

BEYONICS TECHNOLOGY LIMITED

Second Quarter Financial Statements for the Period Ended 31/01/2009

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 31/01/2009 S\$'000	Group 3 Months Ended 31/01/2008 S\$'000	Change %	Group 6 Months Ended 31/01/2009 S\$'000	Group 6 Months Ended 31/01/2008 S\$'000	Change %
Revenue	334,264	254,883	31.1	822,345	469,282	75.2
Cost of sales	(328,659)	(241,787)	35.9	(805,270)	(441,964)	82.2
Gross profit	5,605	13,096	(57.2)	17,075	27,318	(37.5)
Other Income	528	658	(19.8)	1,002	1,513	(33.8)
	6,133	13,754	(55.4)	18,077	28,831	(37.3)
General and administrative expenses	(4,505)	(8,388)	(46.3)	(9,052)	(18,349)	(50.7)
Selling and marketing expenses	(59)	(190)	(68.9)	(97)	(430)	(77.4)
Profit from operating activities	1,569	5,176	(69.7)	8,928	10,052	(11.2)
Finance costs	(1,074)	(935)	14.9	(1,996)	(1,782)	12.0
Profit before taxation and minority interests	495	4,241	(88.3)	6,932	8,270	(16.2)
Taxation	(232)	(337)	(31.2)	(944)	(708)	33.3
Profit after taxation	263	3,904	(93.3)	5,988	7,562	(20.8)
Attributable to:						
Equity holders of the Company	383	3,886	(90.1)	5,991	7,521	(20.3)
Minority interests	(120)	18	(766.7)	(3)	41	(107.3)
	263	3,904	(93.3)	5,988	7,562	(20.8)

Additional information for the income statement

	3 Months Ended 31/01/2009 S\$'000	3 Months Ended 31/01/2008 S\$'000	6 Months Ended 31/01/2009 S\$'000	6 Months Ended 31/01/2008 S\$'000
Depreciation	(9,815)	(7,870)	(18,918)	(15,192)
Interest on borrowings	(1,074)	(935)	(1,996)	(1,782)
Foreign exchange gain/(loss)	1,620	(1,446)	5,096	(5,742)
Gain/(Loss) on disposal of fixed assets	7	(6)	5	21
Fixed assets written off	-	-	(126)	-
Cost of share-based payment	(89)	(73)	(178)	(146)
Interest income	92	256	337	513
(Allowance)/write back of allowance for doubtful debts	(33)	-	(44)	124
Write back of allowance/(Allowance) for stock obsolescence	149	(21)	(124)	(92)

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 31/01/2009 S\$'000	Group 31/07/2008 S\$'000 (Restated)	Company 31/01/2009 S\$'000	Company 31/07/2008 S\$'000
Non-Current Assets				
Fixed assets	268,856	258,676	-	-
Subsidiary companies	-	-	329,560	320,249
Investment securities	471	481	156	195
Investment properties	4,594	4,176	-	-
Intangible assets	20,008	19,217	-	-
Deferred tax assets	6,414	6,514	-	-
	300,343	289,064	329,716	320,444
Current Assets				
Stocks	93,434	88,914	-	-
Trade debtors	180,990	277,127	-	-
Other debtors	5,244	4,689	295	225
Other non-financial assets	10,636	8,713	-	6
Amounts due from subsidiary companies	-	-	34,203	43,756
Fixed deposits	1,035	1,529	35	32
Cash and bank balances	58,772	47,102	3,894	587
	350,111	428,074	38,427	44,606
Current Liabilities				
Trade creditors	185,630	277,495	-	-
Other creditors and accruals	15,513	22,535	943	837
Other non-financial liability	1,845	1,136	-	-
Finance lease creditors	39	39	-	-
Provision for taxation	1,539	1,493	21	39
Bank borrowings	61,213	110,096	40,467	94,900
	265,779	412,794	41,431	95,776
Net Current Assets/(Liabilities)	84,332	15,280	(3,004)	(51,170)
Non-Current Liabilities				
Finance lease creditors	166	186	-	-
Deferred tax liabilities	10,548	10,394	-	-
Long term loans	56,533	-	56,533	-
	67,247	10,580	56,533	-
Net Assets	317,428	293,764	270,179	269,274
Equity attributable to equity holders of the Company				
Share capital	254,022	254,022	254,022	254,022
Reserves	57,875	34,402	16,157	15,252
	311,897	288,424	270,179	269,274
Minority interests	5,531	5,340	-	-
Total Equity	317,428	293,764	270,179	269,274

Note: The balance sheet as at 31 July 2008 has been restated due to a prior year adjustment which arose as a result of the finalisation of the purchase price allocation in accordance with FRS 103 – Business Combination.

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

Amount repayable in one year or less, or on demand

As at 31/01/2009		As at 31/07/2008	
Secured	Unsecured	Secured	Unsecured
S\$'000 39	S\$'000 61,213	S\$'000 39	S\$'000 110,096

Amount repayable after one year

As at 31/01/2009		As at 31/07/2008	
Secured	Unsecured	Secured	Unsecured
S\$'000 166	S\$'000 56,533	S\$'000 186	S\$'000 -

Details of any collateral

As at 31 January 2009, the Group 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 31/1/2009 S\$'000	Group 3 Months Ended 31/01/2008 S\$'000
Cash flows from operating activities:-		
Profit before taxation and minority interests	495	4,241
Adjustments for:		
Depreciation of fixed assets	9,815	7,870
Cost of share-based payment	89	73
(Gain)/Loss on disposal of fixed assets	(7)	6
Interest expense	1,074	935
Interest income	(92)	(256)
Currency re-alignment	2,004	(2,015)
Operating profit before working capital changes	13,378	10,854
Decrease / (Increase) in stocks	5,328	(29,122)
Decrease / (Increase) in trade debtors	117,227	(82,887)
(Increase) / Decrease in other debtors and other non-financial assets	(1,621)	1,059
(Decrease) / Increase in trade creditors	(109,534)	104,265
Decrease in other creditors, accruals and non-financial liability	(11,137)	(1,040)
Cash generated from operations	13,641	3,129
Interest paid	(1,074)	(935)
Interest received	92	256
Taxation paid	(824)	(327)
Net cash generated from operating activities	11,835	2,123
Cash flows from investing activities		
Purchase of fixed assets	(4,285)	(31,573)
Proceeds from sale of fixed assets	159	2
Acquisition of subsidiary company	(568)	-
Net cash used in investing activities	(4,694)	(31,571)
Cash flows from financing activities		
Payment of finance lease obligations	(10)	(89)
(Repayment of)/Proceeds from bank borrowings	(1,365)	20,693
Proceeds from the exercise of share options	-	31
Payment of dividend	(6,425)	(10,708)
Net cash (used in)/generated from financing activities	(7,800)	9,927
Net decrease in cash and cash equivalents	(659)	(19,521)
Cash and cash equivalents at beginning of period	60,466	56,093
Cash and cash equivalents at end of the period	59,807	36,572
Cash and cash equivalents comprise the following balance sheet amounts :-		
Fixed Deposits	1,035	271
Cash and bank balances	58,772	36,301
	59,807	36,572

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 3 Mths to 31/01/2009 S\$'000	Group 3 Mths to 31/01/2008 S\$'000	Company 3 Mths to 31/01/2009 S\$'000	Company 3 Mths to 31/01/2008 S\$'000
Share capital				
Balance as at 1 August	254,022	252,482	254,022	252,482
Exercise of employee share options	-	1,198	-	1,198
Transfer from share option reserve	-	304	-	304
Balance at 31 October	254,022	253,984	254,022	253,984
Exercise of employee share options	-	31	-	31
Transfer from share option reserve	-	7	-	7
Balance at 31 January	254,022	254,022	254,022	254,022
Capital reserve				
Balance at beginning and end of period	17,259	4,248	-	-
Merger reserve				
Balance at beginning and end of period	-	-	25,036	25,036
Employee share option reserve				
Balance at 1 August	2,520	2,523	2,520	2,523
Exercise of employee share options	-	(304)	-	(304)
Cost of share-based payment	89	73	89	73
Balance at 31 October	2,609	2,292	2,609	2,292
Exercise of employee share options	-	(7)	-	(7)
Cost of share-based payment	89	73	89	73
Balance at 31 January	2,698	2,358	2,698	2,358
Revenue reserve				
Balance at 1 August - as previously stated	66,381	61,136	(12,176)	(8,602)
Prior year adjustment *	1,016	-	-	-
Balance at 1 August – as restated	67,397	61,136	(12,176)	(8,602)
Profit / (loss) for the period	5,608	3,635	5,065	(2,552)
Balance at 31 October	73,005	64,771	(7,111)	(11,154)
Payment of dividend	(6,425)	(10,708)	(6,425)	(10,708)
Profit / (loss) for the period	383	3,886	2,126	(1,295)
Balance at 31 January	66,963	57,949	(11,410)	(23,157)
Fair value adjustment reserve				
Balance at 1 August	(128)	183	(128)	183
Net change in the reserve	(39)	39	(39)	39
Balance at 31 October	(167)	222	(167)	222
Net change in the reserve	-	(234)	-	(234)
Balance at 31 January	(167)	(12)	(167)	(12)

	Group 3 Mths to 31/01/2009 S\$'000	Group 3 Mths to 31/01/2008 S\$'000	Company 3 Mths to 31/01/2009 S\$'000	Company 3 Mths to 31/01/2008 S\$'000
Foreign currency translation reserve				
Balance at 1 August	(52,646)	(31,211)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	3,904	(4,566)	-	-
long term intercompany loan	12,125	(6,259)	-	-
Balance at 31 October	(36,617)	(42,036)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	4,151	1,405	-	-
long term intercompany loan	3,588	(1,927)	-	-
Balance at 31 October	(28,878)	(42,558)	-	-
Minority Interest				
Balance at 1 August	5,340	5,514	-	-
Net profit for the period	117	24	-	-
Foreign currency translation adjustment	194	(1)	-	-
Balance at 31 October	5,651	5,537	-	-
Net profit for the period	(120)	18	-	-
Balance at 31 October	5,531	5,555	-	-
Total	317,428	281,562	270,179	258,247

* This prior year adjustment arose as a result of the finalisation of the purchase price allocation in accordance with FRS 103 – Business Combination.

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 second quarter ended 31 January 2009. As at 31 January 2009, there were unexercised options for 33,525,612 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

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 2008 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

Not Applicable.

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 31/01/2009	3 Mths Ended 31/01/2008	6 Mths Ended 31/01/2009	6 Mths Ended 31/01/2008
Earnings per share	0.07 cents	0.73 cents	1.12 cents	1.41 cents
Diluted earnings per share	0.07 cents	0.73 cents	1.12 cents	1.41 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	31/01/2009	31/07/2008
Net assets value per ordinary share	58.26 cents	53.87 cents
Company		
Net assets value per ordinary share	50.46 cents	50.30 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

Revenue of the Group increased in the first half year under review ("1H FY09") compared to the corresponding period of the previous financial year ("1H FY08") mainly due to PCBA business from Seagate which was acquired at the end of December 2007.

Revenue from the Electronic Manufacturing Services ("EMS") division increased by 99.3% to S\$750.9 million in 1H FY09 compared to 1H FY08 due mainly to six months' recognition of revenue for the PCBA business from Seagate as compared to only one month in 1H FY08. However, this was partly offset by lower orders from other customers due to the rapid deterioration in the global economy.

The economic downturn has also resulted in revenue from the Precision Engineering Services ("PES") division to decrease by 22.8% to S\$71.4 million in 1H FY09 compared to 1H FY08.

Gross profit decreased by 37.5% to S\$17.1 million in 1H FY09 compared with S\$27.3 million in 1H FY08 due to the lower revenue from the PES division. In addition, the Seagate PCBA business also has lower gross profit margin as compared to the other businesses.

Selling, General and Administrative expenses decreased by 51.3% to S\$9.1 million in 1H FY09 compared to S\$18.8 million in 1H FY08 mainly due to exchange gains (versus exchange losses in 1H FY08) arising from inter-company loans and trade balances. However, this was partly offset by increases in general and administrative expenses from the Seagate PCBA operation.

Finance costs increased by 12.0% to S\$2.0 million in 1H FY09 mainly due to higher bank borrowings.

Overall, the Group's profit attributable to equity holders of the Company decreased by 20.3% to S\$6.0 million in 1H FY09 as compared to S\$7.5 million in 1H FY08.

Basic earnings per share ("EPS") for 1H FY09 decreased to 1.12 cents from 1.41 cents for 1H FY08 in line with the lower profit.

The lower trade debtors' and trade creditors' balances were largely due to a significant decline in demand of products from customers in the second quarter of FY09 in line with the sharp deterioration in world economic activities.

In December 2008, the Company secured and drew down two three-year term loans of S\$50 million and S\$29 million respectively from existing bankers. These term loans were drawn down to reduce existing short term loans.

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

The global economic environment has taken a sharp downturn in the last few months with no clear visibility of improvement in the near future. This will affect the demand of our customers' products which will in turn impact on the Group's performance. In such challenging environment, we are continuing our efforts to reduce our overall costs to stay competitive. However, we also find that there are opportunities to develop new customer accounts as companies reassess their supply chain and vendor base.

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/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

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 1H FY09 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tay Peng Huat
Company Secretary
13/03/2009