

BEYONICS TECHNOLOGY LIMITED

First Quarter Financial Statements for the Period Ended 31/10/2007

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 31/10/2007 S\$'000	Group 3 Months Ended 31/10/2006 S\$'000	Change %
Revenue	214,399	245,557	(12.7)
Cost of sales	(200,177)	(231,119)	(13.4)
Gross profit	14,222	14,438	(1.5)
Other Income	855	316	170.6
	15,077	14,754	2.2
General and administrative expenses	(9,961)	(6,411)	55.4
Selling and marketing expenses	(241)	(262)	(8.0)
Profit from operating activities	4,875	8,081	(39.7)
Finance costs	(846)	(614)	37.8
Profit before taxation	4,029	7,467	(46.0)
Taxation	(370)	(435)	(14.9)
Profit after taxation	3,659	7,032	(48.0)
Attributable to:			
Equity holders of the Company	3,635	6,998	(48.1)
Minority interests	24	34	(29.4)
	3,659	7,032	(48.0)

Additional information for the income statement

	3 Months Ended 31/10/2007 S\$'000	3 Months Ended 31/10/2006 S\$'000
Depreciation	(7,321)	(6,508)
Interest on borrowings	(846)	(614)
Foreign exchange loss	(4,296)	(253)
Gain on disposal of fixed assets	27	321
Fixed assets written off	-	(301)
Cost of share-based payment	(73)	(142)
Interest income	257	180
Allowance for doubtful debts written back	124	225
Allowance for stock obsolescence	(71)	(145)

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 31/10/2007 S\$'000	Group 31/07/2007 S\$'000	Company 31/10/2007 S\$'000	Company 31/07/2007 S\$'000
Non-Current Assets				
Fixed assets	226,213	237,285	-	-
Subsidiary companies	-	-	291,526	291,526
Investment securities	850	823	545	506
Investment properties	4,190	3,968	-	-
Intangible assets	19,572	19,217	-	-
	250,825	261,293	292,071	292,032
Current Assets				
Stocks	66,955	69,475	-	-
Trade debtors	103,291	99,240	-	-
Other debtors	13,440	11,827	305	126
Amounts due from subsidiary companies	-	-	26,181	23,651
Fixed deposits	2,845	324	34	35
Cash and bank balances	53,248	67,890	7,452	11,940
	239,779	248,756	33,972	35,752
Current Liabilities				
Trade creditors	81,372	84,798	-	-
Other creditors and accruals	22,459	25,033	1,104	1,530
Finance lease creditors	51	30	-	-
Provision for taxation	2,765	2,745	44	44
Bank borrowings	94,175	102,550	57,400	57,400
	200,822	215,156	58,548	58,974
Net Current Assets/(Liabilities)	38,957	33,600	(24,576)	(23,222)
Non-Current Liabilities				
Finance lease creditors	283	137	-	-
Deferred taxation	481	267	-	-
	764	404	-	-
Net Assets	289,018	294,489	267,495	268,810
Equity attributable to equity holders of the Company				
Share capital	253,391	252,193	253,391	252,193
Reserves	30,090	36,782	14,104	16,617
	283,481	288,975	267,495	268,810
Minority interests	5,537	5,514	-	-
Total Equity	289,018	294,489	267,495	268,810

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

Amount repayable in one year or less, or on demand

As at 31/10/2007		As at 31/07/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000 51	S\$'000 94,175	S\$'000 30	S\$'000 102,550

Amount repayable after one year

As at 31/10/2006		As at 31/07/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000 283	S\$'000 -	S\$'000 137	S\$'000 -

Details of any collateral

As at 31 October 2007, 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 31/10/2007 S\$'000	Group 3 Months Ended 31/10/2006 S\$'000
Cash flows from operating activities:-		
Profit before taxation and minority interests	4,029	7,467
Adjustments for:		
Depreciation of fixed assets	7,321	6,508
Cost of share-based payment	73	142
Gain on sale of fixed assets	(27)	(321)
Fixed assets written off	-	301
Interest expenses	846	614
Interest income	(257)	(180)
Dividend income	(107)	-
Currency re-alignment	(2,317)	193
Operating profit before working capital changes	9,561	14,724
Decrease in stocks	2,520	2,161
Increase in trade debtors	(4,051)	(4,349)
(Increase)/Decrease in other debtors, deposits and prepayments	(1,613)	1,998
(Decrease)/Increase in trade creditors	(3,426)	9,049
Decrease in other creditors and accruals	(2,574)	(5,531)
Cash generated from operations	417	18,052
Interest paid	(846)	(614)
Interest income	257	180
Taxation paid	(136)	(214)
Net cash (used in)/generated from operating activities	(308)	17,404
Cash flows from investing activities:-		
Purchase of fixed assets	(4,916)	(15,835)
Proceeds from sale of fixed assets	6	315
Dividend income received	107	-
Net cash used in investing activities	(4,803)	(15,520)
Cash flows from financing activities:-		
Increase/(Decrease) in finance lease obligations	167	(4)
(Repayments of)/Proceeds from bank borrowings	(8,375)	3,440
Proceeds from the exercise of share options	1,198	-
Net cash generated from financing activities	(7,010)	3,436
Net (decrease)/increase in cash and cash equivalents	(12,121)	5,320
Cash and cash equivalents at beginning of year	68,214	53,237
Cash and cash equivalents at end of the year	56,093	58,557
Cash and cash equivalents comprise the following balance sheet amounts :-		
Fixed Deposits	2,845	356
Cash and bank balances	53,248	58,201
	56,093	58,557

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

	Group 3 Mths to 31/10/2007 S\$'000	Group 3 Mths to 31/10/2006 S\$'000	Company 3 Mths to 31/10/2007 S\$'000	Company 3 Mths to 31/10/2006 S\$'000
Share capital				
Balance at 1 August	252,193	250,883	252,193	250,883
Issuance of ordinary shares during the period	1,198	-	1,198	-
Balance at 31 October	253,391	250,883	253,391	250,883
Capital reserve				
Balance at 1 August	7,369	7,369	-	-
Effect of adopting FRS 40	(3,121)	-	-	-
Balance at 1 August – restated and 31 October	4,248	7,369	-	-
Merger reserve				
Balance at beginning and end of period	-	-	25,036	25,036
Employee share option reserve				
Balance at 1 August	2,812	2,363	-	-
Cost of share-based payment	73	142	-	-
Balance at 31 October	2,885	2,505	-	-
Revenue reserve				
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	-	-
Profit / (loss) for the period	3,635	6,998	(2,552)	(310)
Balance at 31 October	80,042	67,749	4,117	(1,661)
Foreign currency translation reserve				
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)	-	-
Balance at 31 October	(42,036)	(31,333)	-	-

	Group 3 Mths to 31/10/2007 S\$'000	Group 3 Mths to 31/10/2006 S\$'000	Company 3 Mths to 31/10/2007 S\$'000	Company 3 Mths to 31/10/2006 S\$'000
Fair value adjustment reserve				
Balance at 1 August	(15,088)	(15,342)	(15,088)	(15,342)
Net change in the reserve	39	78	39	78
Balance at 31 October	(15,049)	(15,264)	(15,049)	(15,264)
Minority Interest				
Balance at 1 August	5,514	5,242	-	-
Net profit for the period	24	34	-	-
Foreign currency translation adjustment	(1)	-	-	-
Balance at 31 October	5,537	5,276	-	-
Total	289,018	287,185	267,495	258,994

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

During the first quarter ended 31 October 2007, the Company issued 3,593,039 ordinary shares upon exercise of options granted under the Beyonics Share Option Scheme. As at 31 October 2007, there were unexercised options for 33,211,445 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 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

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 31/10/2007	3 Mths Ended 31/10/2006
Earnings per ordinary share	0.68 cents	1.32 cents
Diluted earnings per ordinary share	0.68 cents	1.32 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	31/10/2007	31/07/2007
Net assets value per ordinary share	52.96 cents	54.35 cents
Company		
Net assets value per ordinary share	49.97 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**

Revenue, cost of sales and profit attributable to equity holders of the Company decreased in the first quarter under review ("Q1 FY08") compared to the corresponding quarter of the previous financial year ("Q1 FY07") mainly due to lower revenue from the Electronic Manufacturing Services ("EMS") division and adverse exchange rates.

Revenue from the EMS division decreased by 16.7% to S\$170.0 million in Q1 FY08 compared to Q1 FY07 mainly due to lower orders for battery packs and cordless phones. However, this is partly compensated by an increase in demand for multimedia products.

Revenue from the Precision Engineering Services division increased by 7.1% to S\$44.4 million in Q1 FY08 compared to Q1 FY07 mainly due to a healthy hard disk drive ("HDD") industry.

Gross profit of S\$14.2 million in Q1 FY08 is comparable to that of Q1 FY07. Gross profit margin increased to 6.6% in Q1 FY08 compared to 5.9% in Q1 FY07 due to a better product mix.

Selling, General and Administrative expenses increased by 52.9% to S\$10.2 million in Q1 FY08 compared to S\$6.7 million in Q1 FY07 mainly due to unrealized exchange losses arising from inter-company loans and trade balances.

Finance costs in Q1 FY08 increased by 37.8% to S\$846,000 mainly due to higher bank borrowings and interest rates.

Overall, the Group's profit attributable to equity holders of the Company in Q1 FY08 decreased by 48.1% to S\$3.6 million as compared to S\$7.0 million in Q1 FY07.

Basic earnings per share in Q1 FY08 decreased to 0.68 cents from 1.32 cents in Q1 FY07 in line with the lower profit.

- 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 expect revenue to improve in the second half of FY08 as orders for battery packs and cordless phones should begin to recover. In addition, we are on target to complete our acquisition of the operation of Senai Seagate Industries (M) Sdn Bhd at the end of December 2007 and this operation is expected to contribute to revenue from January 2008. We expect the Group to perform relatively well, however, uncertainty due to volatility in raw materials prices and adverse exchange rates may affect our profitability.

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 Q1 FY08 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tay Peng Huat
Company Secretary
13/12/2007