

# BEYONICS TECHNOLOGY LIMITED

## First Quarter Financial Statements for the Period Ended 31/10/2008

### 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 31/10/2008 S\$'000	Group 3 Months Ended 31/10/2007 S\$'000	Change %
<b>Revenue</b>	<b>488,081</b>	<b>214,399</b>	<b>127.7</b>
Cost of sales	(476,611)	(200,177)	138.1
<b>Gross profit</b>	<b>11,470</b>	<b>14,222</b>	<b>(19.4)</b>
Other Income	474	855	(44.6)
	<b>11,944</b>	<b>15,077</b>	<b>(20.8)</b>
General and administrative expenses	(4,547)	(9,961)	(54.4)
Selling and marketing expenses	(38)	(241)	(84.2)
<b>Profit from operating activities</b>	<b>7,359</b>	<b>4,875</b>	<b>51.0</b>
Finance costs	(922)	(846)	9.0
<b>Profit before taxation</b>	<b>6,437</b>	<b>4,029</b>	<b>59.8</b>
Taxation	(712)	(370)	92.4
<b>Profit after taxation</b>	<b>5,725</b>	<b>3,659</b>	<b>56.5</b>
<b>Attributable to:</b>			
Equity holders of the Company	<b>5,608</b>	<b>3,635</b>	<b>54.3</b>
Minority interests	117	24	387.5
	<b>5,725</b>	<b>3,659</b>	<b>56.5</b>

Additional information for the income statement

	3 Months Ended 31/10/2008 S\$'000	3 Months Ended 31/10/2007 S\$'000
Depreciation	(9,103)	(7,321)
Interest on borrowings	(922)	(846)
Foreign exchange gain/(loss)	3,476	(4,296)
(Loss)/gain on disposal of fixed assets	(2)	27
Fixed assets written off	(126)	-
Cost of share-based payment	(89)	(73)
Interest income	245	257
(Allowance for doubtful debts)/ write back of allowance for doubtful debts	(11)	124
Allowance for stock obsolescence	(273)	(71)

**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 31/10/2008 S\$'000</b>	<b>Group 31/07/2008 S\$'000</b>	<b>Company 31/10/2008 S\$'000</b>	<b>Company 31/07/2008 S\$'000</b>
<b>Non-Current Assets</b>				
Fixed assets	266,001	257,660	-	-
Subsidiary companies	-	-	320,339	320,249
Investment securities	463	481	156	195
Investment properties	4,475	4,176	-	-
Intangible assets	19,217	19,217	-	-
Deferred tax assets	6,366	6,514	-	-
	<b>296,522</b>	<b>288,048</b>	<b>320,495</b>	<b>320,444</b>
<b>Current Assets</b>				
Stocks	98,745	88,914	-	-
Trade debtors	297,582	277,127	-	-
Other debtors	4,525	4,689	519	225
Other non-financial assets	9,610	8,713	-	6
Amounts due from subsidiary companies	-	-	44,889	43,756
Fixed deposits	2,555	1,529	34	32
Cash and bank balances	57,911	47,102	5,013	587
	<b>470,928</b>	<b>428,074</b>	<b>50,455</b>	<b>44,606</b>
<b>Current Liabilities</b>				
Trade creditors	294,600	277,495	-	-
Other creditors and accruals	24,812	22,535	1,359	837
Other non-financial liability	1,287	1,136	-	-
Finance lease creditors	39	39	-	-
Provision for taxation	2,357	1,493	302	39
Bank borrowings	119,111	110,096	94,900	94,900
	<b>442,206</b>	<b>412,794</b>	<b>96,561</b>	<b>95,776</b>
<b>Net Current Assets/(Liabilities)</b>	<b>28,722</b>	<b>15,280</b>	<b>(46,106)</b>	<b>(51,170)</b>
<b>Non-Current Liabilities</b>				
Finance lease creditors	176	186	-	-
Deferred tax liabilities	10,322	10,394	-	-
	<b>10,498</b>	<b>10,580</b>	-	-
<b>Net Assets</b>	<b>314,746</b>	<b>292,748</b>	<b>274,389</b>	<b>269,274</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	254,022	254,022	254,022	254,022
Reserves	55,073	33,386	20,367	15,252
	<b>309,095</b>	<b>287,408</b>	<b>274,389</b>	<b>269,274</b>
Minority interests	5,651	5,340	-	-
<b>Total Equity</b>	<b>314,746</b>	<b>292,748</b>	<b>274,389</b>	<b>269,274</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 31/10/2008</b>		<b>As at 31/07/2008</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000 39	S\$'000 119,111	S\$'000 39	S\$'000 110,096

**Amount repayable after one year**

<b>As at 31/10/2008</b>		<b>As at 31/07/2008</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000 176	S\$'000 -	S\$'000 186	S\$'000 -

**Details of any collateral**

As at 31 October 2008, 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 31/10/2008 S\$'000	Group 3 Months Ended 31/10/2007 S\$'000
<b>Cash flows from operating activities:-</b>		
Profit before taxation and minority interests	6,437	4,029
Adjustments for:		
Depreciation of fixed assets	9,103	7,321
Cost of share-based payment	89	73
Loss/(gain) on disposal of fixed assets	2	(27)
Fixed assets written off	126	-
Interest expense	922	846
Interest income	(245)	(257)
Dividend income	(39)	(107)
Currency re-alignment	4,975	(2,317)
<b>Operating profit before working capital changes</b>	<b>21,370</b>	<b>9,561</b>
(Increase)/Decrease in stocks	(9,831)	2,520
Increase in trade debtors	(20,455)	(4,051)
Increase in other debtors and other non-financial assets	(733)	(1,613)
Increase/(Decrease) in trade creditors	17,105	(3,426)
Increase/(Decrease) in other creditors, accruals and non-financial liability	2,428	(2,574)
<b>Cash generated from operations</b>	<b>9,884</b>	<b>417</b>
Interest paid	(922)	(846)
Interest received	245	257
Taxation refunded/(paid)	80	(136)
<b>Net cash generated from/(used in) operating activities</b>	<b>9,287</b>	<b>(308)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(6,642)	(4,916)
Proceeds from sale of fixed assets	146	6
Dividend income received	39	107
<b>Net cash used in investing activities</b>	<b>(6,457)</b>	<b>(4,803)</b>
<b>Cash flows from financing activities</b>		
(Decrease)/Increase in finance lease obligations	(10)	167
Proceeds from/(Repayment of) bank borrowings	9,015	(8,375)
Proceeds from the exercise of share options	-	1,198
<b>Net cash generated from/(used in) financing activities</b>	<b>9,005</b>	<b>(7,010)</b>
Net increase/(decrease) in cash and cash equivalents	11,835	(12,121)
Cash and cash equivalents at beginning of year	48,631	68,214
<b>Cash and cash equivalents at end of the period</b>	<b>60,466</b>	<b>56,093</b>
<b>Cash and cash equivalents comprise the following balance sheet amounts :-</b>		
Fixed Deposits	2,555	2,845
Cash and bank balances	57,911	53,248
	<b>60,466</b>	<b>56,093</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

	Group 3 Mths to 31/10/2008 S\$'000	Group 3 Mths to 31/10/2007 S\$'000	Company 3 Mths to 31/10/2008 S\$'000	Company 3 Mths to 31/10/2007 S\$'000
<b>Share capital</b>				
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
<b>Balance at 31 October</b>	<b>254,022</b>	<b>253,984</b>	<b>254,022</b>	<b>253,984</b>
<b>Capital reserve</b>				
<b>Balance at 1 August and 31 October</b>	<b>17,259</b>	<b>4,248</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	2,520	2,523	2,520	2,523
Exercise of employee share options	-	(304)	-	(304)
Cost of share-based payment	89	73	89	73
<b>Balance at 31 October</b>	<b>2,609</b>	<b>2,292</b>	<b>2,609</b>	<b>2,292</b>
<b>Revenue reserve</b>				
Balance at 1 August	66,381	61,136	(12,176)	(8,602)
Profit / (loss) for the period	5,608	3,635	5,065	(2,552)
<b>Balance at 31 October</b>	<b>71,989</b>	<b>64,771</b>	<b>(7,111)</b>	<b>(11,154)</b>
<b>Fair value adjustment reserve</b>				
Balance at 1 August	(128)	183	(128)	183
Net change in the reserve	(39)	39	(39)	39
<b>Balance at 31 October</b>	<b>(167)</b>	<b>222</b>	<b>(167)</b>	<b>222</b>
<b>Foreign currency translation reserve</b>				
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)	-	-
<b>Balance at 31 October</b>	<b>(36,617)</b>	<b>(42,036)</b>	<b>-</b>	<b>-</b>

	<b>Group 3 Mths to 31/10/2008 S\$'000</b>	<b>Group 3 Mths to 31/10/2007 S\$'000</b>	<b>Company 3 Mths to 31/10/2008 S\$'000</b>	<b>Company 3 Mths to 31/10/2007 S\$'000</b>
<b>Minority Interest</b>				
Balance at 1 August	5,340	5,514	-	-
Net profit for the period	117	24	-	-
Foreign currency translation adjustment	194	(1)	-	-
<b>Balance at 31 October</b>	<b>5,651</b>	<b>5,537</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>314,746</b>	<b>289,018</b>	<b>274,389</b>	<b>270,380</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 three months ended 31 October 2008. As at 31 October 2008, there were unexercised options for 33,817,393 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**

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 31/10/2008	3 Mths Ended 31/10/2007
Earnings per ordinary share	1.05 cents	0.68 cents
Diluted earnings per ordinary share	1.05 cents	0.68 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>	31/10/2008	31/07/2008
Net assets value per ordinary share	57.73 cents	54.35 cents
<b>Company</b>		
Net assets value per ordinary share	51.25 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 increased during the three months ended 31 October 2008 ("Q1 FY09") compared to the corresponding period of the previous financial year ("Q1 FY08") mainly due to higher revenue from the Electronics Manufacturing Services ("EMS") division.

Revenue from the EMS division increased by 160.5% to S\$442.9 million in Q1 FY09 compared to Q1 FY08 mainly due to the new Seagate PCBA business.

Revenue of S\$45.2 million from the Precision Engineering Services division in Q1 FY09 was comparable to that of Q1 FY08.

Gross profit decreased by 19.4% to S\$11.5 million in Q1 FY09 compared to S\$14.2 million in Q1 FY08 mainly due to higher raw material costs for other businesses excluding the Seagate PCBA business. The Seagate PCBA business (commenced after Q1 FY08) also has lower gross profit margin as compared to the other businesses.

Selling, General and Administrative expenses decreased by 55.1% to S\$4.6 million in Q1 FY09 compared to S\$10.2 million in Q1 FY08 mainly due to exchange gains (versus exchange losses in Q1 FY08) arising from inter-company loans and trade balances offsetting increases in general and administrative expenses from the Seagate PCBA operation and professional fees for various corporate exercises.

Finance costs in Q1 FY09 increased by 9.0% to S\$922,000 mainly due to higher bank borrowings and higher interest rates.

Overall, the Group's profit attributable to equity holders of the Company in Q1 FY09 increased by 54.3% to S\$5.6 million as compared to S\$3.6 million in Q1 FY08.

Basic earnings per share in Q1 FY09 increased to 1.05 cents from 0.68 cents in Q1 FY08 in line with the higher 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**

The general economic environment continues to be very challenging amidst the current financial turmoil. The US economy is in recession and economic activities throughout the world are expected to continue to contract. These will highly likely affect the demand of products of our customers which will in turn affect the Group's performance. Despite a strengthening of the US Dollar and a general decrease in prices of energy and raw materials, both of which are favourable to our manufacturing costs, we continue to rationalize our costs and seek opportunities to maintain 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/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 Q1 FY09 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Tay Peng Huat  
Company Secretary  
12/12/2008