



## FOR IMMEDIATE RELEASE

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## **Beyonics reports net profit of \$16.3m on 68% rise in turnover to \$710.6m for nine months of FY2004**

<b>Financial Highlights (S\$'m)</b>	<b>3 months ended 30 Apr 04</b>	<b>3 months ended 30 Apr 03</b>	<b>Change (%)</b>	<b>9 months ended 30 Apr 04</b>	<b>9 months ended 30 Apr 03</b>	<b>Change (%)</b>
<b>Revenue</b>	239.4	134.8	+77.6	710.6	422.1	+68.3
<b>Gross Profit</b>	12.7	12.5	+1.9	41.4	35.4	+16.8
<b>Profit from Operating Activities</b>	5.3	7.2	-26.1	19.2	19.6	-1.7
<b>Profit Before Tax</b>	5.0	6.9	-28.0	18.0	18.9	-4.9
<b>Net Profit</b>	4.2	5.9	-27.9	16.3	15.9	+2.3

**SINGAPORE – 18 June 2004** – Main board-listed **Beyonics Technology Limited** (“Beyonics” or “the Group”), a leading integrated manufacturing services provider, today announced financial results for the third quarter and nine months ended 30 April 2004.

Turnover for nine months ended 30 April 2004 increased 68% to \$710.6 million, compared with \$422.1 million for the same period last year, due largely to the acquisition of the Pacific Plastics Group and Flairis Group.

Profit attributable to shareholders for the nine-month period increased by 2% to \$16.3 million, compared with \$15.9 million in the previous corresponding period.

The revenue contribution from the Pacific Plastics Group and the Flairis Group resulted in a sharp 88% increase in sales revenue for the Contract Manufacturing Division to \$623.6 million for the nine-month period compared to the previous corresponding period.

Sales revenue for the Precision Engineering Division for the nine-month period, however, was lower by 4% to \$87 million compared to the previous corresponding period. Sales in the third quarter was impacted by a continual weakening of the US Dollar and slower orders from a major customer.

Earnings per share for the nine months decreased to 3.56 cents from 4.53 cents in the previous corresponding period, taking into account the increased number of outstanding shares arising from the Flairis acquisition. Net assets value per ordinary share increased to 47.64 cents as at 30 April 2004, from 45.80 cents as at 31 July 2003.

On a quarter-to-quarter basis, revenue of \$239.4 million for the third quarter, was an increase of 78% over \$134.8 million for the corresponding quarter of last year. The general price increase in raw materials and increased costs arising from shortages of certain critical components, however, resulted in a lower profitability in the third quarter with net profit attributable to shareholders decreasing 28% to \$4.2 million, from \$5.9 million in the corresponding quarter of last year.

Commenting on the third quarter results, Chief Executive Officer of Beyonics, Mr Goh Chan Peng said, "During the quarter, we experienced sustained price increase in raw materials, in particular aluminium ingots, and increased costs arising from shortages of certain critical components which affected our financial performance. The nature of the hard disk drive industry is such that the Group has access to limited number of customer-approved suppliers. Margins and the absolute level of earnings are lower than what we would like to see. Despite our continuing efforts in cost reduction measures, if the prices of raw materials, critical components and oil continue to rise, the profitability of the Group will continue to be impacted."

### ***Balance Sheet***

Fixed assets decreased by \$18.2 million largely due to normal depreciation and impairment loss on Flairis' plant and machinery. Bank borrowings decreased by \$8.1 million to \$42.7 million as a result of repayment.

Stocks increased by \$14.4 million to \$60.7 million largely due to inventory built-up for new Japanese projects, stock-up of raw materials in anticipation of further price increases and slower sales to a major disk drive customer.

As a reflection of Beyonics' continuing focus on cashflow management, trade debtors decreased by \$23.6 million to \$107.8 million and trade creditors decreased by \$27.3 million to \$119.6 million despite the higher sales.

### ***Outlook***

Looking ahead, Mr Goh said, "Our financial strength and our early steps in implementing cost efficiency measure and productivity programmes over the years have helped us considerably during this difficult period to achieve acceptable results. We are firmly addressing the continuing market challenges, both through short-term actions and, more importantly, through initiatives which strengthen the Company and add to the momentum of growth in the longer run."

One of Beyonics' strategic initiatives is to strengthen its presence in China. The immediate focus will be to proceed with its plans to set up a die-casting and precision engineering plant in Changshu, China. In addition, it is planning to build a fully integrated EMS plant in Suzhou, to consolidate its current Suzhou facilities. Both new plants are expected to be completed in early 2005.

"We are laying the foundation and investing in anticipation of increasing opportunities in China. Indeed, as China continues to establish itself as a manufacturing hub, we will continue to see more of our customers moving their manufacturing facilities there. The two new plants will improve cost efficiencies and position the Group to establish better strategic partnerships with our customers," said Mr Goh.

**About Beyonics Technology Limited**

*Main board-listed Beyonics Technology Limited was founded in Singapore in 1981 and has since established itself as a significant player in the electronics landscape in Singapore. Its core businesses comprise Contract Manufacturing, Precision Machining, Precision Plastic Molding and Metal Stamping.*

*The Group, which aims to be the industrial leader for the provision of integrated manufacturing services, counts among its key customers, multinationals such as Seagate Technology, Matsushita/Panasonic, Hewlett Packard, Quantum, Hauppauge, IBM and Baxter. It currently has manufacturing facilities in Singapore, Malaysia, Indonesia, Thailand and China.*

*For more information, visit **[www.beyonics.com](http://www.beyonics.com)***

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