

**BEYONICS TECHNOLOGY LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration No. 199408168G

**ANNOUNCEMENT**

**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE  
OF UP TO 120,262,462 NEW ORDINARY SHARES  
OF S\$0.25 EACH IN THE CAPITAL OF BEYONICS TECHNOLOGY LIMITED**

**1. INTRODUCTION**

The Board of Directors of Beyonics Technology Limited (the “**Company**”) wishes to announce that the Company proposes to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 120,262,462 new ordinary shares of S\$0.25 each (the “**Rights Shares**”) at an issue price of S\$0.31 for each Rights Share, on the basis of one Rights Share for every four existing ordinary shares of S\$0.25 each in the capital of the Company (the “**Shares**”) held as at a books closure date to be determined by the Directors (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The issue of the Rights Shares is proposed to be made pursuant to the authority granted by the share issue mandate approved by shareholders of the Company at the Company’s Annual General Meeting held on 30 November 2004.

DBS Bank Ltd (“**DBS**”) has been appointed as the Manager of the Rights Issue.

**2. PARTICULARS OF THE RIGHTS ISSUE**

**2.1 Proposed Terms of the Rights Issue**

The Rights Shares are proposed to be offered to Entitled Shareholders (as defined in section 2.2 below) at an issue price of S\$0.31 (the “**Issue Price**”) for each Rights Share on the basis of one Rights Share for every four Shares held by, or standing to the credit of the securities accounts (“**Securities Accounts**”) of, Entitled Shareholders (as defined below) as at 5.00 p.m. (Singapore time) on the Books Closure Date, fractional entitlements to be disregarded.

The Issue Price represents a discount of approximately 26 per cent. to the closing price of S\$0.42 per Share on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 10 March 2005, being the last trading day of the Shares on the SGX-ST prior to the date of this Announcement.

Based on the issued and paid-up share capital of the Company as at the date of this Announcement comprising 470,237,651 Shares as well as the 10,812,200 options granted under the Beyonics Share Option Scheme 2000 which are exercisable as at 1 April 2005 (the “**Vested Options**”), the Company will issue up to 120,262,462 Rights Shares, representing

approximately 3.8 per cent. and 25.6 per cent. respectively, of the issued and paid-up share capital of the Company as at the date of this Announcement.

The Rights Shares will be payable in full upon acceptance and/or application and will, when issued and fully paid, rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

## 2.2 Eligibility of Shareholders to Participate in the Rights Issue

The Company proposes to provisionally allot by way of rights to all shareholders who are eligible to participate ("**Entitled Shareholders**"), which comprise Entitled Depositors and Entitled Scripholders (both as defined below).

Shareholders whose Shares are registered in the name of The Central Depository (Pte) Limited ("**CDP**") and whose Securities Accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date ("**Depositors**") will be provisionally allotted Rights Shares entitlements on the basis of the number of Shares standing to the credit of their Securities Accounts with CDP as at the Books Closure Date. "**Entitled Depositors**" are Depositors whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least five market days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company's Share Registrar, M & C Services Private Limited at 138, Robinson Road, #17-00, The Corporate Office, Singapore 068906, will be registered to determine the provisional Rights Shares entitlements of the transferee (a "**Scripholder**", which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights Issue. "**Entitled Scripholders**" are Scripholders whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least five market days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will **NOT** be offered to shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five market days prior to the Books Closure Date, provided CDP or the Company, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). Entitlements to Rights Shares which would otherwise accrue to Foreign Shareholders will, if practicable, be sold "nil-paid" on the SGX-ST and the net proceeds arising therefrom will be dealt with in accordance with the terms set out in the offer information statement (the "**Offer Information Statement**") to be issued for the Rights Issue.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue.

Entitlements which are not allotted or taken up for any reason (including any fractions of a Rights Share) will be aggregated and issued to satisfy applications, if any, for excess Rights

Shares or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The terms and conditions of the Rights Issue may be subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

### **3. PURPOSES OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

#### **3.1 Purposes of the Rights Issue**

The purposes of the Rights Issue are to fund further business expansion (including financing the building of plants in Suzhou and Changshu and the purchase of machinery), to reduce the short-term bank borrowings of the Company and its subsidiaries (the “**Group**”), and to use the remainder thereof as working capital for the Group.

The Directors are of the view that the Issue Price of S\$0.31, representing a discount of approximately 26 per cent. to the closing price of S\$0.42 per Share on the SGX-ST on 10 March 2005, being the last trading day of the Shares on the SGX-ST prior to the date of this Announcement, will be considered attractive to Shareholders deciding whether to subscribe for their Rights Shares entitlements under the Rights Issue.

#### **3.2 Use of Proceeds**

The estimated net proceeds of the Rights Issue (after deducting estimated expenses) are expected to be approximately S\$5.3 million, assuming that only Mr Chay Kwong Soon, Mr Goh Chan Peng and Mr Yeo Khee Siang, subscribe for and/or procure subscriptions for an aggregate of 18,023,484 Rights Shares as set out in paragraph 4 below, or approximately S\$37.0 million, assuming that the Rights Issue is fully subscribed and all of the Vested Options are exercised.

The net proceeds will first be utilised by the Group to fund further business expansion (including financing the building of plants in Suzhou and Changshu and the purchase of machinery), and any balance remaining will be used to reduce the short-term bank borrowings of the Group and as working capital for the Group.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds of the Rights Issue may be deposited with banks or financial institutions and/or used for investment in short-term money market and/or debt instruments, as the Directors may deem fit in the interests of the Group.

### **4. IRREVOCABLE UNDERTAKINGS**

Mr Chay Kwong Soon, a substantial shareholder and the Chairman of the Company, holding interests in an aggregate of 48,341,114 Shares, representing approximately 10.3 per cent. of the issued and paid-up share capital of the Company, as at the date of this Announcement, has irrevocably undertaken to the Company to subscribe for and/or to procure subscriptions

for his Rights Shares entitlements under the Rights Issue, being 12,085,278 Rights Shares, representing approximately 10.0 per cent. of the maximum number of Rights Shares to be issued under the Rights Issue.

Mr Goh Chan Peng, the Chief Executive Officer of the Company, holding interests in an aggregate of 10,849,600 Shares, representing approximately 2.3 per cent. of the issued and paid-up share capital of the Company, as at the date of this Announcement, has irrevocably undertaken to the Company to subscribe for and/or to procure subscriptions for his Rights Shares entitlements under the Rights Issue, being 2,712,400 Rights Shares, representing approximately 2.3 per cent. of the maximum number of Rights Shares to be issued under the Rights Issue.

Mr Yeo Khee Siang, a substantial shareholder and the Vice-Chairman of the Company, holding interests in an aggregate of 59,926,617 Shares, representing approximately 12.7 per cent. of the issued and paid-up share capital of the Company, as at the date of this Announcement, has irrevocably undertaken to the Company to subscribe for and/or to procure subscriptions for 3,225,806 Rights Shares, representing approximately 2.7 per cent. of the maximum number of Rights Shares to be issued under the Rights Issue.

The balance of the 102,238,978 Rights Shares, representing approximately 85.0 per cent. of the maximum number of Rights Shares to be issued under the Rights Issue will not be underwritten. Accordingly, if only Mr Chay Kwong Soon, Mr Goh Chan Peng and Mr Yeo Khee Siang subscribe for and/or procure subscriptions for the Rights Shares as set out above, the number of Rights Shares to be issued pursuant to the Rights Issue will be reduced to only 18,023,484 Rights Shares.

The irrevocable undertakings by Mr Chay Kwong Soon, Mr Goh Chan Peng and Mr Yeo Khee Siang as set out above are subject to and conditional upon the following:

- (a) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Rights Issue, by the Company with the Monetary Authority of Singapore (the "MAS"); and
- (b) the approval in-principle having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the Rights Issue) for the listing of and quotation of the Rights Shares on the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company.

## **5. APPROVALS**

### **5.1 Listing Approval**

The Rights Issue is subject to, *inter alia*, the approval in-principle from the SGX-ST for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST. An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST.

**5.2 Offer Information Statement**

The Rights Issue is subject to, *inter alia*, the lodgment of the Offer Information Statement together with all other accompanying documents (if applicable) to be issued by the Company in connection with the Rights Issue, by the Company with the MAS.

**6. GENERAL**

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with DBS, may deem appropriate. Further details of the Rights Issue will be made available in the Offer Information Statement to be despatched to Entitled Shareholders in due course.

**BY ORDER OF THE BOARD**

Tay Peng Huat  
Company Secretary

11 March 2005  
Singapore