

# BEYONICS TECHNOLOGY LIMITED

## Third Quarter Financial Statements for the Period Ended 30/04/2008

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group 3 Months Ended 30/04/2008 S\$'000	Group 3 Months Ended 30/04/2007 S\$'000	Change %	Group 9 Months Ended 30/04/2008 S\$'000	Group 9 Months Ended 30/04/2007 S\$'000	Change %
<b>Revenue</b>	<b>462,347</b>	<b>213,472</b>	<b>116.6</b>	<b>931,629</b>	<b>659,347</b>	<b>41.3</b>
Cost of sales	(449,610)	(198,983)	126.0	(891,574)	(616,778)	44.6
<b>Gross profit</b>	<b>12,737</b>	<b>14,489</b>	<b>(12.1)</b>	<b>40,055</b>	<b>42,569</b>	<b>(5.9)</b>
Other Income	528	286	84.6	2,041	1,145	78.3
	<b>13,265</b>	<b>14,775</b>	<b>(10.2)</b>	<b>42,096</b>	<b>43,714</b>	<b>(3.7)</b>
General and administrative costs	(8,760)	(6,879)	27.3	(27,109)	(21,039)	28.9
Selling and marketing expenses	(208)	(314)	(33.8)	(639)	(899)	(28.9)
<b>Profit from operating activities</b>	<b>4,297</b>	<b>7,582</b>	<b>(43.3)</b>	<b>14,348</b>	<b>21,776</b>	<b>(34.1)</b>
Finance costs	(971)	(1,014)	(4.2)	(2,752)	(2,358)	16.7
<b>Profit before taxation and minority interests</b>	<b>3,326</b>	<b>6,568</b>	<b>(49.4)</b>	<b>11,596</b>	<b>19,418</b>	<b>(40.3)</b>
Taxation	(172)	(306)	(43.8)	(879)	(1,036)	(15.2)
<b>Profit after taxation</b>	<b>3,154</b>	<b>6,262</b>	<b>(49.6)</b>	<b>10,717</b>	<b>18,382</b>	<b>(41.7)</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	<b>3,166</b>	<b>6,168</b>	<b>(48.7)</b>	<b>10,688</b>	<b>18,232</b>	<b>(41.4)</b>
Minority interests	(12)	94	(112.8)	29	150	(80.7)
	<b>3,154</b>	<b>6,262</b>	<b>(49.6)</b>	<b>10,717</b>	<b>18,382</b>	<b>(41.7)</b>

Additional information for the income statement

	3 Months Ended 30/04/2008 S\$'000	3 Months Ended 30/04/2007 S\$'000	9 Months Ended 30/04/2008 S\$'000	9 Months Ended 30/04/2007 S\$'000
Depreciation	(8,568)	(6,968)	(23,759)	(20,260)
Interest on borrowings	(971)	(1,014)	(2,752)	(2,358)
Foreign exchange loss	(1,736)	(623)	(8,155)	(2,294)
Gain from sales of fixed assets	12	25	33	123
Fixed assets written off	-	(112)	-	(413)
Cost of share-based payment	(73)	(141)	(219)	(425)
Interest income	156	203	669	609
Allowance for doubtful debts written back	-	-	124	317
Write back of allowance/(Allowance) for stock obsolescence	51	309	(51)	(37)

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group 30/04/2008 S\$'000</b>	<b>Group 31/07/2007 S\$'000</b>	<b>Company 30/04/2008 S\$'000</b>	<b>Company 31/07/2007 S\$'000</b>
<b>Non-Current Assets</b>				
Fixed Assets	243,742	237,285	-	-
Subsidiary companies	-	-	314,054	291,526
Investment securities	519	823	233	506
Investment properties	3,918	3,968	-	-
Intangible assets	19,898	19,217	-	-
	<b>268,077</b>	<b>261,293</b>	<b>314,287</b>	<b>292,032</b>
<b>Current Assets</b>				
Stocks	92,856	69,475	-	-
Trade debtors	260,380	99,240	-	-
Other debtors	15,310	11,827	438	126
Amount due from subsidiary companies	-	-	33,023	23,651
Fixed deposits	269	324	33	35
Cash and bank balances	41,857	67,890	528	11,940
	<b>410,672</b>	<b>248,756</b>	<b>34,022</b>	<b>35,752</b>
<b>Current Liabilities</b>				
Trade creditors	264,376	84,798	-	-
Other creditors and accruals	22,065	25,033	1,194	1,530
Finance lease creditors	38	30	-	-
Provision for taxation	2,795	2,745	3	44
Bank borrowings	114,200	102,550	95,300	57,400
	<b>403,474</b>	<b>215,156</b>	<b>96,497</b>	<b>58,974</b>
<b>Net Current Assets/(Liabilities)</b>	<b>7,198</b>	<b>33,600</b>	<b>(62,475)</b>	<b>(23,222)</b>
<b>Non-Current Liabilities</b>				
Finance lease creditors	195	137	-	-
Deferred taxation	399	267	-	-
	<b>594</b>	<b>404</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>274,681</b>	<b>294,489</b>	<b>251,812</b>	<b>268,810</b>
<b>Equity Attributable to Equity Holders of the Company</b>				
Share capital	253,422	252,193	253,422	252,193
Reserves	15,716	36,782	(1,610)	16,617
	<b>269,138</b>	<b>288,975</b>	<b>251,812</b>	<b>268,810</b>
Minority interests	5,543	5,514	-	-
<b>Total Equity</b>	<b>274,681</b>	<b>294,489</b>	<b>251,812</b>	<b>268,810</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

<b>As at 30/04/2008</b>		<b>As at 31/07/2007</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000 38	S\$'000 114,200	S\$'000 30	S\$'000 102,550

**Amount repayable after one year**

<b>As at 30/04/2008</b>		<b>As at 31/07/2007</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000 195	S\$'000 -	S\$'000 137	S\$'000 -

**Details of any collateral**

As at 30 April 2008, the Group's secured borrowings comprised outstanding finance lease balances.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group 3 Months Ended 30/04/2008 S\$'000	Group 3 Months Ended 30/04/2007 S\$'000
<b>Cash flow from operating activities:-</b>		
Profit before taxation and minority interests	3,326	6,568
Adjustments for:		
Depreciation of fixed assets	8,568	6,968
Gain on sale of fixed assets	(12)	(25)
Fixed assets written off	-	112
Cost of share-based payment	73	141
Interest expense	971	1,014
Interest income	(156)	(203)
Currency re-alignment	(2,269)	2,395
<b>Operating profit before working capital changes</b>	<b>10,501</b>	<b>16,970</b>
Decrease / (Increase) in stocks	3,221	(597)
Increase in trade debtors	(74,202)	(8,775)
Increase in other debtors	(2,929)	(3,632)
Increase /(Decrease) in trade creditors	78,739	(995)
Increase / (Decrease) in other creditors and accruals	646	(1,528)
<b>Cash generated from operations</b>	<b>15,976</b>	<b>1,443</b>
Interest paid	(971)	(1,014)
Interest income	156	203
Taxation (paid)/refunded	(234)	153
<b>Net cash generated from operating activities</b>	<b>14,927</b>	<b>785</b>
<b>Cash flows from investing activities:-</b>		
Purchase of fixed assets	(8,716)	(7,470)
Proceeds from sale of fixed assets	23	43
<b>Net cash used in investing activities</b>	<b>(8,693)</b>	<b>(7,427)</b>
<b>Cash flows from financing activities:-</b>		
Payment of hire purchase obligations	(12)	(8)
(Repayment of)/Increase in bank borrowings	(668)	8,307
<b>Net cash (used in)/ from financing activities</b>	<b>(680)</b>	<b>8,299</b>
Net increase in cash and cash equivalents	5,554	1,657
Cash and cash equivalents at beginning of period	36,572	51,252
<b>Cash and cash equivalents at end of the period</b>	<b>42,126</b>	<b>52,909</b>
<b>Cash and cash equivalents comprise the following balance sheet amounts :-</b>		
Fixed Deposits	269	358
Cash and bank balances	41,857	52,551
	<b>42,126</b>	<b>52,909</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group 9 Mths to 30/04/2008 S\$'000</b>	<b>Group 9 Mths to 30/04/2007 S\$'000</b>	<b>Company 9 Mths to 30/04/2008 S\$'000</b>	<b>Company 9 Mths to 30/04/2007 S\$'000</b>
<b>Share capital</b>				
Balance at 1 August	252,193	250,883	252,193	250,883
Issuance of ordinary shares during the period	1,198	-	1,198	-
<b>Balance at 31 October</b>	<b>253,391</b>	<b>250,883</b>	<b>253,391</b>	<b>250,883</b>
Issuance of ordinary shares during the period	31	-	31	-
<b>Balance at 31 January and 30 April</b>	<b>253,422</b>	<b>250,883</b>	<b>253,422</b>	<b>250,883</b>
<b>Capital reserve</b>				
Balance at 1 August	7,369	7,369	-	-
Effect of adopting FRS 40	(3,121)	-	-	-
<b>Balance at 1 August – restated and end of period</b>	<b>4,248</b>	<b>7,369</b>	<b>-</b>	<b>-</b>
<b>Merger reserve</b>				
<b>Balance at beginning and end of period</b>	<b>-</b>	<b>-</b>	<b>25,036</b>	<b>25,036</b>
<b>Employee share option reserve</b>				
Balance at 1 August	2,812	2,363	-	-
Cost of share-based payment	73	142	-	-
<b>Balance at 31 October</b>	<b>2,885</b>	<b>2,505</b>	<b>-</b>	<b>-</b>
Cost of share-based payment	73	142	-	-
<b>Balance at 31 January</b>	<b>2,958</b>	<b>2,647</b>	<b>-</b>	<b>-</b>
Cost of share-based payment	73	141	-	-
<b>Balance at 30 April</b>	<b>3,031</b>	<b>2,788</b>	<b>-</b>	<b>-</b>
<b>Revenue reserve</b>				
Balance at 1 August	72,900	60,751	6,669	(1,351)
Effect of adopting FRS 40	3,507	-	-	-
Balance at 1 August - restated	76,407	60,751	6,669	(1,351)
Profit / (loss) for the period	3,635	6,998	(2,552)	(310)
<b>Balance at 31 October</b>	<b>80,042</b>	<b>67,749</b>	<b>4,117</b>	<b>(1,661)</b>
Payment of dividend	(10,708)	(13,199)	(10,708)	(13,199)
Profit / (loss) for the period	3,886	5,066	(1,295)	1,759
<b>Balance at 31 January</b>	<b>73,220</b>	<b>59,616</b>	<b>(7,886)</b>	<b>(13,101)</b>
Profit / (loss) for the period	3,166	6,168	(3,399)	(742)
<b>Balance at 30 April</b>	<b>76,386</b>	<b>65,784</b>	<b>(11,285)</b>	<b>(13,843)</b>

	Group 9 Mths to 30/04/2008 S\$'000	Group 9 Mths to 30/04/2007 S\$'000	Company 9 Mths to 30/04/2008 S\$'000	Company 9 Mths to 30/04/2007 S\$'000
<b>Foreign currency translation reserve</b>				
Balance at 1 August	(31,211)	(29,283)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	(4,566)	(1,169)	-	-
long term intercompany loan	(6,259)	(881)	-	-
<b>Balance at 31 October</b>	<b>(42,036)</b>	<b>(31,333)</b>	<b>-</b>	<b>-</b>
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	1,405	442	-	-
long term intercompany loan	(1,927)	(2,237)	-	-
<b>Balance at 31 January</b>	<b>(42,558)</b>	<b>(33,128)</b>	<b>-</b>	<b>-</b>
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	(2,056)	2,271	-	-
long term intercompany loan	(7,974)	(2,958)	-	-
<b>Balance at 30 April</b>	<b>(52,588)</b>	<b>(33,815)</b>	<b>-</b>	<b>-</b>
<b>Fair value adjustment reserve</b>				
Balance at 1 August	(15,088)	(15,342)	(15,088)	(15,342)
Net change in the reserve	39	78	39	78
<b>Balance at 31 October</b>	<b>(15,049)</b>	<b>(15,264)</b>	<b>(15,049)</b>	<b>(15,264)</b>
Net change in the reserve	(234)	20	(234)	20
<b>Balance at 31 January</b>	<b>(15,283)</b>	<b>(15,244)</b>	<b>(15,283)</b>	<b>(15,244)</b>
Net change in the reserve	(78)	156	(78)	156
<b>Balance at 30 April</b>	<b>(15,361)</b>	<b>(15,088)</b>	<b>(15,361)</b>	<b>(15,088)</b>
<b>Minority Interest</b>				
Balance at 1 August	5,514	5,242	-	-
Net profit for the period	24	34	-	-
Foreign currency translation adjustment	(1)	-	-	-
<b>Balance at 31 October</b>	<b>5,537</b>	<b>5,276</b>	<b>-</b>	<b>-</b>
Net profit for the period	18	22	-	-
Foreign currency translation adjustment	-	1	-	-
<b>Balance at 31 January</b>	<b>5,555</b>	<b>5,299</b>	<b>-</b>	<b>-</b>
Net profit for the period	(12)	94	-	-
Foreign currency translation adjustment	-	(1)	-	-
<b>Balance at 30 April</b>	<b>5,543</b>	<b>5,392</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>274,681</b>	<b>283,313</b>	<b>251,812</b>	<b>246,988</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

The Company did not issue any ordinary share during the third quarter ended 30 April 2008. As at 30 April 2008, there were unexercised options for 31,017,362 ordinary shares under the Beyonics Share Option Scheme 2000.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been reviewed nor audited.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the same accounting policies and method of computation as in the Group's most recently audited financial statements for the financial year ended 31 July 2007 have been applied.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

For the current financial year, the Group has adopted FRS 40 – investment property.

Prior to the adoption of FRS 40, investment properties are accounted for as long-term investments and are carried in the balance sheet at valuation and are revalued every three to five years. The surplus on revaluation is credited directly to capital reserves unless it reverses revaluation decrease relating to the same assets, which was previously recognized as an expense. Any deficit on revaluation is recognized as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation surplus in respect of that same class of assets. Any balance remaining in the revaluation surplus in respect of an investment property, is transferred directly to accumulated profits on retirement or disposal of the property.

With the adoption of FRS 40, changes in fair values of investment properties will be included in the profit and loss account.

This change in accounting policy has been accounted for prospectively in accordance with the transitional provisions and has resulted in a decrease in capital reserves of S\$3,121,000, an increase in revenue reserves of S\$3,507,000 and an increase in investment properties of S\$386,000 as at 1 August 2007.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	3 Mths Ended 30/04/2008	3 Mths Ended 30/04/2007	9 Mths Ended 30/04/2008	9 Mths Ended 30/04/2007
Earnings per ordinary share	0.59 cents	1.17 cents	2.00 cents	3.45 cents
Diluted earnings per ordinary share	0.59 cents	1.17 cents	2.00 cents	3.45 cents

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year**

<b>Group</b>	30/04/2008	31/07/2007
Net assets value per ordinary share	50.27 cents	54.35 cents
<b>Company</b>		
Net assets value per ordinary share	47.03 cents	50.56 cents

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Year-to-date and third quarter ended 30 April 2008 ("Q3 FY08") Group revenue increased respectively by 41.3% to S\$931.6 million and 116.6% to S\$462.3 million compared to the respective corresponding periods of the previous financial year mainly due to new PCBA business from Seagate.

Revenue from the Electronics Manufacturing Services ("EMS") division increased by 146.7% to S\$418.6 million in Q3 FY08 compared to the corresponding quarter ("Q3 FY07") of the previous financial year mainly due to the new PCBA business. Year-to-date revenue for EMS increased by 50.0% to S\$795.4 million.

Revenue from the Precision Engineering Services ("PES") division for Q3 FY08 was comparable to Q3 FY07. Year-to-date revenue for PES increased by 5.6% to S\$136.2 million mainly due to a healthy growth in the hard disk drive ("HDD") industry in the first half year.

Year-to-date and Q3 FY08 gross profit decreased respectively by 5.9% to S\$40.1 million and 12.1% to S\$12.7 million compared to the respective corresponding periods of the previous financial year due to lower contribution margins from existing and new businesses, higher depreciation and adverse exchange rates.

Year-to-date and Q3 FY08 Selling, General and Administrative expenses increased respectively by 26.5% to S\$27.7 million and 24.7% to S\$9.0 million compared to the respective corresponding periods of the previous financial year mainly due to exchange losses arising from inter-company loans and trade balances.

Finance costs decreased by 4.2% in Q3 FY08 mainly due to lower interest rates. Year-to-date finance costs increased by 16.7% to S\$2.8 million mainly due to higher bank borrowings to finance the acquisition of the Seagate operation in Senai.

The Group's profit attributable to equity holders of the Company for Q3 FY08 decreased by 48.7% as compared to Q3 FY07. Overall the Group's year-to-date profit attributable to equity holders of the Company decreased by 41.4% to S\$10.7 million.

Basic earnings per share ("EPS") in Q3 FY08 decreased to 0.59 cents from 1.17 cents in Q3 FY07. Year-to-date EPS decreased to 2.00 cents from 3.45 cents mainly due to lower profit.

The higher bank borrowings, stocks, fixed assets, trade debtors and trade creditors as at 30 April 2008 were attributable to the acquisition and commencement of PCBA business from Seagate.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

We operate in a highly competitive environment. Our customers are mainly original equipment manufacturers ("OEMs") and suppliers to the OEMs. Our revenue is largely dependent on the sales and product acceptance of our customers and also the general economic environment. The general economic environment continues to be weak due to the subprime crisis, escalating oil prices, volatile raw materials prices and exchange rates. Despite these, we expect revenue to grow with the new PCBA business. However, profitability may be affected due to the continued volatility in raw materials prices and exchange rates.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

**(b) Corresponding Period of the immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared/recommended, a statement to that effect**

Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable

**15. A breakdown of sales**

Not applicable

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	<b>Latest Full Year (S\$'000)</b>	<b>Previous Full Year (S\$'000)</b>
<b>Ordinary</b>	<b>0</b>	<b>0</b>
<b>Preference</b>	<b>0</b>	<b>0</b>
<b>Total:</b>	<b>0</b>	<b>0</b>

**Confirmation By The Board of Directors**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for Q3 FY08 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Tay Peng Huat  
Company Secretary  
13/06/2008