follows:

- (a) The Company has given undertakings to finance a subsidiary to enable it to meet its liabilities as and when they fall due.
- (b) The Company has given corporate guarantees amounting to US\$800,000 (2010: US\$800,000) to bankers for facilities granted to its subsidiary.

35. Fair value of financial instruments

A. Fair values of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Group	Note	Quoted prices	Significant	Significant	Total
		in active markets for identical instruments (Level 1) US\$'000	other observable inputs (Level 2) US\$'000	unobservable (Level 3) US\$'000	
Financial assets:					
Available-for-sale financial assets					
- Equity instrument (quoted)	14	4,029	-	-	4,029
Financial liabilities:					
Derivatives					
- Interest rate swaps	22	-	(1,569)	-	(1,569)
At 30 June 2011		4,029	(1,569)	-	2,460
Financial assets:					
Available-for-sale financial assets					
- Equity instrument (quoted)	14	5,089	-	-	5,089
Financial liabilities:					
Derivatives					
- Interest rate swaps	22	-	(2,499)	-	(2,499)
At 30 June 2010		5,089	(2,499)	-	2,590

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35. Fair value of financial instruments (cont'd)

A. *Fair values of financial instruments that are carried at fair value (cont'd)*

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivatives (Note 22): The interest rate swap contracts are classified within Level 2 as the fair value of these interest rate swap contracts are obtained from reputable financial institution by reference to current interest rates for contracts with similar maturity profiles. The interest rate swap contracts have a maturity date of 10 December 2015 (2010: 31 May 2013).

During the years ended 30 June 2010 and 2011, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

B. *Fair values of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying values of trade receivables, current portion of other receivables and deposits, fixed deposits, cash and bank balances, trade payables, current portion of other payables and accrued expenses and current portion finance lease obligations, based on their notional amounts, reasonably approximate their fair values as a result of the short term nature.

Loans and borrowings reasonably approximate their fair values because they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

C. *Fair values of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value are as follows:*

Other investments (Note 14)

Unquoted equity shares are stated at cost and have no market prices and the fair value cannot be reliably measured using valuation techniques. The unquoted equity shares represent ordinary shares in companies that are not quoted on any markets and do not have comparable industry peer that is listed.

Non-current portion finance lease obligations (Note 26)

The fair values disclosed in Note 26 are estimated by discounting expected future cash flows at market incremental lending rate for similar types of leasing arrangements at balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

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35. Fair value of financial instruments (cont'd)

Financial assets and liabilities

The carrying amount by category of financial assets and liabilities are as follows:

	Note	Group		Company	
		2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
Available-for-sale:					
Other investments	14	4,083	5,232	54	54
Loans and receivables:					
Trade receivables	21	152,062	145,189	–	–
Other receivables and deposits	15	20,774	22,267	677	640
Amounts due from former holding company	16	–	52,668	–	52,668
Amounts due from subsidiaries	17	–	–	14,304	25,339
Fixed deposits and cash and bank balances	19,23	130,936	95,130	9,873	3,902
		<u>303,772</u>	<u>315,254</u>	<u>24,854</u>	<u>82,549</u>
Financial at fair value through profit and loss:					
Derivatives	22	(1,569)	(2,499)	(288)	(1,225)
Financial liabilities carried at amortised cost:					
Trade payables	24	122,995	123,339	–	–
Other payables and accrued expenses	25	39,835	44,093	497	1,359
Amounts due to subsidiaries	27	–	–	50,996	65,906
Finance lease obligations	26	1,087	630	–	–
Loans and borrowings	28	141,683	194,000	19,314	78,400
		<u>305,600</u>	<u>362,062</u>	<u>70,807</u>	<u>145,665</u>

36. Financial risk management objectives and policies

The Group operates in an environment that is exposed to changing business and market conditions, thus creating a need for the implementation of risk management policies. These policies seek to minimise the potential adverse effects caused by fluctuations in the financial markets on the profitability of the underlying businesses and thus, the financial performance of the Group.

In establishing its risk management policies, management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risk. In addition, the management has established procedures to monitor and control financial risks in a timely and effective manner. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. It is the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE FINANCIAL STATEMENTS

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36. Financial risk management objectives and policies (cont'd)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. The Company does not have significant credit risks from other receivables. For other financial assets (including fixed deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control.

Exposure to credit risk

At the end of each reporting periods, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets as disclosed in Note 35.

Information regarding credit profiles for trade and other receivables is disclosed below.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the profile of its trade receivables based on the country where the receivables are recognised and industry sector, on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	2011		2010	
	US\$'000	% of total	US\$'000	% of total
Group				
By country:				
Singapore	37,639	25%	38,489	26%
People's Republic of China	77,776	51%	76,612	53%
Europe	21,241	14%	14,932	10%
Malaysia	8,066	5%	8,770	6%
Vietnam	2,295	2%	1,192	1%
Other countries	5,045	3%	5,194	4%
	<u>152,062</u>	<u>100%</u>	<u>145,189</u>	<u>100%</u>
By industry sectors:				
Precision engineering	139,386	92%	135,269	93%
Rubber/plastics	12,676	8%	9,920	7%
	<u>152,062</u>	<u>100%</u>	<u>145,189</u>	<u>100%</u>

At the balance sheet date, approximately 36% (2010: 36%) of the Group's trade receivables were due from 5 major customers who are multi-national conglomerates.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are credit worthy receivables with good payment record with the Group. Cash and cash equivalents, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between the continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with the banks. At the balance sheet date, approximately 42% (2010: 34%) and 22% (2010: 19%) of the loans and borrowings (Note 28) of Group and Company, respectively, will mature in less than one year based on the carrying amount reflected in the financial statements, excluding discontinued operation.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

Group	Contractual cashflows (including interest payments)			Total US\$'000	Carrying amount US\$'000
	1 year or less US\$'000	1 to 5 years US\$'000	Over 5 years US\$'000		
2011					
Financial liabilities					
Trade payables	122,995	–	–	122,995	122,995
Other payables and accrued expenses	39,835	–	–	39,835	39,835
Finance lease obligations	366	889	–	1,255	1,087
Loans and borrowings	60,275	88,982	–	149,257	141,683
Derivatives – net settled	285	1,284	–	1,569	1,569
Total undiscounted financial liabilities	<u>223,756</u>	<u>91,155</u>	<u>–</u>	<u>314,911</u>	<u>307,169</u>
2010					
Financial liabilities					
Trade payables	123,339	–	–	123,339	123,339
Other payables and accrued expenses	44,093	–	–	44,093	44,093
Finance lease obligations	214	507	18	739	630
Loans and borrowings	68,732	136,167	–	204,899	194,000
Derivatives – net settled	833	1,666	–	2,499	2,499
Total undiscounted financial liabilities	<u>237,211</u>	<u>138,340</u>	<u>18</u>	<u>375,569</u>	<u>364,561</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

36. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	Contractual cashflows (including interest payments)			Total US\$'000	Carrying amount US\$'000
	1 year or less US\$'000	1 to 5 years US\$'000	Over 5 years US\$'000		
2011					
Financial liabilities					
Other payables and accrued expenses	497	–	–	497	497
Loans and borrowings	4,776	15,874	–	20,650	19,314
Derivatives – net settled	52	236	–	288	288
Total undiscounted financial liabilities	5,325	16,110	–	21,435	20,099
2010					
Financial liabilities					
Other payables and accrued expenses	1,359	–	–	1,359	1,359
Loans and borrowings	16,868	66,721	–	83,589	78,400
Derivatives – net settled	408	817	–	1,225	1,225
Total undiscounted financial liabilities	18,635	67,538	–	86,173	80,984

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and interest-bearing loans given to related parties. The Group's and the Company's financial assets and liabilities at floating rates are re-priced at intervals of less than 12 months (2010: 12 months) from the balance sheet date.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the balance sheet date, after taking into account the effect of an interest rate swap, approximately US\$140,437,000 (2010: US\$144,000,000) of the Group's borrowings are at fixed rates of interest.

Sensitivity analysis for interest rate risk

For variable rate financial assets and liabilities, a change of 100 basis point in interest rate at the reporting date would increase/(decrease) losses by the amounts shown. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

36. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

	Profit net of tax	
	2011	2010
	US\$'000	US\$'000
Group		
Increase/decrease in basis points		
+/- 100	157	1,498

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Singapore Dollar (SGD), Malaysian Ringgit (RM), Indonesian Rupiah (IDR), Euro and RMB. Approximately 36% (2010: 38%) of the Group's sales are denominated in foreign currencies whilst 36% (2010: 24%) of costs are denominated in the foreign currencies. The Group's trade receivables and trade payables balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, PRC, Europe, Indonesia and Vietnam. The Group's investment in its foreign subsidiaries are not hedged as currency positions in RM, Euro, IDR, Vietnamese Dong and RMB are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD, Euro, RM and RMB exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit net of tax	
	2011	2010
	US\$'000	US\$'000
SGD - strengthened 3% (2010: 2%)	341	9
- weakened 3% (2010: 2%)	(341)	(9)
Euro - strengthened 1% (2010: 6%)	102	17
- weakened 1% (2010: 6%)	(102)	(17)
RM - strengthened 3% (2010: 1%)	122	98
- weakened 3% (2010: 1%)	(122)	(98)
RMB - strengthened 1% (2010: 1%)	364	150
- weakened 1% (2010: 1%)	(364)	(150)

NOTES TO THE FINANCIAL STATEMENTS

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37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2011 and 30 June 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 150%. The Group includes within net debt, loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent less the fair value adjustment reserve and the abovementioned restricted statutory reserve fund.

	Note	Group	
		2011 US\$'000	2010 US\$'000
Loans and borrowings	28	141,683	194,000
Finance lease obligations	26	1,087	630
Less: Cash and bank balances and short-term fixed deposits		<u>(118,984)</u>	<u>(82,989)</u>
Net debt		<u>23,786</u>	<u>111,641</u>
Equity attributable to the owners of the Company		156,291	106,438
Less: Statutory reserve fund	30	<u>(18,051)</u>	<u>(15,595)</u>
Total capital		<u>138,240</u>	<u>90,843</u>
Capital and net debt		<u>162,026</u>	<u>202,484</u>
Gearing ratio		<u>15%</u>	<u>55%</u>

38. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- I. The precision engineering segment has principal business activities of stamping, machining and progressive cold forging of metal components, secondary processes such as finishing and bonding, assembly of metal enclosures and chassis, and manufacturing of tools and dies.
- II. The rubber and plastic segment is in the business of manufacturing precision plastic and rubber components and mould. This reportable segment has been formed by aggregating the rubber and plastic operating segments which are regarded by management to exhibit similar economic characteristics.
- III. The others segment includes investment holdings and other investment activities.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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38. Segment information (cont'd)

	Precision engineering US\$'000	Rubber/ plastics US\$'000	Others US\$'000	Adjustments and eliminations US\$'000	Notes	Per consolidated financial statements US\$'000
2011						
Revenue:						
External customers	637,133	44,468	-	-		681,601
Inter-segment	-	2,901	-	(2,901)	A	-
Total revenue	637,133	47,369	-	(2,901)		681,601
Results:						
Interest income	700	49	7	-		756
Depreciation	(19,522)	(2,103)	(50)	-		(21,675)
Share of results of associate	-	-	336	-		336
Impairment of available-for-sale investments	-	-	(1,060)	-		(1,060)
Restructuring cost	(764)	-	-	-		(764)
Other non-cash items	(2,606)	(92)	319	-	B	(2,379)
Segment profit/(loss)	55,343	4,581	(4,491)	(7,390)	C	48,043
Assets:						
Investment in associate	-	-	7,821	-		7,821
Additions to non-current assets	17,520	634	-	-	D	18,154
Segment assets	438,020	36,385	15,803	7,821	E	498,029
Segment liabilities	164,395	10,035	6,285	142,770	F	323,485
2010						
Revenue:						
External customers	608,322	29,678	-	-		638,000
Inter-segment	-	3,229	-	(3,229)	A	-
Total revenue	608,322	32,907	-	(3,229)		638,000
Results:						
Interest income	653	61	8	-		722
Loss on reclassification of associate to available-for-sale investments	-	-	(882)	-		(882)
Depreciation	(20,798)	(2,114)	(83)	-		(22,995)
Share of results of associates	-	-	810	-		810
Impairment of property, plant and equipment	(2,865)	-	-	-		(2,865)
Restructuring cost	(4,243)	-	-	-		(4,243)
Other non-cash items	(2,381)	(166)	(2)	-	B	(2,549)
Segment profit/(loss)	25,358	(447)	6,853	(9,483)	C	22,281
Assets:						
Investment in associate	-	-	7,830	-		7,830
Additions to non-current assets	16,504	634	83	-	D	17,221
Segment assets	395,508	30,765	69,940	7,830	E	504,043
Segment liabilities	167,125	8,739	10,863	194,630	F	381,357

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

38. Segment information (cont'd)

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- A Inter-segment revenues are eliminated on consolidation.
- B Other non-cash items consist of allowance for stock obsolescence, allowance for doubtful debts, gain or loss on disposal of plant, property and equipment, property, plant and equipment written off, and fair value gain or loss on derivatives and available-for-sale investments as presented in the respective notes to the financial statements.
- C The following items are added to/(deducted from) segment profit to arrive at "Profit for the year " presented in the consolidated income statement:

	Group	
	2011	2010
	US\$'000	US\$'000
Share of results of associates	336	810
Finance costs	(7,726)	(10,293)
	(7,390)	(9,483)

- D Additions to non-current assets consist of additions to property, plant and equipment.
- E The following item is added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group	
	2011	2010
	US\$'000	US\$'000
Investment in associate	7,821	7,830

- F The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group	
	2011	2010
	US\$'000	US\$'000
Loans and borrowings	141,683	194,000
Finance lease obligations	1,087	630
	142,770	194,630

Geographical information

Revenue and non-current assets information based on the geographical location of the selling entity and assets respectively are as follows:

	Group	
	2011	2010
	US\$'000	US\$'000
Revenue		
People's Republic of China	339,850	303,512
Southeast Asia	262,093	262,024
Europe	79,658	72,464
	681,601	638,000

NOTES TO THE FINANCIAL STATEMENTS

30 June 2011

38. Segment information (cont'd)

Geographical information (cont'd)

	Group	
	2011 US\$'000	2010 US\$'000
Non-current assets		
People's Republic of China	66,693	72,653
Southeast Asia	66,244	120,147
Europe	12,385	9,404
	<u>145,322</u>	<u>202,204</u>

Non-current assets information presented above consist of property, plant and equipment, investment in associates, other investments, other receivables and deposits, prepaid expenses, deferred tax assets and fixed deposits as presented in the consolidated balance sheets.

Information on major customers

In 2010, the revenue from two major customers amounted to US\$77,352,000 and US\$69,154,000 respectively, arising from the sales by the precision engineering and rubber/plastic segments.

In 2011, the revenue from two major customers amounted to US\$69,817,000 and US\$68,171,000 respectively, arising from the sales by the precision engineering and rubber/plastic segments.

39. Dividends proposed

The directors proposed that a final tax exempt (one-tier) dividend of 5.5 Singapore cents per share (2010: nil) amounting to approximately US\$24.7 million (2010: nil) be paid for the financial year ended 30 June 2011.

40. Subsequent event

On 25 August 2011, the Company entered into separate conditional sale and purchase agreements (collectively, the "SPAs") with Lian Jun Industrial Pte Ltd ("Lian Jun"), a subsidiary of the Company, and each of Mr. Tse Sek Lee, Mr. Ho Che Wai and Mr. Law Wai Kin (collectively, the "Vendors"), pursuant to which the Company agreed to purchase an aggregate of 2,150,000 ordinary shares (the "Sale Shares") in the issued capital of Lian Jun held by the Vendors, representing approximately 45% of the issued capital of Lian Jun (the "Proposed Acquisition"). The total consideration is approximately US\$7.5 million, subject to adjustments (if any) when the Lian Jun Group FY11 audited accounts are available. The completion of the Proposed Acquisition is expected to take place on or prior to 31 October 2011. Upon completion, Lian Jun will become a wholly-owned subsidiary of the Company.

The Proposed Acquisition is not expected to have a material impact on the consolidated net tangible assets or earnings per share of the Amtek group for the financial year ending 30 June 2012.

41. Authorisation of financial statements for issue

The financial statements for the year ended 30 June 2011 were authorised for issue in accordance with a resolution of the Directors on 30 September 2011.

STATISTICS OF SHAREHOLDINGS

As at 20 September 2011

Class of equity securities : Ordinary share
 No. of equity securities : 543,213,028
 Voting rights : One vote per share

As at 20 September 2011, the Company did not hold any treasury shares.

Distribution of Shareholdings

Size of Shareholdings	No. of		No. of Shares	
	Shareholders	%		%
1 - 999	3	0.10	1,069	0.00
1,000 - 10,000	1,978	64.07	11,696,000	2.15
10,001 - 1,000,000	1,090	35.31	52,899,736	9.74
1,000,001 and above	16	0.52	478,616,223	88.11
Total :	3,087	100.00	543,213,028	100.00

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Raffles Nominees Pte Ltd	178,792,666	32.91
2	Metcomp Group Holdings	153,566,673	28.27
3	HSBC (Singapore) Nominees Pte Ltd	47,315,706	8.71
4	Citibank Nominees S'pore Pte Ltd	38,633,876	7.11
5	DBSN Services Pte Ltd	23,327,624	4.29
6	DBS Nominees Pte Ltd	13,157,975	2.42
7	Aranda Investments Pte Ltd	7,215,000	1.33
8	Morgan Stanley Asia (S'pore) Securities Pte Ltd	3,995,298	0.74
9	Sheila Ng Won Lein	2,950,641	0.54
10	Kim Eng Securities Pte. Ltd.	2,289,523	0.42
11	Phillip Securities Pte Ltd	1,454,000	0.27
12	Peter Ho Kheong Chun	1,357,655	0.25
13	OCBC Securities Private Ltd	1,229,000	0.23
14	DB Nominees (S) Pte Ltd	1,193,000	0.22
15	Ang Tong Huat	1,068,793	0.20
16	Quek Pek Chuan	1,068,793	0.20
17	UOB Kay Hian Pte Ltd	874,000	0.16
18	DBS Vickers Securities (S) Pte Ltd	806,000	0.15
19	CIMB Securities (S'pore) Pte Ltd	779,000	0.14
20	Lim & Tan Securities Pte Ltd	743,000	0.14
Total :		481,818,223	88.70

STATISTICS OF SHAREHOLDINGS

As at 20 September 2011

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2011

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Metcomp Group Holdings	153,566,673	28.3	-	-
CVC Capital Partners Asia II Limited ⁽¹⁾	-	-	153,566,673	28.3
CVC Capital Partners SICAV-FIS S.A. ⁽²⁾	-	-	153,566,673	28.3
Standard Chartered Private Equity Limited ⁽³⁾	162,566,673	29.9	-	-
Standard Chartered Plc ⁽⁴⁾	-	-	162,566,673	29.9
Standard Chartered Bank ⁽⁴⁾	-	-	162,566,673	29.9

Notes:

- Metcomp Group Holdings is an investment holding company directly owned by CVC Capital Partners Asia II Limited, which acts as the general partner for and on behalf of two limited partnership, CVC Capital Partners Asia Pacific II L.P and CVC Capital Partners Asia Pacific II Parallel Fund – A, L.P (together, "CVC Asia II"). CVC Capital Partners Asia II Limited has full control over the business and affairs of CVC Asia II, including making all investment and divestment decisions and voting the securities and interests held by it on behalf of CVC Asia II, including Metcomp Group Holdings. Accordingly, by virtue of Section 7 of the Companies Act, Cap 50, CVC Capital Partners Asia II Limited is deemed to be interested in the shares that Metcomp Group Holdings has an interest in.
- CVC Capital Partners Asia II Limited is ultimately wholly-owned by CVC Capital Partners SICAV-FIS S.A. Accordingly, by virtue of Section 7 of the Companies Act, Cap 50, CVC Capital Partners SICAV-FIS S.A. is deemed to be interested in the shares that Metcomp Group Holdings has an interest in.
- The 162,566,673 shares held by Standard Chartered Private Equity Limited are registered in the name of Raffles Nominees (Pte) Limited.
- Standard Chartered Private Equity Limited is indirectly and wholly-owned by Standard Chartered Bank which in turn is wholly owned by Standard Chartered Plc. Accordingly, by virtue of Section 7 of the Companies Act, Cap 50, Standard Chartered Plc and Standard Chartered Bank are deemed to be interested in the shares that Standard Chartered Private Equity Limited has an interest in.

PUBLIC FLOAT

As at 20 September 2011, approximately 36% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Amtek Engineering Ltd (“the Company”) will be held at 35 Pioneer Road North, Singapore 628475 on Monday, 31 October 2011 at 4.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Financial Statements of the Company for the year ended 30 June 2011 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a first and final dividend of 5.5 Singapore cents per share (one-tier tax exempt) for the year ended 30 June 2011 (2010: Nil). **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to Articles 91 and 97 of the Articles of Association of the Company:

Ms Sheila Ng Won Lein	(Retiring under Article 91)	(Resolution 3)
Mr Sigit Prasetya	(Retiring under Article 91)	(Resolution 4)
Mr Leong Horn Kee	(Retiring under Article 97)	(Resolution 5)
Mr Low Seow Juan	(Retiring under Article 97)	(Resolution 6)
Mr Steven Lim Kok Hoong	(Retiring under Article 97)	(Resolution 7)

Mr Leong Horn Kee will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees and will be considered independent.

Mr Low Seow Juan will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees and will be considered independent.

Mr Steven Lim Kok Hoong will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and will be considered independent.

4. To approve the payment of Directors’ fees of S\$360,000 for the year ended 30 June 2011 (2010: Nil). **(Resolution 8)**
5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)]

(Resolution 10)

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to issue shares under the Restricted Share Plan and/or Performance Share Plan

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant awards in accordance with the provisions of the Company's Restricted Share Plan and/or Performance Share Plan (the "Share Plans") and to issue from time to time such number of fully-paid shares in the capital of the Company, or the equivalent in cash, or a combination of both, as may be required to be issued pursuant to Share Plans, provided always that the total number of shares to be issued pursuant to the Share Plans shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company on the day preceding the date of the relevant award and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 11)

By Order of the Board

Tan San-Ju
Jocelin Soon Swee Har
Secretaries
Singapore, 14 October 2011

Explanatory Notes:

- (i) The Ordinary Resolution 10 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (ii) The Ordinary Resolution 11 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant awards under the Share Plans and to issue from time to time such number of fully-paid shares, or the equivalent in cash, or a combination of both, as may be required to be issued pursuant to the Share Plans. The aggregate number of shares which may be issued pursuant to the Share Plans shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company on the day preceding the date of the relevant award.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 1 Kian Teck Drive Singapore 628818 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

AMTEK ENGINEERING LTD
 Company Registration No. 198003886K
 (Incorporated In The Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy Amtek Engineering Ltd's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____
 of _____
 being a member/members of Amtek Engineering Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 31 October 2011 at 4.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Financial Statements for the year ended 30 June 2011		
2	Payment of proposed first and final (one-tier tax exempt) dividend		
3	Re-election of Ms Sheila Ng Won Lein as a Director		
4	Re-election of Mr Sigit Prasetya as a Director		
5	Re-election of Mr Leong Horn Kee as a Director		
6	Re-election of Mr Low Seow Juan as a Director		
7	Re-election of Mr Steven Lim Kok Hoong as a Director		
8	Approval of Directors' fees amounting to S\$360,000		
9	Re-appointment of Ernst & Young LLP as Auditors		
10	Authority to issue new shares		
11	Authority to issue shares under the Restricted Share Plan and/or Performance Share Plan		

Dated this _____ day of _____ 2011

 Signature of Shareholder(s)
 or, Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

*Delete where inapplicable

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Kian Teck Drive, Singapore 628818 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Amtek Engineering Ltd

1 Kian Teck Drive
Singapore 628818
T. (65) 6264 0033
F. (65) 6261 7693
www.amtek.com.sg

