

BEYONICS TECHNOLOGY LIMITED

First Quarter Financial Statements for the Period Ended 31/10/2009

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 31/10/2009 S\$'000	Group 3 Months Ended 31/10/2008 S\$'000	Change %
Revenue	394,307	488,081	(19.2)
Cost of sales	(383,904)	(476,611)	(19.5)
Gross profit	10,403	11,470	(9.3)
Other Income	232	474	(51.1)
	10,635	11,944	(11.0)
General and administrative expenses	(6,986)	(4,547)	53.6
Selling and marketing expenses	(33)	(38)	(13.2)
Profit from operating activities	3,616	7,359	(50.9)
Finance costs	(695)	(922)	(24.6)
Profit before taxation	2,921	6,437	(54.6)
Taxation	(593)	(712)	(16.7)
Profit after taxation	2,328	5,725	(59.3)
Attributable to:			
Equity holders of the Company	2,036	5,608	(63.7)
Minority interests	292	117	149.6
	2,328	5,725	(59.3)

Statement of Comprehensive Income

	Group 3 Months Ended 31/10/2009 S\$'000	Group 3 Months Ended 31/10/2008 S\$'000
Profit for the period	2,328	5,725
Other comprehensive income:		
Fair value change of available for sale financial assets	-	(39)
Foreign currency translation		
- share capital, capital reserves, and revenue reserve/accumulated losses of subsidiaries companies	(2,170)	4,098
- long term intercompany loan	(5,220)	12,125
Cost of share based payment	16	89
Total comprehensive income for the period	(5,046)	21,998
Total comprehensive income attributable to:		
Equity holders of the Company	(5,338)	21,687
Minority interests	292	311
	(5,046)	21,998

Additional information for the income statement

	Group 3 Months Ended 31/10/2009 S\$'000	Group 3 Months Ended 31/10/2008 S\$'000
Depreciation	(8,619)	(9,103)
Interest on borrowings	(695)	(922)
Foreign exchange (loss)/gain	(1,327)	3,476
Loss on disposal of fixed assets and asset held for sale	(310)	(2)
Fixed assets written off	(5)	(126)
Cost of share-based payment	(16)	(89)
Interest income	18	245
Write back of allowance for doubtful debts/(Allowance for doubtful debts)	4	(11)
Write back of allowance for stock obsolescence/(Allowance for stock obsolescence)	7	(273)

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 31/10/2009 S\$'000	Group 31/07/2009 S\$'000	Company 31/10/2009 S\$'000	Company 31/07/2009 S\$'000
Non-Current Assets				
Fixed assets	235,653	249,431	-	-
Subsidiary companies	-	-	322,178	322,304
Investment securities	527	536	233	233
Investment properties	4,044	4,171	-	-
Intangible assets	20,054	20,054	-	-
Deferred tax assets	5,318	5,441	-	-
	265,596	279,633	322,411	322,537
Current Assets				
Asset held for sale	-	1,605	-	-
Inventories	80,413	73,584	-	-
Trade debtors	229,516	228,166	-	-
Other debtors	2,602	2,876	590	363
Other non-financial assets	7,794	8,510	7	17
Amounts due from subsidiary companies	-	-	14,923	21,333
Fixed deposits	935	1,222	33	34
Cash and bank balances	63,392	60,928	3,147	6,354
	384,652	376,891	18,700	28,101
Current Liabilities				
Trade creditors	236,421	226,725	-	-
Other creditors and accruals	14,972	17,196	995	1,046
Other non-financial liability	1,512	1,146	-	-
Finance lease creditors	40	40	-	-
Provision for taxation	2,125	1,790	18	18
Bank borrowings	51,469	53,599	41,267	41,267
	306,539	300,496	42,280	42,331
Net Current Assets/(Liabilities)	78,113	76,395	(23,580)	(14,230)
Non-Current Liabilities				
Finance lease creditors	136	146	-	-
Deferred tax liabilities	8,579	8,775	-	-
Long term loans	35,333	42,400	35,333	42,400
	44,048	51,321	35,333	42,400
Net Assets	299,661	304,707	263,498	265,907
Equity attributable to equity holders of the Company				
Share capital	254,022	254,022	254,022	254,022
Reserves	39,698	45,036	9,476	11,885
	293,720	299,058	263,498	265,907
Minority interests	5,941	5,649	-	-
Total Equity	299,661	304,707	263,498	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 31/10/2009		As at 31/07/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000 40	S\$'000 51,469	S\$'000 40	S\$'000 53,599

Amount repayable after one year

As at 31/10/2009		As at 31/07/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000 136	S\$'000 35,333	S\$'000 146	S\$'000 42,400

Details of any collateral

As at 31 October 2009, 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 31/10/2009 S\$'000	Group 3 Months Ended 31/10/2008 S\$'000
Cash flows from operating activities:-		
Profit before taxation and minority interests	2,921	6,437
Adjustments for:		
Depreciation of fixed assets	8,619	9,103
Cost of share-based payment	16	89
Loss on disposal of fixed assets and asset held for sale	310	2
Fixed assets written off	5	126
Interest expense	695	922
Interest income	(18)	(245)
Dividend income	-	(39)
Currency re-alignment	(1,893)	4,975
Operating profit before working capital changes	10,655	21,370
Increase in inventories	(6,829)	(9,831)
Increase in trade debtors	(1,350)	(20,455)
Decrease/(Increase) in other debtors and other non-financial assets	990	(733)
Increase in trade creditors	9,696	17,105
(Decrease)/Increase in other creditors, accruals and non-financial liability	(1,858)	2,428
Cash generated from operations	11,304	9,884
Interest paid	(695)	(922)
Interest received	18	245
Taxation (paid)/refunded	(331)	80
Net cash generated from operating activities	10,296	9,287
Cash flows from investing activities		
Purchase of fixed assets	(754)	(6,642)
Proceeds from sale of fixed assets and asset held for sale	1,842	146
Dividend income received	-	39
Net cash generated from/(used in) investing activities	1,088	(6,457)
Cash flows from financing activities		
Payment of finance lease obligations	(10)	(10)
(Repayment of)/Proceeds from short-term bank borrowings	(2,130)	9,015
Repayment of long-term bank borrowings	(7,067)	-
Net cash (used in)/generated from financing activities	(9,207)	9,005
Net increase in cash and cash equivalents	2,177	11,835
Cash and cash equivalents at beginning of year	62,150	48,631
Cash and cash equivalents at end of the period	64,327	60,466
Cash and cash equivalents comprise the following balance sheet amounts :-		
Fixed Deposits	935	2,555
Cash and bank balances	63,392	57,911
	64,327	60,466

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

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)	66,381	287,408	5,340	292,748
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)	71,989	309,095	5,651	314,746

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

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

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 31 October 2009. As at 31 October 2009, there were unexercised options for 31,886,277 (31 October 2008: 33,817,393) 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.

	31/10/2009	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 31/10/2009	3 Mths Ended 31/10/2008
Earnings per ordinary share	0.38 cents	1.05 cents
Diluted earnings per ordinary share	0.38 cents	1.05 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	31/10/2009	31/07/2009
Net assets value per ordinary share	54.86 cents	55.86 cents
Company		
Net assets value per ordinary share	49.22 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

Revenue, cost of sales and profit attributable to equity holders of the Company decreased during the three months ended 31 October 2009 ("Q1 FY10") compared to the corresponding period of the previous financial year ("Q1 FY09") mainly due to the global economic downturn.

Revenue from the Electronics Manufacturing Services ("EMS") division and Precision Engineering Services ("PES") division decreased by 19.6% to S\$356.1 million and 15.6% to S\$38.2 million respectively in Q1 FY10 as compared to Q1 FY09.

Gross profit decreased by 9.3 % to S\$10.4 million in Q1 FY10 compared to S\$11.5 million in Q1 FY09 mainly due to lower revenue. However, gross margin for Q1 FY10 was higher at 2.6% compared to 2.4% in Q1 FY09 due to a better product mix.

Selling, General and Administrative expenses increased by 53.1% to S\$7.0 million in Q1 FY10 compared to S\$4.6 million in Q1 FY09 mainly due to exchange losses (versus exchange gains in Q1 FY09) arising from inter-company loans and trade balances.

Finance costs in Q1 FY10 decreased by 24.6% to S\$695,000 mainly due to lower bank borrowings.

Overall, the Group's profit attributable to equity holders of the Company in Q1 FY10 decreased by 63.7% to S\$2.0 million as compared to S\$5.6 million in Q1 FY09.

Inventories and trade creditors balances were higher as at 31 October 2009 due to the higher manufacturing activities in October 2009.

The Group's focus on working capital management resulted in lower bank borrowings as at 31 October 2009.

Basic earnings per share in Q1 FY10 decreased to 0.38 cents from 1.05 cents in Q1 FY09 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

It appears that the economic meltdown has bottomed out and we are seeing some improvement in the general economic environment and improved orders from our customers. However, full recovery of the economy and business to pre-crisis level is expected to take some time. We 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 Q1 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 Q1 FY10 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tay Peng Huat
Company Secretary
11/12/2009