

BEYONICS TECHNOLOGY LIMITED

Third Quarter Financial Statements for the Period Ended 30/04/2010

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 30/04/2010 S\$'000	Group 3 Months Ended 30/04/2009 S\$'000	Change %	Group 9 Months Ended 30/04/2010 S\$'000	Group 9 Months Ended 30/04/2009 S\$'000	Change %
Revenue	385,234	352,077	9.4	1,176,899	1,174,422	0.2
Cost of sales	(376,597)	(345,875)	8.9	(1,146,621)	(1,151,145)	(0.4)
Gross profit	8,637	6,202	39.3	30,278	23,277	30.1
Other Income	304	452	(32.7)	727	1,454	(50.0)
	8,941	6,654	34.4	31,005	24,731	25.4
General and administrative expenses	(7,415)	(8,342)	(11.1)	(19,769)	(17,394)	13.7
Selling and marketing expenses	(17)	(38)	(55.3)	(162)	(135)	20.0
Profit/(Loss) from operating activities	1,509	(1,726)	nm	11,074	7,202	53.8
Finance costs	(536)	(882)	(39.2)	(1,795)	(2,878)	(37.6)
Profit/(Loss) before taxation	973	(2,608)	nm	9,279	4,324	114.6
Taxation	147	(59)	nm	(1,283)	(1,003)	27.9
Profit/(Loss) after taxation	1,120	(2,667)	nm	7,996	3,321	140.8
Attributable to:						
Equity holders of the Company	628	(2,608)	nm	6,861	3,383	102.8
Minority interests	492	(59)	nm	1,135	(62)	nm
	1,120	(2,667)	nm	7,996	3,321	140.8

Note:

nm - not meaningful

Statement of Comprehensive Income

	Group 3 Months Ended 30/04/2010 S\$'000	Group 3 Months Ended 30/04/2009 S\$'000	Group 9 Months Ended 30/04/2010 S\$'000	Group 9 Months Ended 30/04/2009 S\$'000
Profit/(Loss) for the period	1,120	(2,667)	7,996	3,321
Other comprehensive income:				
Fair value change of available for sale financial assets	-	77	-	38
Foreign currency translation				
- share capital, capital reserves, and revenue reserve/accumulated losses of subsidiary companies	1,711	(2,764)	(153)	5,485
- long term intercompany loan	(3,287)	251	(9,049)	15,964
Cost of share based payment	16	17	48	195
Total comprehensive income for the period	(440)	(5,086)	(1,158)	25,003
Total comprehensive income attributable to:				
Equity holders of the Company	(590)	(5,026)	(1,952)	24,872
Minority interests	150	(60)	794	131
	(440)	(5,086)	(1,158)	25,003

Additional information for the income statement

	Group 3 Months Ended 30/04/2010 S\$'000	Group 3 Months Ended 30/04/2009 S\$'000	Group 9 Months Ended 30/04/2010 S\$'000	Group 9 Months Ended 30/04/2009 S\$'000
Depreciation	(8,469)	(9,444)	(25,577)	(28,362)
Interest on borrowings	(536)	(882)	(1,795)	(2,878)
Foreign exchange (loss)/gain	(1,402)	(1,333)	(2,195)	3,763
Gain/(Loss) on disposal of fixed assets	37	(158)	(227)	(153)
Fixed assets written off	(39)	-	(54)	(126)
Cost of share-based payment	(16)	(17)	(48)	(195)
Interest income	28	31	69	368
(Allowance for doubtful debts)/Write back of allowance for doubtful debts	-	(34)	6	(78)
Write back of allowance/(Allowance for inventory obsolescence)	22	(191)	(37)	(315)
Impairment of investment securities	(39)	-	(78)	-

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.

	Group 30/04/2010 S\$'000	Group 31/07/2009 S\$'000	Company 30/04/2010 S\$'000	Company 31/07/2009 S\$'000
Non-Current Assets				
Fixed assets	224,477	249,431	-	-
Subsidiary companies	-	-	322,161	322,304
Investment securities	443	536	156	233
Investment properties	3,963	4,171	-	-
Intangible assets	20,054	20,054	-	-
Deferred tax assets	5,562	5,441	-	-
	254,499	279,633	322,317	322,537
Current Assets				
Asset held for sale	-	1,605	-	-
Inventories	87,576	73,584	-	-
Trade debtors	218,642	228,166	-	-
Other debtors	4,323	2,876	489	363
Other non-financial assets	8,445	8,510	21	17
Amounts due from subsidiary companies	-	-	-	21,333
Fixed deposits	4,045	1,222	32	34
Cash and bank balances	55,845	60,928	3,107	6,354
	378,876	376,891	3,649	28,101
Current Liabilities				
Trade creditors	229,096	226,725	-	-
Other creditors and accruals	16,928	17,196	758	1,046
Other non-financial liability	943	1,146	-	-
Amounts due to subsidiary companies	-	-	1,464	-
Finance lease creditors	41	40	-	-
Provision for taxation	1,912	1,790	15	18
Bank borrowings	50,871	53,599	41,267	41,267
	299,791	300,496	43,504	42,331
Net Current Assets/(Liabilities)	79,085	76,395	(39,855)	(14,230)
Non-Current Liabilities				
Finance lease creditors	115	146	-	-
Deferred tax liabilities	8,720	8,775	-	-
Long term loans	21,200	42,400	21,200	42,400
	30,035	51,321	21,200	42,400
Net Assets	303,549	304,707	261,262	265,907
Equity attributable to equity holders of the Company				
Share capital	254,022	254,022	254,022	254,022
Reserves	43,084	45,036	7,240	11,885
	297,106	299,058	261,262	265,907
Minority interests	6,443	5,649	-	-
Total Equity	303,549	304,707	261,262	265,907

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

Amount repayable in one year or less, or on demand

As at 30/04/2010		As at 31/07/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
41	50,871	40	53,599

Amount repayable after one year

As at 30/04/2010		As at 31/07/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
115	21,200	146	42,400

Details of any collateral

As at 30 April 2010, the Group's secured borrowings comprised outstanding hire purchase 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 30/04/2010 S\$'000	Group 3 Months Ended 30/04/2009 S\$'000
Cash flow from operating activities:-		
Profit/(Loss) before taxation and minority interests	973	(2,608)
Adjustments for:		
Depreciation of fixed assets	8,469	9,444
(Gain)/loss on disposal of fixed assets	(37)	158
Fixed assets written off	39	-
Cost of share-based payment	16	17
Impairment of investment securities	39	-
Interest expense	536	882
Interest income	(28)	(31)
Currency re-alignment	(2,034)	(638)
Operating profit before working capital changes	7,973	7,224
(Increase)/Decrease in inventories	(4,523)	13,222
Decrease/(Increase) in trade debtors	28,255	(40,656)
Decrease in other debtors and other non-financial assets	451	535
(Decrease)/Increase in trade creditors	(25,872)	41,003
Increase/(Decrease) in other creditors, accruals and non-financial liability	2,249	(1,416)
Cash generated from operations	8,533	19,912
Interest paid	(536)	(882)
Interest income	28	31
Tax (paid)/refunded	(216)	359
Net cash generated from operating activities	7,809	19,420
Cash flows from investing activities:-		
Purchase of fixed assets	(3,205)	(2,023)
Proceeds from sale of fixed assets	57	163
Net cash used in investing activities	(3,148)	(1,860)
Cash flows from financing activities:-		
Payment of finance lease obligations	(10)	(9)
Repayment of short-term bank borrowings	-	(9,182)
Repayment of long-term bank borrowings	(7,106)	-
Net cash used in financing activities	(7,116)	(9,191)
Net (decrease)/increase in cash and cash equivalents	(2,455)	8,369
Cash and cash equivalents at beginning of period	62,345	59,807
Cash and cash equivalents at end of the period	59,890	68,176
Cash and cash equivalents comprise the following balance sheet amounts :-		
Fixed deposits	4,045	1,031
Cash and bank balances	55,845	67,145
	59,890	68,176

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 Capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP	Share capital S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Fair value adjustment reserve S\$'000	Revenue reserve S\$'000	Total attributable to owners of the Company S\$'000	Minority interest S\$'000	Total equity S\$'000
Balance as at 1 August 2009	254,022	17,259	(40,089)	2,731	-	65,135	299,058	5,649	304,707
Total Comprehensive income for the period	-	-	(7,390)	16	-	2,036	(5,338)	292	(5,046)
Transfer of reserve on disposal	-	(489)	-	-	-	489	-	-	-
Balance as at 31 October 2009	254,022	16,770	(47,479)	2,747	-	67,660	293,720	5,941	299,661
Total Comprehensive income for the period	-	-	(237)	16	-	4,197	3,976	352	4,328
Balance as at 31 January 2010	254,022	16,770	(47,716)	2,763	-	71,857	297,696	6,293	303,989
Total Comprehensive income for the period	-	-	(1,234)	16	-	628	(590)	150	(440)
Balance as at 30 April 2010	254,022	16,770	(48,950)	2,779	-	72,485	297,106	6,443	303,549

GROUP	Share capital S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Share option reserve S\$'000	Fair value adjustment reserve S\$'000	Revenue reserve S\$'000	Total attributable to owners of the Company S\$'000	Minority interest S\$'000	Total equity S\$'000
Balance as at 1 August 2008	254,022	17,259	(52,646)	2,520	(128)	67,397	288,424	5,340	293,764
Total Comprehensive income for the period	-	-	16,029	89	(39)	5,608	21,687	311	21,998
Balance as at 31 October 2008	254,022	17,259	(36,617)	2,609	(167)	73,005	310,111	5,651	315,762
Total Comprehensive income for the period	-	-	7,739	89	-	383	8,211	(120)	8,091
Payment of dividend	-	-	-	-	-	(6,425)	(6,425)	-	(6,425)
Balance as at 31 January 2009	254,022	17,259	(28,878)	2,698	(167)	66,963	311,897	5,531	317,428
Total Comprehensive income for the period	-	-	(2,512)	17	77	(2,608)	(5,026)	(60)	(5,086)
Balance as at 30 April 2009	254,022	17,259	(31,390)	2,715	(90)	64,355	306,871	5,471	312,342

COMPANY	Share capital S\$'000	Merger reserve S\$'000	Share option reserve S\$'000	Fair value adjustment reserve S\$'000	Revenue reserve S\$'000	Total equity S\$'000
Balance as at 1 August 2009	254,022	25,036	2,731	-	(15,882)	265,907
Total Comprehensive income for the period	-	-	16	-	(2,425)	(2,409)
Balance as at 31 October 2009	254,022	25,036	2,747	-	(18,307)	263,498
Total Comprehensive income for the period	-	-	16	-	(337)	(321)
Balance as at 31 January 2010	254,022	25,036	2,763	-	(18,644)	263,177
Total Comprehensive income for the period	-	-	16	-	(1,931)	(1,915)
Balance as at 30 April 2010	254,022	25,036	2,779	-	(20,575)	261,262

COMPANY	Share capital S\$'000	Merger reserve S\$'000	Share option reserve S\$'000	Fair value adjustment reserve S\$'000	Revenue reserve S\$'000	Total equity S\$'000
Balance as at 1 August 2008	254,022	25,036	2,520	(128)	(12,176)	269,274
Total Comprehensive income for the period	-	-	89	(39)	5,065	5,115
Balance as at 31 October 2008	254,022	25,036	2,609	(167)	(7,111)	274,389
Total Comprehensive income for the period	-	-	89	-	2,126	2,215
Payment of dividend	-	-	-	-	(6,425)	(6,425)
Balance as at 31 January 2009	254,022	25,036	2,698	(167)	(11,410)	270,179
Total Comprehensive income for the period	-	-	17	77	(1,307)	(1,213)
Balance as at 30 April 2009	254,022	25,036	2,715	(90)	(12,717)	268,966

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 well as the number of shares as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 three months ended 30 April 2010. As at 30 April 2010, there were unexercised options for 31,150,394 (30 April 2009: 32,430,255) ordinary shares under the Beyonics Share Option Scheme 2000.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30/04/2010	31/07/2009
The total number of issued shares excluding treasury shares	535,383,701	535,383,701

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

None.

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 audited nor reviewed.

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

The Group adopted revised FRS 1 Presentation of Financial Statements and FRS 108 Operating Segments which are effective for financial periods beginning on or after 1 January 2009. The adoption of these FRS did not result in any significant change to the Group's accounting policies as they are disclosure standards.

Other than the above, the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the year ended 31 July 2009 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

Refer to Section 4 above.

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 30/04/2010	3 Mths Ended 30/04/2009	9 Mths Ended 30/04/2010	9 Mths Ended 30/04/2009
Basic Earnings/(Loss) per ordinary share	0.12 cents	(0.49) cents	1.28 cents	0.63 cents
Diluted earnings/(Loss) per ordinary share	0.12 cents	(0.49) cents	1.28 cents	0.63 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

Group	30/04/2010	31/07/2009
Net assets value per ordinary share	55.49 cents	55.86 cents
Company		
Net assets value per ordinary share	48.80 cents	49.67 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

Q3 FY10 vs Q3 FY09

Revenue of the Group for the three months ended 30 April 2010 ("Q3 FY10") increased by 9.4% to S\$385.2 million compared to the corresponding period of the preceding financial year ("Q3 FY09"). This was attributable to the improvement in general economic and business environment which resulted in higher orders from our customers. Accordingly, revenue from the Electronics Manufacturing Services ("EMS") and Precision Engineering Services ("PES") divisions increased by 6.3% to S\$346.8 million and 48.8% to S\$38.4 million respectively in Q3 FY10 compared to Q3 FY09.

Gross profit increased by 39.3% to S\$8.6 million due to higher revenue and manufacturing capacity utilization. Gross profit margin for Q3 FY10 was also higher at 2.2% compared to 1.8% in Q3 FY09 due to stronger performance in the EMS Division.

Excluding exchange losses, Selling, General and Administrative expenses of S\$6.0 million in Q3 FY10 were 14.4% lower compared to Q3 FY09 resulting from cost rationalization.

Finance costs decreased by 39.2% to S\$0.5 million due to lower bank borrowings.

Overall, the Group's profit attributable to equity holders of the Company increased to S\$0.6 million in Q3 FY10 compared to a loss of S\$2.6 million in Q3 FY09.

YTD FY10 vs YTD FY09

Revenue of the Group for the 9 months under review ("YTD FY10") was comparable to the corresponding period of the preceding financial year ("YTD FY09").

Gross profit increased by 30.1% to S\$30.3 million in YTD FY10 compared to S\$23.3 million in YTD FY09. Gross profit margin for YTD FY10 of 2.6% was higher compared to 2.0% for YTD FY09 due to stronger performance in the EMS division.

Excluding exchange differences, Selling, General and Administrative expenses were lower by 16.7% to S\$17.7 million compared to S\$21.3 million due to cost rationalization.

Finance costs decreased by 37.6% to S\$1.8 million in YTD FY10 mainly due to lower bank borrowings.

Overall, the Group's year-to-date profit attributable to equity holders of the Company increased by 102.8% to S\$6.9 million as compared to S\$3.4 million in the previous corresponding financial year.

Basic Earnings per Share

Basic earnings per share ("EPS") for Q3 FY10 increased to 0.12 cents from a basic loss per share of 0.49 cents in Q3 FY09. Year-to-date EPS increased to 1.28 cents from 0.63 cents.

Balance Sheet

Inventories were higher in line with higher manufacturing activities in April 2010.

The Group's focus on working capital management resulted in lower bank borrowings as at 30 April 2010.

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

While we are seeing some improvement in the general economic environment and improved orders from our customers, there are ongoing concerns that the economic recovery will be sluggish due to Europe's sovereign debt crisis and China's credit tightening measures. We thus expect the business environment to continue to be tough, challenging and highly competitive with volatility in foreign exchange rates and prices of energy and raw materials.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, 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)

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

Interested Person Transaction

The Company does not have any interested person transaction in Q3 FY10 that is discloseable under Rule 920(1)(a) of the SGX-ST Listing Manual.

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 FY10 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tay Peng Huat
Company Secretary
04/06/2010