

BEYONICS TECHNOLOGY LIMITED

Full Year Financial Statements And Dividend Announcement

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 Year Ended 31/07/2004 S\$'000	Group Year Ended 31/07/2003 S\$'000	Change %
Revenue	951,673	554,774	71.5
Cost of sales	(896,858)	(509,441)	76.0
Gross profit	54,815	45,333	20.9
Other Income	458	898	(49.0)
	55,273	46,231	19.6
General and administrative costs	(26,077)	(20,279)	28.6
Selling and marketing expenses	(2,394)	(1,445)	65.7
Profit from operating activities	26,802	24,507	9.4
Finance costs	(1,501)	(764)	96.5
Exceptional item	-	(10,001)	NM
Profit before taxation and minority interests	25,301	13,742	84.1
Taxation	(2,165)	(2,761)	(21.6)
Profit after taxation	23,136	10,981	110.7
Minority interests	(168)	88	(290.9)
Net profit attributable to shareholders	22,968	11,069	107.5

NM – Not meaningful

Additional information for the income statement

	Year Ended 31/07/2004 S\$'000	Year Ended 31/07/2003 S\$'000
Depreciation and amortisation	(26,022)	(16,037)
Interest on borrowings	(1,501)	(764)
Foreign exchange (loss) / gain	(511)	177
Write back / (Provision) for doubtful debts	1,115	(1,039)
Write back / (Provision) for stock obsolescence	519	(1,224)
Fixed assets written off	(606)	(389)
(Loss) / Gain on disposal of fixed assets	(191)	74

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 31/07/2004 S\$'000	Group 31/07/2003 S\$'000	Company 31/07/2004 S\$'000	Company 31/07/2003 S\$'000
Non-Current Assets				
Fixed Assets	162,762	181,358	-	-
Subsidiary companies	-	-	142,277	153,114
Long-term investments	788	786	11	11
Investment properties	4,517	7,954	-	-
Intangible assets	19,217	13,101	-	-
	187,284	203,199	142,288	153,125
Current Assets				
Stocks	60,891	46,296	-	-
Trade debtors	112,367	131,383	-	-
Other debtors	18,506	13,848	10	20
Amount due from subsidiary companies	-	-	123,481	90,722
Short-term investments	110	86	110	86
Fixed deposits	769	1,383	-	-
Cash and bank balances	56,659	57,525	205	650
	249,302	250,521	123,806	91,478
Current Liabilities				
Trade creditors	129,027	146,884	-	-
Other creditors and accruals	24,744	28,829	592	731
Amount due to subsidiary companies	-	-	7,133	13,269
Hire purchase creditors	1,605	2,477	-	-
Provision for taxation	2,511	5,763	126	142
Bank borrowings	40,852	42,195	31,600	-
	198,739	226,148	39,451	14,142
Net Current Assets	50,563	24,373	84,355	77,336
Non-Current Liabilities				
Hire purchase creditors	678	2,335	-	-
Long-term loan	-	8,600	-	8,600
Deferred taxation	4,241	3,063	-	-
	4,919	13,998	-	8,600
Net Assets	232,928	213,574	226,643	221,861
Capital and Reserves				
Share capital	115,026	113,638	115,026	113,638
Share premium	114,294	113,454	114,294	113,454
Capital reserves	7,369	7,369	-	-
Merger reserve	-	-	25,036	25,036
Retained earnings / (Accumulated losses)	7,478	(11,918)	(27,713)	(30,267)
Foreign currency translation reserve	(16,807)	(14,371)	-	-
	227,360	208,172	226,643	221,861
Minority interests	5,568	5,402	-	-
Total Equity	232,928	213,574	226,643	221,861

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

Amount repayable in one year or less, or on demand

As at 31/07/2004		As at 31/07/2003	
Secured	Unsecured	Secured	Unsecured
S\$'000 1,605	S\$'000 40,852	S\$'000 44,672	S\$'000 -

Amount repayable after one year

As at 31/07/2004		As at 31/07/2003	
Secured	Unsecured	Secured	Unsecured
S\$'000 678	S\$'000 -	S\$'000 2,335	S\$'000 8,600

Details of any collateral

As at 31 July 2004, 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 Year Ended 31/07/2004 S\$'000	Group Year Ended 31/07/2003 S\$'000
Cash flow from operating activities:-		
Profit before taxation and minority interests	25,301	13,742
Adjustments for:		
Depreciation of fixed assets	25,110	16,002
Provision for impairment in value of investments	66	10
Amortisation of goodwill	912	35
Goodwill written off	-	10,001
Loss / (gain) on sale of fixed assets	191	(74)
Fixed assets written off	606	389
Deficit on revaluation of fixed assets	-	560
Interest expenses	1,501	764
Interest income	(60)	(109)
Currency re-alignment	354	(75)
Operating profit before working capital changes	53,981	41,245
(Increase) / Decrease in stocks	(14,993)	15,286
Decrease in trade debtors	18,802	16,974
(Increase) / Decrease in other debtors	(4,956)	4
Decrease in trade creditors	(17,857)	(13,448)
Decrease in other creditors and accruals	(4,221)	(3,247)
Cash generated from operations	30,756	56,814
Interest paid	(1,501)	(764)
Interest income	60	109
Taxation paid	(4,239)	(3,644)
Net cash provided from operating activities	25,076	52,515
Cash flows from investing activities:-		
Purchase of fixed assets	(13,721)	(25,757)
Proceeds from sale of fixed assets	1,081	3,119
Purchase of long term investments	(100)	(142)
Cash flow on acquisition, net of cash required	-	(2,454)
Net cash used in investing activities	(12,740)	(25,234)
Cash flows from financing activities:-		
Payment of hire purchase obligations	(2,529)	(778)
Repayment of bank borrowings	(9,943)	(8,000)
Proceeds from the exercise of share options	2,228	834
Payment of dividend	(3,572)	(3,498)
Net cash used in financing activities	(13,816)	(11,442)
Net (decrease) / increase in cash and cash equivalents	(1,480)	15,839
Cash and cash equivalents at beginning of year	58,908	43,069
Cash and cash equivalents at end of the year	57,428	58,908
Cash and cash equivalents comprise the following balance sheet amounts :-		
Fixed Deposits	769	1,383
Cash and bank balances	56,659	57,525
	57,428	58,908

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 Year Ended 31/07/2004 S\$'000	Group Year Ended 31/07/2003 S\$'000	Company Year Ended 31/07/2004 S\$'000	Company Year Ended 31/07/2003 S\$'000
Share Capital				
Balance at beginning of year	113,638	86,768	113,638	86,768
Issuance of ordinary shares during the year	1,388	26,870	1,388	26,870
Balance at end of year	115,026	113,638	115,026	113,638
Share premium				
Balance at beginning of year	113,454	79,818	113,454	79,818
Premium from issue of ordinary shares upon exercise of share options	840	331	840	331
Premium from issue of ordinary shares from acquisition of subsidiaries	-	33,675	-	33,675
Expenses relating to acquisition of subsidiary companies	-	(370)	-	(370)
Balance at end of year	114,294	113,454	114,294	113,454
Capital reserves				
Balance at beginning of year	7,369	2,147	-	-
Effect of prior year adjustments	-	6,276	-	-
Balance at beginning of the year, restated	7,369	8,423	-	-
Deficit on revaluation of fixed assets	-	(254)	-	-
Deficit on revaluation of investment properties	-	(917)	-	-
Reversal of deferred taxation on surplus on revaluation	-	117	-	-
Balance at end of year	7,369	7,369	-	-
Merger reserves				
Balance at beginning and end of year	-	-	25,036	25,036
Retained Earnings / (Accumulated losses)				
Balance at beginning of year	(11,918)	(12,101)	(30,267)	(31,172)
Effect of prior year adjustments	-	(7,388)	-	-
Balance at beginning of the year, restated	(11,918)	(19,489)	-	-
Profit for the financial year	22,968	11,069	6,126	4,403
Dividends	(3,572)	(3,498)	(3,572)	(3,498)
Balance at end of year	7,478	(11,918)	(27,713)	(30,267)
Foreign currency translation reserve				
Balance at beginning of year	(14,371)	(14,296)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	(1,709)	120	-	-
long term intercompany loan	(727)	(195)	-	-
Balance at end of year	(16,807)	(14,371)	-	-
Total Equity	227,360	208,172	226,643	221,861

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

In January 2004, the Company consolidated every five (5) issued and unissued ordinary shares of S\$0.10 each in the capital of the Company into two (2) ordinary shares of S\$0.25 each in the capital of the Company. During the year, the Company issued an equivalent of 5,551,800 ordinary shares of S\$0.25 each upon the exercise of options granted under the Beyonics Share Option Scheme 2000.

As at 31 July 2004, there were unexercised options for 31,629,200 of ordinary shares of S\$0.25 each 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 Group has applied the same accounting policies and method of computation for the current reporting period as those in the audited financial statements in the previous financial year.

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

	Year Ended 31/07/2004	Year Ended 31/07/2003
Earnings per ordinary share	5.01 cents	3.10 cents
Diluted earnings per ordinary share	5.00 cents	3.07 cents

Earnings per ordinary share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For comparative purposes, the weighted average number of ordinary shares is calculated based on par value of S\$0.25 per ordinary share.

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	31/07/2004	31/07/2003
Net assets value per ordinary share (based on par value of S\$0.25 per ordinary share)	49.41 cents	45.80 cents
Company	31/07/2004	31/07/2003
Net assets value per ordinary share (based on par value of S\$0.25 per ordinary share)	49.26 cents	48.81 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

Sales, cost of sales and operating expenses increased significantly for the financial year ended 31 July 2004 compared to the previous financial year largely due to the full year contributions arising from the acquisitions of the Flairis Group and Pacific Plastics Group.

Sales from the Contract Manufacturing Division increased by 104.1% to \$840.7 million for the financial year under review as a result of these acquisitions.

Sales from the Precision Engineering Division for the financial year under review was lower by 12.1% to \$110.0 million compared to the previous financial year. Sales in the second half year was impacted by a weakened US Dollar coupled with lower orders from a major customer due to the overall slowdown in the hard disk drives industry.

Profit from operating activities for the financial year under review increased to \$26.8 million due to higher sales. Profit from operating activities as a percentage of sales was lower largely due to lower margins from the assembly operations of the Flairis Group and higher raw materials prices.

Finance costs increased by 96.5% to \$1.5 million for the financial year under review largely due to interest expenses on bank borrowings taken over from the acquisition of the Flairis Group. There was no exceptional item for the financial year under review compared to a goodwill write-off of \$10.0 million in the previous financial year.

Taxation decreased by 21.6% to \$2.2 million for the financial year under review largely due to utilization of unabsorbed tax losses and capital allowances by certain subsidiaries.

With no exceptional item this financial year under review compared with a goodwill write-off of \$10.0 million in the previous financial year, net profit attributable to shareholders increased by 107.5% to \$23.0 million.

Basic earnings per share ("EPS") for the financial year under review increased to 5.01 cents from 3.10 cents in the previous financial year.

The Group has a strong balance sheet as at 31 July 2004. Fixed assets decreased by \$18.6 million largely due to normal depreciation and impairment on Flairis' plant and machinery.

Stocks increased by \$14.6 million to \$60.9 million largely due to inventory built-up for new projects.

Trade Debtors decreased by \$19.0 million to \$112.4 million and Trade Creditors decreased by \$17.9 million to \$129.0 million mainly due to continuing focus on cashflow management. Bank borrowings decreased by \$9.9 million to \$40.9 million due to repayment.

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 Group sees a stabilization in raw materials prices although prices are still higher than in the previous financial year. Nevertheless, the Group continues to implement cost control measures to maintain sustainable profitability.

We are on schedule with our plans to set up a die-casting and precision engineering plant in Changshu (China) and a fully integrated EMS plant in Suzhou (China). We will consolidate our existing Suzhou operations into the new EMS plant. In addition, we are also building a fully integrated EMS plant in Kulai, Malaysia to consolidate our current Senai plastics molding and fabrication operations and one of our existing Tampoi PCBA operations. All three new plants are expected to be completed in early 2005.

We envisage that the three new plants will improve cost efficiencies and position the Group to establish better strategic partnerships with our customers.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	5% per ordinary share (less tax)
Par Value of shares	S\$0.25
Tax Rate	20%

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Rate	4% per ordinary share (less tax)
Par Value of shares	S\$0.10
Tax Rate	22%

(c) Date payable

The dividend payment will be announced at a later date.

(d) Books closure date

Notice on the closure of the Share Transfer Books and Register of Members of the Company to determine shareholders' entitlement to the recommended first and final dividend will be announced later.

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

	Precision Engineering		Contract Manufacturing		Distribution & Others		Elimination		Consolidation	
	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000	2004 S\$'000	2003 S\$'000
Segment Revenue										
Sales to External Customers	110,010	125,171	840,661	411,875	1,002	17,728	-	-	951,673	554,774
Intersegment Sales	6,490	2,290	146	2,389	2	71	(6,638)	(4,750)	-	-
Total Revenue	116,500	127,461	840,807	414,264	1,004	17,799	(6,638)	(4,750)	951,673	554,774
Profit Before Interest and Taxation	13,033	16,721	14,785	8,346	(1,016)	(560)	-	-	26,802	24,507
Finance Costs									(1,501)	(764)
Exceptional Item									-	(10,001)
Profit Before Taxation and Minority Interests									25,301	13,742
Taxation									(2,165)	(2,761)
Minority Interests									(168)	88
Net Profit									22,968	11,069

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

Refer to Section 8 above.

15. A breakdown of sales

	Latest Financial Year S\$'000	Previous Financial Year (S\$'000)	Increase / (Decrease) %
Sales reported for first half year	471,243	287,341	64.0
Operating profit after tax before deducting minority interests reported for first half year	11,986	10,008	19.8
Sales reported for second half year	480,430	267,433	79.6
Operating profit after tax before deducting minority interests reported for second half year	11,150	973	1,045.9

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	4,697	3,572
Preference	0	0
Total:	4,697	3,572

BY ORDER OF THE BOARD

Tay Peng Huat
Company Secretary
24/09/2004