

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 31/07/2006 S\$'000	Group Year Ended 31/07/2005 S\$'000 (Restated)	Change %
Revenue	1,037,395	1,027,035	1.0
Cost of sales	(979,597)	(967,493)	1.3
Gross profit	57,798	59,542	(2.9)
Other Income	1,427	950	50.2
	59,225	60,492	(2.1)
General and administrative costs	(28,301)	(28,434)	(0.5)
Selling and marketing expenses	(1,375)	(1,847)	(25.6)
Profit from operating activities	29,549	30,211	(2.2)
Finance costs	(1,476)	(1,159)	27.4
Profit before taxation	28,073	29,052	(3.4)
Taxation	(1,763)	(2,476)	(28.8)
Profit after taxation	26,310	26,576	(1.0)
Profit attributable to:			
Equity holders of the Company	26,608	26,662	(0.2)
Minority interests	(298)	(86)	246.5
	26,310	26,576	(1.0)

Note: Figures for prior year have been restated to reflect the adoption of the revised accounting standards (see Section 4).

Additional information for the income statement

	Group Year Ended 31/07/2006 S\$'000	Group Year Ended 31/07/2005 S\$'000 (Restated)
Depreciation	(23,099)	(22,206)
Interest on borrowings	(1,476)	(1,159)
Foreign exchange loss	(1,665)	(1,001)
Gain/(loss) from disposal of fixed assets	1,297	(124)
Fixed assets written off	(634)	(144)
Cost of share-based payment	(935)	(1,024)
Interest income	565	223
Allowance for doubtful debts written back	1,334	738
(Allowance)/write back of allowance for stock obsolescence	(3)	97

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 31/07/2006 S\$'000	Group 31/07/2005 S\$'000 (Restated)	Company 31/07/2006 S\$'000	Company 31/07/2005 S\$'000 (Restated)
Non-Current Assets				
Fixed assets	215,177	179,505	-	-
Subsidiary companies	-	-	255,832	142,780
Long-term investments	826	703	233	-
Investment properties	4,290	4,423	-	-
Intangible assets	19,217	19,217	-	-
	239,510	203,848	256,065	142,780
Current Assets				
Assets held for sale	2,244	-	-	-
Stocks	67,557	67,046	-	-
Trade debtors	109,036	112,761	-	-
Other debtors, deposits and prepayments	19,894	18,265	107	1,057
Amounts due from subsidiary companies	-	-	11,448	107,565
Short-term investments	284	197	284	197
Fixed deposits	437	14,450	37	14,062
Cash and bank balances	52,800	71,888	623	2,936
	252,252	284,607	12,499	125,817
Current Liabilities				
Trade creditors	115,910	140,944	-	-
Other creditors and accruals	33,018	27,285	994	749
Hire purchase creditors	27	472	-	-
Provision for taxation	1,402	2,522	144	17
Bank borrowings	56,395	40,988	8,200	14,200
	206,752	212,211	9,338	14,966
Net Current Assets	45,500	72,396	3,161	110,851
Non-Current Liabilities				
Hire purchase creditors	164	196	-	-
Deferred taxation	2,863	3,050	-	-
	3,027	3,246	-	-
Net Assets	281,983	272,998	259,226	253,631
Equity attributable to equity holders of the Company				
Share capital	250,883	131,584	250,883	131,584
Share premium	-	118,740	-	118,740
Capital reserve	7,328	7,369	-	-
Merger reserve	-	-	25,036	25,036
Employee share option reserve	2,363	1,428	-	-
Fair value reserve	(15,342)	-	(15,342)	-
Retained earnings / (Accumulated losses)	60,751	29,039	(1,351)	(21,729)
Foreign currency translation reserve	(29,242)	(20,714)	-	-
	276,741	267,446	259,226	253,631
Minority interests	5,242	5,552	-	-
Total Equity	281,983	272,998	259,226	253,631

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

Amount repayable in one year or less, or on demand

As at 31/07/2006		As at 31/07/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000 27	S\$'000 56,395	S\$'000 472	S\$'000 40,988

Amount repayable after one year

As at 31/07/2006		As at 31/07/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000 164	S\$'000 -	S\$'000 196	S\$'000 -

Details of any collateral

As at 31 July 2006, 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 31/07/2006 S\$'000	Group Year Ended 31/07/2005 S\$'000 (Restated)
Cash flows from operating activities:-		
Profit before taxation and minority interests	28,073	29,052
Adjustments for:		
Depreciation of fixed assets	23,099	22,206
Write back of provision for impairment in value of investments	-	(87)
Long term investments written off	-	11
Cost of share-based payment	935	1,024
(Gain)/loss on sale of fixed assets	(1,297)	124
Fixed assets written off	634	144
Interest expenses	1,476	1,159
Interest income	(565)	(223)
Currency re-alignment	(2,130)	(3,671)
Operating profit before working capital changes	50,225	49,739
(Increase) in stocks	(511)	(6,155)
Decrease/(Increase) in trade debtors	3,725	(394)
(Increase)/Decrease in other debtors, deposits and prepayments	(3,477)	241
(Decrease)/Increase in trade creditors	(25,034)	11,917
Increase in other creditors and accruals	5,733	2,543
Cash flows generated from operations	30,661	57,891
Interest paid	(1,476)	(1,159)
Interest income	565	223
Taxation paid	(1,222)	(3,511)
Net cash flows generated from operating activities	28,528	53,444
Cash flows from investing activities:-		
Purchase of fixed assets	(72,047)	(40,199)
Proceeds from disposal of fixed assets	5,388	837
Proceeds from disposal of investment	100	-
Net cash flows used in investing activities	(66,559)	(39,362)
Cash flows from financing activities:-		
Payment of hire purchase obligations	(477)	(1,615)
Proceeds of bank borrowings	15,407	136
Proceeds from the exercise of share options	559	3,958
Proceeds from rights issue (net of issue expenses)	-	17,046
Payment of dividends	(10,559)	(4,697)
Net cash flows generated from financing activities	4,930	14,828
Net (decrease)/ increase in cash and cash equivalents	(33,101)	28,910
Cash and cash equivalents at beginning of year	86,338	57,428
Cash and cash equivalents at end of the year	53,237	86,338
Cash and cash equivalents comprise the following balance sheet amounts :-		
Fixed Deposits	437	14,450
Cash and bank balances	52,800	71,888
	53,237	86,338

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 31/07/2006 S\$'000	Group Year Ended 31/07/2005 S\$'000	Company Year Ended 31/07/2006 S\$'000	Company Year Ended 31/07/2005 S\$'000
Share capital				
Balance at beginning of year	131,584	115,026	131,584	115,026
Issuance of ordinary shares upon exercise of share option	411	16,558	411	16,558
Transfer from share premium account	118,888	-	118,888	-
Balance at end of year	250,883	131,584	250,883	131,584
Share premium				
Balance at beginning of year	118,740	114,294	118,740	114,294
Premium from issue of ordinary shares upon exercise of share options	148	1,364	148	1,364
Premium from issue of ordinary shares from rights issue	-	3,351	-	3,351
Expenses relating to rights issue	-	(269)	-	(269)
Transfer to share capital account	(118,888)	-	(118,888)	-
Balance at end of year	-	118,740	-	118,740
Capital reserve				
Balance at beginning of year	7,369	7,369	-	-
Reversal upon disposal of leasehold property	(41)	-	-	-
Balance at end of year	7,328	7,369	-	-
Merger reserve				
Balance at beginning and end of year	-	-	25,036	25,036
Employee share option reserve				
Balance as at 1 August – as previously reported	-	-	-	-
Effects of adopting FRS 102	1,428	404	-	-
Balance as at 1 August – as restated	1,428	404	-	-
Cost of share-based payment	935	1,024	-	-
Balance at end of year	2,363	1,428	-	-
Fair value adjustment reserve				
Opening balance at 1 August – as previously reported	-	-	-	-
Effects of adopting FRS 39	(15,352)	-	(15,352)	-
Opening balance at 1 August – as restated	(15,352)	-	(15,352)	-
Net change in the reserve	10	-	10	-
Balance at end of year	(15,342)	-	(15,342)	-

	Group Year Ended 31/07/2006 S\$'000	Group Year Ended 31/07/2005 S\$'000	Company Year Ended 31/07/2006 S\$'000	Company Year Ended 31/07/2005 S\$'000
Retained earnings / Accumulated losses				
Balance as at 1 August – as previously reported	30,467	7,478	(21,729)	(27,713)
Effects of adopting FRS 102	(1,428)	(404)	-	-
Balance as at 1 August – as restated	29,039	7,074	(21,729)	(27,713)
Effects of adopting FRS 39	15,663	-	15,663	-
Opening balance at 1 August – as restated	44,702	7,074	(6,066)	(27,713)
Profit for the year	26,608	26,662	15,274	10,681
Payment of dividends	(10,559)	(4,697)	(10,559)	(4,697)
Balance at end of year	60,751	29,039	(1,351)	(21,729)
Foreign currency translation reserve				
Balance at beginning of year	(20,714)	(16,807)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and retained earnings/accumulated losses of subsidiary companies	(3,738)	(2,535)	-	-
long term intercompany loans	(4,790)	(1,372)	-	-
Balance at end of year	(29,242)	(20,714)	-	-
Minority Interests				
Balance as at 1 August	5,552	5,568		
Loss for the year	(298)	(86)		
Net effect of exchange differences	(12)	70		
Balance at end of year	5,242	5,552	-	-

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 accordance with the Companies (Amendment) Act 2005 which came into effect from 30 January 2006, the concepts of "par value" and "authorized capital" was abolished and on that date, the shares of the Company ceased to have a par value. The amount in the share premium reserve was transferred to the Company's issued share capital.

During the year, the Company issued 1,635,364 ordinary shares upon exercise of options granted under the Beyonics Share Option Scheme 2000. As at 31 July 2006, there were unexercised options for 36,133,308 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 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

Except for the adoption of the following Financial Reporting Standards ("FRS") with effect from 1 August 2005, 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 2005 have been applied:-

FRS 1 (revised) – Presentation of Financial Statements
FRS 39 – Financial Instruments: Recognition and Measurement
FRS 102 – Share-based Payment

The financial effects of adopting these FRSs are as follows:

FRS 1 (revised) – Presentation of Financial Statements

The revised FRS 1 requires the revision in the presentation of the Income & Expenditure Statement of the Group to include the profit or loss for the period and the allocation of this amount between that attributable to equity holders of the Company and that attributable to minority interests.

Similarly, the presentation of the Statement in Equity is also revised to show separately the movements of income and expenditure for the period, showing separately the amounts attributable to equity holders of the Company and to minority interests.

FRS 39 – Financial Instruments: Recognition and Measurement

The adoption of FRS 39 has resulted in change in the accounting policy on the recognition and measurement of the Group's and the Company's financial assets and liabilities. Under the revised accounting policy, financial assets and liabilities are initially recognized at costs, and subsequently measured in the balance sheet at costs, amortised costs or fair values depending on the classifications of these financial instruments.

In accordance with the transitional provision of the adopting standard, FRS 39 is applied prospectively and the comparative figures for FY2005 are not restated.

Under the transitional provisions of FRS 39, the change in accounting policy on 1 August 2005 resulted in the net debit adjustment of S\$15,352,000 to the Group's and the Company's fair value adjustment reserve and net credit adjustment of S\$15,663,000 to the Group's and the Company's retained earnings/accumulated losses respectively.

The fair value adjustments arose from the fair value adjustments of quoted and unquoted equity investments which are classified as available-for-sale financial assets.

FRS 102 – Share-based Payment

The adoption of FRS 102 requires the Group to recognize share-based payments as expenses, measured at the fair value of the equity instruments issued, or the goods or services received, determined at the date of grant, or receipt of goods or service.

Prior year comparatives have been amended in accordance with the transitional provision in FRS 102.

The effects of adopting FRS 102 Share-based payment are as follows:

1. The opening retained earnings/accumulated losses of the Group have been restated as shown in Section 1(d)(i) Changes in Equity.

2. The creation of an Employee Share Option Reserve account as shown in Section 1(d)(i) Changes in Equity.
 3. Net profit of the Group for the year ended 31 July 2005 and 31 July 2006 decreased by S\$1,024,000 and S\$935,000 respectively.
- 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**

Please 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**

	Year Ended 31/07/2006	Year Ended 31/07/2005
Earnings per ordinary share	5.04 cents	5.58 cents
Diluted earnings per ordinary share	5.04 cents	5.58 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.

- 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	31/07/2006	31/07/2005
Net assets value per ordinary share	52.42 cents	50.81 cents
 Company		
Net assets value per ordinary share	49.10 cents	48.19 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**

Group revenue for the financial year ended 31 July 2006 ("FY06") increased by 1.0% to S\$1.04 billion compared to the previous financial year ("FY05") of S\$1.03 billion.

Revenue for electronic manufacturing services ("EMS") for FY06 decreased slightly by 0.6% to S\$915.3 million compared to FY05.

Revenue for precision engineering services ("PES") for FY06 increased by 14.7% to S\$122.1 million compared to FY05 mainly due to a robust hard disk drive industry.

Profit from operating activities for FY06 decreased to S\$29.5 million as compared to FY05 mainly due to a general increase in the price of raw materials and components and a slowdown in our plastics injection molding business. Selling, general and administrative expenses decreased by 2.0% mainly due to offsetting gain from disposal of fixed assets.

Finance costs increased by 27.4% to S\$1.5 million for FY06 compared to FY05 mainly due to higher bank borrowings and interest rates.

Net profit attributable to shareholders for FY06 decreased by 0.2% to S\$26.6 million.

Basic earnings per share ("EPS") for FY06 decreased to 5.04 cents from 5.58 cents in FY05.

The Group maintained a healthy balance sheet as at 31 July 2006. Net fixed assets increased by S\$35.7 million largely due to additions of machineries and equipment and the completion of the EMS campus in Suzhou, China.

Cash and bank balances including fixed deposits decreased by S\$33.1 million mainly due to the purchase of fixed assets.

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

PES

The hard disk drive ("HDD") industry is currently experiencing healthy growth due to increasing proliferation of applications in the consumer electronics sector as well as strong growth in the mobile computing sector. During FY06, we started operations in our new PES facility in Changshu, China and expanded our capacity in Ayutthaya, Thailand and Tampoi, Malaysia. With the overall increase in capacity, we believe we will be well positioned to support future growth in the HDD industry as well as new business in other sectors.

EMS

Our new EMS campus in Suzhou, China has started operations. In addition, consolidation of our Batam plants to a bigger premise is expected to be completed by the first quarter of FY07. These new EMS facilities will enable us to provide greater capacity and geographical coverage to our customers.

While we expect both our PES and EMS divisions to perform well in FY07, the volatility in raw materials prices and exchange rates may affect our profitability.

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	2.5 cents per ordinary share
Tax Rate	One-tier tax exempt

(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	2 cents per ordinary share
Tax Rate	One-tier tax exempt

(c) Date payable

The date of 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		Electronic Manufacturing		Distribution & Others		Elimination		Consolidation	
	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000
Segment Revenue										
Sales to External Customers	122,077	106,434	915,318	920,601	-	-	-	-	1,037,395	1,027,035
Intersegment Sales	5,996	8,103	362	309	-	-	(6,358)	(8,412)	-	-
Total Revenue	128,073	114,537	915,680	920,910	-	-	(6,358)	(8,412)	1,037,395	1,027,035
Profit Before Interest and Taxation	13,028	12,391	17,920	20,133	(1,399)	(2,313)	-	-	29,549	30,211
Finance Costs									(1,476)	(1,159)
Profit Before Taxation and Minority Interests									28,073	29,052
Taxation									(1,763)	(2,476)
Minority Interests									298	86
Net Profit									26,608	26,662

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	542,462	482,076	12.5
Operating profit after tax before deducting minority interests reported for first half year	13,240	11,738	12.8
Sales reported for second half year	494,933	544,959	(9.2)
Operating profit after tax before deducting minority interests reported for second half year	13,070	14,838	(11.9)

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	13,199	10,559
Preference	0	0
Total:	13,199	10,559

BY ORDER OF THE BOARD

Tay Peng Huat
Company Secretary
21/09/2006