

# BEYONICS TECHNOLOGY LIMITED

## Third Quarter Financial Statements for the Period Ended 30/04/2005

### 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 30/04/2005 S\$'000	Group 3 Months Ended 30/04/2004 S\$'000	Change %	Group 9 Months Ended 31/04/2005 S\$'000	Group 9 Months Ended 30/04/2004 S\$'000	Change %
<b>Revenue</b>	<b>259,376</b>	<b>239,370</b>	<b>8.4</b>	<b>741,452</b>	<b>710,613</b>	<b>4.3</b>
Cost of sales	(244,048)	(226,641)	7.7	(697,126)	(669,263)	4.2
<b>Gross profit</b>	<b>15,328</b>	<b>12,729</b>	<b>20.4</b>	<b>44,326</b>	<b>41,350</b>	<b>7.2</b>
Other Income	147	7	2,000.0	670	354	89.3
	<b>15,475</b>	<b>12,736</b>	<b>21.5</b>	<b>44,996</b>	<b>41,704</b>	<b>7.9</b>
General and administrative costs	(6,745)	(6,824)	(1.2)	(20,789)	(20,509)	1.4
Selling and marketing expenses	(567)	(586)	(3.2)	(1,597)	(1,974)	(19.1)
<b>Profit from operating activities</b>	<b>8,163</b>	<b>5,326</b>	<b>53.3</b>	<b>22,610</b>	<b>19,221</b>	<b>17.6</b>
Finance costs	(296)	(328)	(9.8)	(851)	(1,208)	(29.6)
<b>Profit before taxation and minority interests</b>	<b>7,867</b>	<b>4,998</b>	<b>57.4</b>	<b>21,759</b>	<b>18,013</b>	<b>20.8</b>
Taxation	(607)	(710)	(14.5)	(2,320)	(1,739)	33.4
<b>Profit after taxation</b>	<b>7,260</b>	<b>4,288</b>	<b>69.3</b>	<b>19,439</b>	<b>16,274</b>	<b>19.4</b>
Minority interests	106	(50)	312.0	143	32	346.9
<b>Profit attributable to shareholders</b>	<b>7,366</b>	<b>4,238</b>	<b>73.8</b>	<b>19,582</b>	<b>16,306</b>	<b>20.1</b>

#### Additional information for the income statement

	3 Months Ended 30/04/2005 S\$'000	3 Months Ended 30/04/2004 S\$'000	9 Months Ended 30/04/2005 S\$'000	9 Months Ended 30/04/2004 S\$'000
Depreciation and amortisation	(5,441)	(6,440)	(16,665)	(19,823)
Interest on borrowings	(296)	(328)	(851)	(1,208)
Foreign exchange loss	(112)	(80)	(1,166)	(1,252)
Provision for doubtful debts written back/(provision for doubtful debts)	135	57	119	(444)
Provision for stock obsolescence	172	(226)	87	(1,084)

**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 30/04/2005 S\$'000</b>	<b>Group 31/07/2004 S\$'000</b>	<b>Company 30/04/2005 S\$'000</b>	<b>Company 31/07/2004 S\$'000</b>
<b>Non-Current Assets</b>				
Fixed Assets	167,755	162,762	-	-
Subsidiary companies	-	-	147,901	142,277
Long-term investments	711	788	11	11
Investment properties	4,316	4,517	-	-
Intangible assets	19,217	19,217	-	-
	<b>191,999</b>	<b>187,284</b>	<b>147,912</b>	<b>142,288</b>
<b>Current Assets</b>				
Stocks	72,384	60,891	-	-
Trade debtors	117,590	112,367	-	-
Other debtors	15,652	18,506	276	10
Amount due from subsidiary companies	-	-	90,101	123,481
Short-term investments	179	110	179	110
Fixed deposits	632	769	-	-
Cash and bank balances	60,840	56,659	784	205
	<b>267,277</b>	<b>249,302</b>	<b>91,340</b>	<b>123,806</b>
<b>Current Liabilities</b>				
Trade creditors	142,665	129,027	-	-
Other creditors and accruals	24,845	24,744	528	592
Amount due to subsidiary companies	-	-	-	7,133
Hire purchase creditors	764	1,605	-	-
Provision for taxation	2,384	2,511	17	126
Bank borrowings	41,522	40,852	14,200	31,600
	<b>212,180</b>	<b>198,739</b>	<b>14,745</b>	<b>39,451</b>
<b>Net Current Assets</b>	<b>55,097</b>	<b>50,563</b>	<b>76,595</b>	<b>84,355</b>
<b>Non-Current Liabilities</b>				
Hire purchase creditors	158	678	-	-
Deferred taxation	3,831	4,241	-	-
	<b>3,989</b>	<b>4,919</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>243,107</b>	<b>232,928</b>	<b>224,507</b>	<b>226,643</b>
<b>Capital and Reserves</b>				
Share capital	117,559	115,026	117,559	115,026
Share premium	115,636	114,294	115,636	114,294
Capital reserves	7,369	7,369	-	-
Merger reserve	-	-	25,036	25,036
Accumulated profits / (losses)	22,363	7,478	(33,724)	(27,713)
Foreign currency translation reserve	(25,315)	(16,807)	-	-
	<b>237,612</b>	<b>227,360</b>	<b>224,507</b>	<b>226,643</b>
Minority interests	5,495	5,568	-	-
<b>Total Equity</b>	<b>243,107</b>	<b>232,928</b>	<b>224,507</b>	<b>226,643</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 30/04/2005</b>		<b>As at 31/07/2004</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000	S\$'000	S\$'000	S\$'000
764	41,522	1,605	40,852

**Amount repayable after one year**

<b>As at 30/04/2005</b>		<b>As at 31/07/2004</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$'000	S\$'000	S\$'000	S\$'000
158	-	678	-

**Details of any collateral**

As at 30 April 2005, the Group 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 3 Months Ended 30/04/2005 S\$'000	Group 3 Months Ended 30/04/2004 S\$'000
<b>Cash flow from operating activities:-</b>		
Profit before taxation and minority interests	7,867	4,998
Adjustments for:		
Depreciation of fixed assets	5,441	6,180
Writeback for impairment in value of quoted investments	(22)	2
Amortisation of goodwill	-	260
(Gain)/loss on sale of fixed assets	(26)	8
Interest expenses	296	328
Interest income	(37)	(11)
Currency re-alignment	1,702	38
<b>Operating profit before working capital changes</b>	<b>15,221</b>	<b>11,803</b>
Increase in stocks	(9,893)	(13,393)
Decrease in trade debtors	6,435	2,968
Decrease/(Increase) in other debtors	1,964	(2,006)
Decrease in trade creditors	(3,597)	(1,605)
(Decrease)/Increase in other creditors and accruals	(3,257)	3,819
<b>Cash generated from operations</b>	<b>6,873</b>	<b>1,586</b>
Interest paid	(296)	(328)
Interest income	37	11
Taxation paid	(894)	(2,346)
<b>Net cash provided from / (used in) operating activities</b>	<b>5,720</b>	<b>(1,077)</b>
<b>Cash flows from investing activities:-</b>		
Purchase of fixed assets	(7,034)	(5,025)
Proceeds from sale of fixed assets	26	101
<b>Net cash used in investing activities</b>	<b>(7,008)</b>	<b>(4,924)</b>
<b>Cash flows from financing activities:-</b>		
Payment of hire purchase obligations	(325)	(637)
Repayment of bank borrowings	-	(3,826)
Proceeds from the exercise of share options	76	213
Proceeds from bank borrowings	2,050	-
<b>Net cash generated from / (used in) financing activities</b>	<b>1,801</b>	<b>(4,250)</b>
Net increase/(decrease) in cash and cash equivalents	513	(10,251)
Cash and cash equivalents at beginning of period	60,959	51,148
<b>Cash and cash equivalents at end of the period</b>	<b>61,472</b>	<b>40,897</b>
<b>Cash and cash equivalents comprise the following balance sheet amounts :-</b>		
Fixed Deposits	632	486
Cash and bank balances	60,840	40,411
	<b>61,472</b>	<b>40,897</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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group 9 Mths to 30/04/2005 S\$'000</b>	<b>Group 9 Mths to 30/04/2004 S\$'000</b>	<b>Company 9 Mths to 30/04/2005 S\$'000</b>	<b>Company 9 Mths to 30/04/2004 S\$'000</b>
<b>Share Capital</b>				
Balance as at 1 August	115,026	113,638	115,026	113,638
Issuance of ordinary shares during the period	2,408	370	2,408	370
Balance as at 31 October	117,434	114,008	117,434	114,008
Issuance of ordinary shares during the period	75	889	75	889
Balance as at 31 January	117,509	114,897	117,509	114,897
Issuance of ordinary shares during the period	50	129	50	129
<b>Balance as at 30 April</b>	<b>117,559</b>	<b>115,026</b>	<b>117,559</b>	<b>115,026</b>
<b>Share premium</b>				
Balance as at 1 August	114,294	113,454	114,294	113,454
Premium from issue of ordinary shares upon exercise of share options	1,276	237	1,276	237
Balance as at 31 October	115,570	113,691	115,570	113,691
Premium from issue of ordinary shares upon exercise of share options	40	519	40	519
Balance as at 31 January	115,610	114,210	115,610	114,210
Premium from issue of ordinary shares upon exercise of share options	26	84	26	84
<b>Balance as at 30 April</b>	<b>115,636</b>	<b>114,294</b>	<b>115,636</b>	<b>114,294</b>
<b>Capital reserves</b>				
<b>Balance at beginning and end of period</b>	<b>7,369</b>	<b>7,369</b>	<b>-</b>	<b>-</b>
<b>Merger reserves</b>				
<b>Balance at beginning and end of period</b>	<b>-</b>	<b>-</b>	<b>25,036</b>	<b>25,036</b>
<b>Accumulated profits/(losses)</b>				
Balance as at 1 August	7,478	(11,918)	(27,713)	(30,267)
Profit / (loss) for the period	6,918	6,885	(699)	(225)
Balance as at 31 October	14,396	(5,033)	(28,412)	(30,492)
Payment of dividend	(4,697)	(3,572)	(4,697)	(3,572)
Profit / (loss) for the period	5,298	5,183	(530)	(232)
Balance as at 31 January	14,997	(3,422)	(33,639)	(34,296)
Profit / (loss) for the period	7,366	4,238	(85)	(275)
<b>Balance as at 30 April</b>	<b>22,363</b>	<b>816</b>	<b>(33,724)</b>	<b>(34,571)</b>

	Group 9 Mths to 30/04/2005 S\$'000	Group 9 Mths to 30/04/2004 S\$'000	Company 9 Mths to 30/04/2005 S\$'000	Company 9 Mths to 30/04/2004 S\$'000
<b>Foreign currency translation reserve</b>				
Balance as at 1 August	(16,807)	(14,371)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	(4,264)	(1,103)	-	-
long term intercompany loan	(2,359)	(521)	-	-
Balance as at 31 October	(23,430)	(15,995)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	(2,886)	(1,865)	-	-
long term intercompany loan	(730)	(759)	-	-
Balance as at 31 January	(27,046)	(18,619)	-	-
Exchange movement arising from translation of:				
share capital, capital reserves and revenue reserve/accumulated losses of subsidiary companies	1,583	183	-	-
long term intercompany loan	148	129	-	-
<b>Balance as at 30 April</b>	<b>(25,315)</b>	<b>(18,307)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>237,612</b>	<b>219,198</b>	<b>224,507</b>	<b>219,785</b>

**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**

During the third quarter ended 30 April 2005, the Company issued 200,000 ordinary shares of S\$0.25 each upon the exercise of options granted under the Beyonics Share Option Scheme 2000.

As at 30 April 2005, there were unexercised options for 22,695,200 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**

Except for the adoption of FRS 103, Revised 36 and Revised 38 with effect from 1 August 2004, 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 2004 have been applied.

**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 30/04/2005	3 Mths Ended 30/04/2004	9 Mths Ended 30/04/2005	9 Mths Ended 30/04/2004
Earnings per ordinary share	1.57 cents	0.92 cents	4.17 cents	3.56 cents
Diluted earnings per ordinary share	1.57 cents	0.91cents	4.17 cents	3.53 cents

**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**

<b>Group</b>	30/04/2005	31/07/2004
Net assets value per ordinary share (based on par value of S\$0.25 per ordinary share)	50.53 cents	49.41cents
<b>Company</b>		
Net assets value per ordinary share (based on par value of S\$0.25 per ordinary share)	47.74 cents	49.26 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 quarter ended 30 April 2005 ("Q3 FY05") increased by 8.4% to S\$259.4 million as compared to the previous corresponding quarter ("Q3 FY04"). Year-to-date Group revenue increased by 4.3% to S\$741.5 million.

Revenue for electronic manufacturing services ("EMS") increased by 9.1% to S\$232.4 million in Q3 FY05 compared to Q3 FY04. The increase was mainly due to higher demand of consumer

products from existing customers. Year-to-date revenue for EMS increased by 6.1% to S\$661.6 million.

Revenue for precision engineering services ("PES") increased by 2.7% to S\$27.0 million in Q3 FY05 as compared to Q3 FY04. Year-to-date revenue for PES of S\$79.8 million was 8.2% lower as compared to the corresponding period mainly attributable to lower sales to a major customer in the first quarter of FY05.

Gross profit increased by 20.4% to S\$15.3 million in Q3 FY05 compared to Q3 FY04. Year-to-date gross profit increased by 7.2% to S\$44.3 million. The increase in gross profit was largely due to increase in sales revenue coupled with higher productivity and effective implementation of cost improvement programs.

Q3 FY05 and year-to-date selling, general and administrative expenses were comparable to the respective corresponding periods.

The lower finance costs in Q3 FY05 were due to lower interest costs on refinancing of bank loans.

Taxation was lowered by 14.6% to S\$0.6 million in Q3 FY05 compared to Q3 FY04 due to utilization of carry forward tax losses and tax incentives in certain subsidiaries.

Profit attributable to shareholders for Q3 FY05 increased by 73.8% to S\$7.4 million as compared to Q3 FY04. On a year-to-date basis, profit attributable to shareholders increased by 20.1% to S\$19.6 million.

Basic earnings per share ("EPS") for Q3 FY05 increased by 70.7% to 1.57 cents compared to Q3 FY04. EPS for the nine months period increased by 17.1% to 4.17 cents from 3.56 cents.

The increases in stocks, trade debtors and trade creditors balances as at 30 April 2005 compared with balances as at 31 July 2004 were in line with higher sales revenue for Q3 FY05.

Net fixed assets balance increased by S\$5.0 million largely due to the construction of the Group's integrated campuses in China and Malaysia and the purchase of machinery and equipment.

**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 expects demand for its manufacturing services of consumer electronics, telecommunication products and hard disk base plates to remain strong in the next reporting period.

Our three campus-style facilities in Malaysia and China, two of which are near completion, will provide the capabilities, capacity and cost structure for the Group to remain competitive in the EMS and PES sectors.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

**(b) Corresponding Period of the immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(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

**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**

Not applicable

**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**

Not applicable

**15. A breakdown of sales**

Not applicable

**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)

	<b>Latest Full Year (S\$'000)</b>	<b>Previous Full Year (S\$'000)</b>
<b>Ordinary</b>	<b>0</b>	<b>0</b>
<b>Preference</b>	<b>0</b>	<b>0</b>
<b>Total:</b>	<b>0</b>	<b>0</b>

**BY ORDER OF THE BOARD**

Tay Peng Huat  
Company Secretary  
14/06/2005