

**BEYONICS TECHNOLOGY LIMITED**


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**First Quarter Financial Statements for the Period Ended 31/10/2011**


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**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 31/10/2011 S\$'000	Group 3 Months Ended 31/10/2010 S\$'000	Change %
<b>Revenue</b>	<b>304,057</b>	<b>364,108</b>	<b>(16.5)</b>
Cost of sales	(301,809)	(359,121)	(16.0)
<b>Gross profit</b>	<b>2,248</b>	<b>4,987</b>	<b>(54.9)</b>
Other Income	263	416	(36.8)
	<b>2,511</b>	<b>5,403</b>	<b>(53.5)</b>
General and administrative expenses	(6,397)	(6,683)	(4.3)
Selling and marketing expenses	(47)	(42)	11.9
Other Expenses	(8,376)	-	nm
<b>Loss from operating activities</b>	<b>(12,309)</b>	<b>(1,322)</b>	<b>831.1</b>
Finance costs	(464)	(463)	0.2
<b>Loss before taxation</b>	<b>(12,773)</b>	<b>(1,785)</b>	<b>615.6</b>
Taxation	(1,093)	(505)	116.4
<b>Loss after taxation</b>	<b>(13,866)</b>	<b>(2,290)</b>	<b>505.5</b>
<b>Attributable to:</b>			
Equity holders of the Company	<b>(14,283)</b>	<b>(2,776)</b>	<b>414.5</b>
Non-controlling interests	417	486	(14.2)
	<b>(13,866)</b>	<b>(2,290)</b>	<b>505.5</b>

Note: "nm" denotes "not meaningful"

## Statement of Comprehensive Income

	<b>Group 3 Months Ended 31/10/2011 S\$'000</b>	<b>Group 3 Months Ended 31/10/2010 S\$'000</b>
<b>Loss for the period</b>	<b>(13,866)</b>	<b>(2,290)</b>
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 subsidiary companies	1,129	(3,480)
- long term intercompany loans	8,136	(8,360)
<b>Other comprehensive income for the period</b>	<b>9,265</b>	<b>(11,801)</b>
<b>Total comprehensive income for the period</b>	<b>(4,601)</b>	<b>(14,091)</b>
Total comprehensive income attributable to:		
Equity holders of the Company	(4,935)	(13,952)
Non-controlling interests	334	(139)
	<b>(4,601)</b>	<b>(14,091)</b>

## Additional information for the income statement

	<b>Group 3 Months Ended 31/10/2011 S\$'000</b>	<b>Group 3 Months Ended 31/10/2010 S\$'000</b>
Depreciation	(6,819)	(7,848)
Interest on borrowings	(464)	(463)
Foreign exchange loss	(1,434)	(274)
Gain on disposal of fixed assets and asset held for sale	908	193
Interest income	85	34
Allowance for stock obsolescence	(35)	(10)
Other Expenses comprises of:		
- Impairment loss on fixed assets	(6,603)	-
- Impairment loss on inventories	(1,642)	-
- Impairment on other debtors	(131)	-

**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 31/10/2011 S\$'000</b>	<b>Group 31/07/2011 S\$'000</b>	<b>Company 31/10/2011 S\$'000</b>	<b>Company 31/07/2011 S\$'000</b>
<b>Non-Current Assets</b>				
Fixed assets	183,419	189,018	-	-
Subsidiary companies	-	-	296,100	307,703
Investment securities	380	369	117	117
Investment properties	1,779	1,704	-	-
Intangible assets	20,054	20,054	-	-
Deferred tax assets	3,999	3,985	-	-
	<b>209,631</b>	<b>215,130</b>	<b>296,217</b>	<b>307,820</b>
<b>Current Assets</b>				
Assets held for sale	-	6,227	-	-
Inventories	69,453	66,105	-	-
Trade debtors	154,751	164,610	-	-
Other debtors	3,935	3,513	610	534
Other non-financial assets	6,379	6,199	7	23
Fixed deposits	9,201	7,198	-	-
Cash and bank balances	52,787	53,113	346	407
	<b>296,506</b>	<b>306,965</b>	<b>963</b>	<b>964</b>
<b>Current Liabilities</b>				
Trade creditors	174,226	174,846	-	-
Other creditors and accruals	19,600	18,751	1,013	992
Other non-financial liability	866	792	-	-
Amounts due to subsidiary companies	-	-	14,391	20,566
Finance lease creditors	40	39	-	-
Provision for taxation	1,616	1,178	15	15
Bank borrowings	35,911	48,125	33,485	39,438
	<b>232,259</b>	<b>243,731</b>	<b>48,904</b>	<b>61,011</b>
<b>Net Current Assets/(Liabilities)</b>	<b>64,247</b>	<b>63,234</b>	<b>(47,941)</b>	<b>(60,047)</b>
<b>Non-Current Liabilities</b>				
Finance lease creditors	132	142	-	-
Deferred tax liabilities	8,285	8,160	-	-
	<b>8,417</b>	<b>8,302</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>265,461</b>	<b>270,062</b>	<b>248,276</b>	<b>247,773</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	254,022	254,022	254,022	254,022
Reserves	3,924	8,859	(5,746)	(6,249)
	<b>257,946</b>	<b>262,881</b>	<b>248,276</b>	<b>247,773</b>
Non-controlling interests	7,515	7,181	-	-
<b>Total Equity</b>	<b>265,461</b>	<b>270,062</b>	<b>248,276</b>	<b>247,773</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 31/10/2011</b>		<b>As at 31/07/2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000 40	S\$'000 35,911	S\$'000 39	S\$'000 48,125

**Amount repayable after one year**

<b>As at 31/10/2011</b>		<b>As at 31/07/2011</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000 132	S\$'000 -	S\$'000 142	S\$'000 -

**Details of any collateral**

As at 31 October 2011, 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.**

	<b>Group 3 Months Ended 31/10/2011 S\$'000</b>	<b>Group 3 Months Ended 31/10/2010 S\$'000</b>
<b>Cash flows from operating activities:-</b>		
Loss before taxation and non-controlling interests	(12,773)	(1,785)
Adjustments for:		
Depreciation of fixed assets	6,819	7,848
Gain on disposal of fixed assets and asset held for sale	(908)	(193)
Impairment of fixed assets, inventories and other debtors	8,376	-
Interest expense	464	463
Interest income	(85)	(34)
Currency re-alignment	2,818	(4,732)
<b>Operating profit before working capital changes</b>	<b>4,711</b>	<b>1,567</b>
(Increase)/Decrease in inventories	(4,990)	15,210
Decrease in trade debtors	9,859	2,436
Increase in other debtors and other non-financial assets	(734)	(1,758)
Decrease in trade creditors	(620)	(12,773)
Increase in other creditors, accruals and non-financial liability	923	1,780
<b>Cash generated from operations</b>	<b>9,149</b>	<b>6,462</b>
Interest paid	(464)	(463)
Interest received	85	34
Taxation paid	(544)	(686)
<b>Net cash generated from operating activities</b>	<b>8,226</b>	<b>5,347</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(1,641)	(3,563)
Proceeds from sale of fixed assets and asset held for sale	7,315	2,596
<b>Net cash generated from / (used in) investing activities</b>	<b>5,674</b>	<b>(967)</b>
<b>Cash flows from financing activities</b>		
Payment of finance lease obligations	(9)	(38)
(Repayment of)/Proceeds from short-term bank borrowings	(5,147)	5,963
Repayment of long-term bank borrowings	(7,067)	(7,067)
<b>Net cash used in financing activities</b>	<b>(12,223)</b>	<b>(1,142)</b>
Net increase in cash and cash equivalents	1,677	3,238
Cash and cash equivalents at beginning of year	60,311	60,274
<b>Cash and cash equivalents at end of the period</b>	<b>61,988</b>	<b>63,512</b>
<b>Cash and cash equivalents comprise the following balance sheet amounts :-</b>		
Fixed Deposits	9,201	12,425
Cash and bank balances	52,787	51,087
	<b>61,988</b>	<b>63,512</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 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 reserve S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 August 2011</b>	<b>254,022</b>	<b>28,239</b>	<b>(74,588)</b>	<b>2,779</b>	<b>-</b>	<b>52,429</b>	<b>8,859</b>	<b>7,181</b>	<b>270,062</b>
<u>Other Comprehensive income</u>									
Foreign currency translation									
- share capital, capital reserves, and revenue reserve/accumulated losses of subsidiary companies	-	-	1,212	-	-	-	1,212	(83)	1,129
- long term intercompany loans	-	-	8,136	-	-	-	8,136	-	8,136
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>9,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,348</b>	<b>(83)</b>	<b>9,265</b>
(Loss)/Profit net of tax	-	-	-	-	-	(14,283)	(14,283)	417	(13,866)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>9,348</b>	<b>-</b>	<b>-</b>	<b>(14,283)</b>	<b>(4,935)</b>	<b>334</b>	<b>(4,601)</b>
<b>Balance as at 31 October 2011</b>	<b>254,022</b>	<b>28,239</b>	<b>(65,240)</b>	<b>2,779</b>	<b>-</b>	<b>38,146</b>	<b>3,924</b>	<b>7,515</b>	<b>265,461</b>

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 reserve S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 August 2010</b>	<b>254,022</b>	<b>16,667</b>	<b>(48,952)</b>	<b>2,779</b>	<b>-</b>	<b>72,562</b>	<b>43,056</b>	<b>5,140</b>	<b>302,218</b>
<u>Other Comprehensive income</u>									
Fair value change of available for sale financial assets	-	-	-	-	39	-	39	-	39
Foreign currency translation									
- share capital, capital reserves, and revenue reserve/accumulated losses of subsidiary companies	-	-	(2,855)	-	-	-	(2,855)	(625)	(3,480)
- long term intercompany loans	-	-	(8,360)	-	-	-	(8,360)	-	(8,360)
<b>Other comprehensive income for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>(11,215)</b>	<b>-</b>	<b>39</b>	<b>-</b>	<b>(11,176)</b>	<b>(625)</b>	<b>(11,801)</b>
(Loss)/Profit net of tax	-	-	-	-	-	(2,776)	(2,776)	486	(2,290)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(11,215)</b>	<b>-</b>	<b>39</b>	<b>(2,776)</b>	<b>(13,952)</b>	<b>(139)</b>	<b>(14,091)</b>
<b>Balance as at 31 October 2010</b>	<b>254,022</b>	<b>16,667</b>	<b>(60,167)</b>	<b>2,779</b>	<b>39</b>	<b>69,786</b>	<b>29,104</b>	<b>5,001</b>	<b>288,127</b>

COMPANY	Share capital S\$'000	Merger reserve S\$'000	Share option reserve S\$'000	Fair value adjustment reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 August 2011	254,022	25,036	2,779	-	(34,064)	247,773
Profit net of tax	-	-	-	-	503	503
Total Comprehensive income for the period, net of tax	-	-	-	-	503	503
Balance as at 31 October 2011	254,022	25,036	2,779	-	(33,561)	248,276

COMPANY	Share capital S\$'000	Merger reserve S\$'000	Share option reserve S\$'000	Fair value adjustment reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 August 2010	254,022	25,036	2,779	-	(12,876)	268,961
Other Comprehensive income						
Fair value change of available for sale financial assets	-	-	-	39	-	39
Loss net of tax	-	-	-	-	(2,731)	(2,731)
Total Comprehensive income for the period	-	-	-	39	(2,731)	(2,692)
Balance as at 31 October 2010	254,022	25,036	2,779	39	(15,607)	266,269

**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 2011. As at 31 October 2011, there were unexercised options for 27,709,623 (31 October 2010: 29,774,463) 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.**

	31/10/2011	31/07/2011
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 same accounting policies and methods of computation as in the Group's most recently audited financial statements for the year ended 31 July 2011 have been applied.

In addition, the Group adopted the new and revised FRSs and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2011. The adoption of these new/revised FRS and INT FRSs did not have any effect on the financial performance or position of the Group.

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 31/10/2011 Singapore cents	3 Mths Ended 31/10/2010 Singapore cents
Basic loss per ordinary share	(2.67)	(0.52)
Diluted loss per ordinary share	(2.67)	(0.52)

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**

	31/10/2011 Singapore cents	31/07/2011 Singapore cents
<b>Group</b>		
Net asset value per ordinary share	48.18	49.10
<b>Company</b>		
Net asset value per ordinary share	46.37	46.28

**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**

Group revenue and gross profit decreased during the three months ended 31 October 2011 ("Q1 FY12") compared to the corresponding period of the previous financial year ("Q1 FY11") mainly due to lower shipments to hard disk drive ("HDD") customers as a result of very weak demand in the period.

Revenue from the Electronics Manufacturing Services ("EMS") division and Precision Engineering Services ("PES") division decreased by 15.4% to S\$283.1 million and 29.2% to S\$20.9 million respectively in Q1 FY12 as compared to Q1 FY11.

Lower capacity utilization resulted in a decrease in gross profit by 54.9% to S\$2.2 million in Q1 FY12 compared to S\$5.0 million in Q1 FY11. Gross margin for Q1 FY12 was also lower at 0.7% compared to 1.4% in Q1 FY11.

Selling, General and Administrative expenses decreased by 4.2% to S\$6.4 million in Q1 FY12 compared to S\$6.7 million in Q1 FY11 mainly due to the gain arising from the disposal of the leasehold property by a subsidiary and lower depreciation and partly offset by higher exchange loss of S\$1.4 million.

On 14 October 2011, the Company made an announcement that it had halted operations in its wholly owned subsidiary, Beyonics Technology (Thailand) Co., Ltd ("BTT"), which is located at the Hi-Tech Industrial Estate in Ayutthaya, Thailand due to severe flooding and power outages. The Company has assessed the financial impact of BTT and has taken a charge of S\$8.4 million to Other Expenses in Q1 FY12 for impairment loss on fixed assets, inventories and other debtors. BTT has commenced discussion with the insurer for the assessment of loss, damages and claims. The amount for the recovery cannot be established currently; consequently no amount has been recognized in these financial statements.

Despite a Group loss before taxation in Q1 FY12, provision was made for taxation due to certain subsidiaries being profitable.

Overall, the Group's loss attributable to equity holders of the Company in Q1 FY12 amounted to S\$14.3 million as compared to a loss of S\$2.8 million in Q1 FY11.

Basic loss per share for Q1 FY12 was 2.67 Singapore cents as compared to 0.52 Singapore cents in Q1 FY11.

The lower balance in trade debtors was in line with the decline in revenue and manufacturing activities in Q1 FY12. Longer inventory holding period resulted in a higher balance at 31 October 2011.

**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 economic outlook remains poor with continuing turmoil in the Eurozone and slowdown in major economies. The severe flood in Thailand has caused major disruption to the HDD industry. It is difficult to establish the timeframe that the HDD industry requires to overcome this impact. In addition, the HDD industry faces uncertain demand due to the emergence and growing usage of tablet PCs and solid state drives.

The flood waters at the Hi-Tech Industrial Estate in Ayutthaya, where BTT is situated, have receded at the time of this announcement. We are cleaning up the premises and are in discussion with the insurance company for the assessment of loss, damages and claims. We are working closely with our customers and suppliers to minimize supply disruption and, if necessary, diverting orders to our Tampoi and Changshu operations.

We expect the business environment to continue to be challenging and highly competitive. Our return to profitability depends very much on our ability to perform manufacturing services with sustainable margins, and achieving higher productivity and cost management.

**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

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Company does not have any interested person transaction in the financial period ended 31 October 2011 that is discloseable under Rule 920(1)(a)(ii) of the SGX-ST Listing Manual.

**14. Negative confirmation pursuant to Rule 705(5)**

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 FY12 to be false or misleading in any material respect.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
 (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. **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

16. **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

17. **A breakdown of sales**

Not applicable

18. **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
<b>Total:</b>	<b>0</b>	<b>0</b>

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative or a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there is no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the position was held	Details of changes in duties and position held, if any, during the year
-	-	-	-	-

The Directors confirm that there are no persons occupying managerial positions in the Company or its principal subsidiaries who are related to a director or chief executive officer or substantial shareholder of the Company or its principal subsidiaries.

**BY ORDER OF THE BOARD**

Tay Peng Huat  
 Company Secretary  
 14/12/2011