

ANNOUNCEMENT

The Directors of Beyonics Technology Limited (the “**Company**”) are pleased to announce that its subsidiaries, Beyonics Technology (Senai) Sdn Bhd (“**BTS**”) and Beyonics International Limited (“**BIL**”) (BTS and BIL collectively known as “**Beyonics**”), have on 18 October 2007 entered into an agreement (the “**PCBA Asset Purchase Agreement**”) to purchase the business and certain assets of Senai Seagate Industries (M) Sdn Bhd (“**Seagate Senai**”). In connection with this, BTS has also entered into an agreement dated 18 October 2007 (the “**Building and Leasehold Purchase Agreement**”) with Seagate Senai to purchase from Seagate Senai its leasehold land and building located at PLO 171, Jalan Perindustrian 7, Kawansan Perindustrian Senai III, Senai, Johor, Malaysia (the “**Senai Factory**”). As part of the overall arrangements, BIL has also on 18 October 2007 entered into a PCBA supply agreement (the “**PCBA Supply Agreement**”) with Seagate Technology International (“**Seagate International**”).

Subject to the fulfilment or waiver (as the case may be) of certain conditions precedent, the closing date for the completion of the PCBA Asset Purchase Agreement, the Building and Leasehold Purchase Agreement and the PCBA Supply Agreement (collectively the “**PCBA Agreements**”) is scheduled to be on 28 December 2007 (the “**Closing Date**”).

1. **The PCBA Asset Purchase Agreement and Building and Leasehold Purchase Agreement**

Under the terms of the PCBA Asset Purchase Agreement and Building and Leasehold Purchase Agreement, Beyonics will purchase from Seagate Senai the business and certain assets of Seagate Senai, including but not limited to the Senai Factory, equipment, fixed assets, contracts and inventory.

The completion of the PCBA Asset Purchase Agreement and the Building and Leasehold Purchase Agreement is subject to the satisfaction of certain conditions precedent by the parties, including the following:

- (i) the representations and warranties provided by each of the parties being true and accurate in all material respects as at the Closing Date;
- (ii) each of the parties having fulfilled and complied with their covenants and obligations in all material respects through the Closing Date; and
- (iii) each of the parties having obtained all necessary permits, licences and governmental approvals as may be required.

The purchase consideration pertaining to the PCBA Asset Purchase Agreement and the Building and Leasehold Agreement will be funded by internal funds and bank borrowings. The purchase consideration is arrived at through a confidential and competitive bidding process and cannot be disclosed because of confidentiality requirements imposed on Beyonics. However, the Company wishes to state that the purchase consideration does not amount to a major transaction under Part VII of Chapter 10 of the SGX Listing Manual and is not expected to have a material effect on the earnings or net tangible assets per share of the Company for the financial year ending 31 July 2008.

2. The PCBA Supply Agreement

Under the terms of the PCBA Supply Agreement, BIL has agreed to supply PCBA products to Seagate International for an initial period of three years based on specifications and descriptions provided by Seagate International. While Beyonics believes that the annual revenue arising from the PCBA Supply Agreement could contribute positively to group revenue, it is not expected to have a material effect on the earnings or net tangible assets per share of the Company for the financial year ending 31 July 2008. It should be noted that the actual revenue will be subject to various factors such as changes in the level of world economic activity; strength of the hard disk drive industry; market demand for Seagate's products; impact of changes in foreign exchange rates, price fluctuations and availability of raw materials and components; manufacturing delays or disruptions to Beyonics' manufacturing facilities etc.

The Board is of the view that the entry into the PCBA Agreements will further strengthen the strategic partnership which the Beyonics Group has with Seagate, and that the arrangements which have been entered into by the subsidiaries of the Company as described in the foregoing are in the best interest of the Company. These arrangements will enable the Beyonics Group to enhance its position as one of the leading contract manufacturers. The Senai Factory will be an important addition to the regional presence which the Beyonics Group has.

None of the Directors or substantial shareholders of the Company has any interest in the agreements described above.

By Order of the Board
Tay Peng Huat
Company Secretary
19/10/2007