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Beyonics posts 1st half year net profit of \$12.2m; proposes 1-for-4 rights issue

- *Contract Manufacturing's revenue up 4.5% to S\$429.3 m*
- *Precision Engineering's revenue dips 12.9% to S\$52.8 m*
- *Proceeds from rights issue to fund business expansion*

Financial Highlights (\$'m)	3 mths ended 31 Jan 2005	3 mths ended 31 Jan 2004	% Change	6 mths ended 31 Jan 2005	6 mths ended 31 Jan 2004	% Change
Revenue	225.3	208.5	+8.1	482.1	471.2	+2.3
Profit Before Tax	6.1	5.5	+10.8	13.9	13.0	+6.7
Net Profit Attributable to Shareholders	5.3	5.2	+2.2	12.2	12.1	+1.2

SINGAPORE – 11 March 2005 – Mainboard-listed **Beyonics Technology Limited** (“Beyonics”), a leading integrated manufacturing services provider, today reported a 1.2% increase in net profit to \$12.2 million for the six months of FY2005 ended 31 January 2005.

Revenue increased slightly during the 6-month period under review to \$482.1 million compared to the corresponding period in the previous financial year.

During the six-month period under review, revenue for the Contract Manufacturing Division increased by 4.5% to \$429.3 million mainly due to strong demand of consumer products.

Revenue for the Precision Engineering Division during the six-month period under review decreased by 12.9% to \$52.8 million, largely due to lower orders from a major customer in the first quarter. However, revenue in the second quarter was higher by 6.2% compared to the first quarter.

Gross profit increased by 1.3% to \$29.0 million in the half year under review compared with \$28.6 million in the previous corresponding period. As a percentage of sales revenue, gross profit for the six-month period remained comparable to the previous corresponding period at 6.0%.

Selling, General and Administrative expenses for the six-month period remained comparable to the previous corresponding period.

Due to lower interest costs on refinancing of bank loans, finance costs decreased 36.9% to \$0.6 million for the half year under review.

Taxation was higher at \$1.7 million in the half year under review largely due to tax expenses of \$0.4 million incurred by a foreign subsidiary due to certain expenses in prior years that the tax authorities has now determined to be non-tax deductible.

Based on the latest half year results, basic earnings per share decreased to 2.61 cents from 2.64 cents in the previous year's corresponding period due to the higher number of outstanding shares arising from shares issued from the exercise of employees' share options.

Looking ahead, Mr Goh Chan Peng, Chief Executive Officer of Beyonics said, "Our three campus-style facilities in Malaysia and China are on schedule to be completed and operational in 2005. We envisage that these three campuses will achieve higher

productivity and cost efficiencies, and allow us to establish closer strategic partnerships with existing and new customers.”

“While we continue to see strong demand for consumer products from our customers, prices of raw materials and components remain high although they appear to have stabilized. Hence, we expect to continue to face cost challenges and will focus on cost improvements,” he added.

Proposed Rights Issue

Beyonics also announced today a renounceable non-underwritten rights issue of up to 120,262,462 new ordinary shares of S\$0.25 each, on the basis of one (1) rights share for every four (4) existing ordinary shares. The rights issue price is \$0.31 cents per rights share, and the proposed rights issue will raise funds of up to \$37.0 million.

Mr Goh said, "Proceeds from the rights issue will be primarily used to fund further business expansion, which includes financing the building of our plants in Suzhou and Changshu, China, and the purchase of machinery. In addition, the proceeds of the rights issue will be used to reduce the short-term bank borrowings of Beyonics and its subsidiaries as well as for working capital purposes.”

Mr Chay Kwong Soon, a substantial shareholder and the Chairman of Beyonics, holding interests in an aggregate of 48,341,114 Shares, representing approximately 10.3 per cent. of the issued and paid-up share capital of Beyonics, as at the date hereof, has irrevocably undertaken to Beyonics to subscribe for and/or to procure subscriptions for his Rights Shares entitlements under the Rights Issue, being 12,085,278 Rights Shares, representing approximately 10.0 per cent. of the maximum number of Rights Shares to be issued under the Rights Issue.

Mr Goh, holding interests in an aggregate of 10,849,600 Shares, representing approximately 2.3 per cent. of the issued and paid-up share capital of Beyonics, as at the date hereof, has irrevocably undertaken to Beyonics to subscribe for and/or to procure subscriptions for his Rights Shares entitlements under the Rights Issue, being 2,712,400 Rights Shares, representing approximately 2.3 per cent. of the maximum number of Rights Shares to be issued under the Rights Issue.

Mr Yeo Khee Siang, a substantial shareholder and the Vice-Chairman of Beyonics, holding interests in an aggregate of 59,926,617 Shares, representing approximately 12.7 per cent. of the issued and paid-up share capital of Beyonics, as at the date hereof, has irrevocably undertaken to Beyonics to subscribe for and/or to procure subscriptions for 3,225,806 Rights Shares, representing approximately 2.7 per cent. of the maximum number of Rights Shares to be issued under the Rights Issue.

About Beyonics Technology Limited

Mainboard-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***

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