

Unaudited Full Year Financial Statements for the Year Ended 30 June 2014

The Board of Directors of PCI Limited is pleased to announce the full year financial statements on consolidated results for the financial year ended 30 June 2014. These figures have not been audited.

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

		The Group					
		4th quarter ended 30/06/2014 US\$'000	4th quarter ended 30/06/2013 US\$'000	% increase/ (decrease)	12 months ended 30/06/2014 US\$'000	12 months ended 30/06/2013 US\$'000	% increase/ (decrease)
1.0	Revenue	46,567	45,312	2.8%	178,803	183,659	(2.6%)
2.0	Cost of sales						
2.1	Raw material and consumables	(36,136)	(34,732)	4.0%	(136,214)	(140,277)	(2.9%)
2.2	Manufacturing expenses	(5,561)	(6,039)	(7.9%)	(20,793)	(23,222)	(10.5%)
2.3	Other operating expenses	(662)	(786)	(15.8%)	(2,941)	(3,151)	(6.7%)
2.4	Direct depreciation/amortisation	(359)	(422)	(14.9%)	(1,457)	(1,819)	(19.9%)
		(42,718)	(41,979)	1.8%	(161,405)	(168,469)	(4.2%)
3.0	Gross profit	3,849	3,333	15.5%	17,398	15,190	14.5%
4.0	Other operating income	321	195	64.6%	708	524	35.1%
5.0	Other expenses						
5.1	Business development expenses	(1,620)	(1,661)	(2.5%)	(5,414)	(6,447)	(16.0%)
5.2	General & administrative expenses	(1,778)	(1,211)	46.8%	(5,465)	(5,458)	0.1%
5.3	Indirect depreciation	(111)	(85)	30.6%	(381)	(465)	(18.1%)
5.4	Foreign exchange gain (loss)	46	(33)	n.m.	(549)	394	n.m.
5.5	Mark to market valuation gain (loss)	27	(233)	n.m.	228	(239)	n.m.
		(3,436)	(3,223)	6.6%	(11,581)	(12,215)	(5.2%)
6.0	Profit from operations	734	305	140.7%	6,525	3,499	86.5%
7.0	Exceptional item	-	-	-	-	-	-
8.0	Finance cost	-	-	-	-	-	-
9.0	Profit before income tax	734	305	140.7%	6,525	3,499	86.5%
10.0	Income tax (expenses) benefit						
10.1	Current period / year	(26)	(63)	(58.7%)	(1,026)	(410)	150.2%
10.2	Prior period / year	(74)	34	n.m.	212	416	(49.0%)
11.0	Profit after income tax	634	276	129.7%	5,711	3,505	62.9%
	Attributable to :						
12.0	Equity holders of the company	642	270	137.8%	5,704	3,494	63.3%
13.0	Non-controlling interests	(8)	6	n.m.	7	11	(36.4%)
		634	276	129.7%	5,711	3,505	62.9%

Notes to the Income Statement:

n.m. : not meaningful

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2014

	The Group					
	4th quarter ended 30/06/2014 US\$'000	4th quarter ended 30/06/2013 US\$'000	% increase/ (decrease)	12 months ended 30/06/2014 US\$'000	12 months ended 30/06/2013 US\$'000	% increase/ (decrease)
PROFIT FOR THE PERIOD / YEAR	634	276	129.7%	5,711	3,505	62.9%
OTHER COMPREHENSIVE INCOME						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(43)	(144)	(70.1%)	(391)	146	n.m.
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD / YEAR	(43)	(144)	(70.1%)	(391)	146	n.m.
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR, NET OF TAX	591	132	347.7%	5,320	3,651	45.7%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Equity holders of the company	599	126	375.4%	5,313	3,640	46.0%
Non-controlling interests	(8)	6	n.m.	7	11	(36.4%)
	591	132	347.7%	5,320	3,651	45.7%

Notes to the statement of comprehensive income:
n.m. : not meaningful

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	The Group		The Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and bank balances	57,208	59,262	45,658	45,490
Trade receivables	30,654	25,913	28,012	21,810
Other receivables and prepayments	1,491	1,922	775	783
Amounts due from subsidiaries	-	-	2,378	4,925
Amounts due from holding company	3	3	-	-
Derivative financial instruments	21	6	21	6
Inventories	27,753	26,555	24,603	21,234
Total current assets	117,130	113,661	101,447	94,248
Non-current assets				
Property, plant and equipment	3,418	3,195	2,637	2,061
Prepaid lease payment	5,424	5,812	-	-
Investments in subsidiaries	-	-	14,822	16,292
Other assets	284	315	284	315
Total non-current assets	9,126	9,322	17,743	18,668
Total assets	126,256	122,983	119,190	112,916
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables, other payables and provision	39,995	37,408	31,049	25,874
Amounts due to subsidiaries	-	-	9,969	8,198
Amounts due to holding company	7	7	7	7
Derivative financial instruments	-	213	-	213
Income tax payable	1,966	1,585	1,566	1,079
Total current liabilities	41,968	39,213	42,591	35,371
Non-current liability				
Deferred tax liabilities	335	316	335	316
Total non-current liability	335	316	335	316
Capital, reserves and non-controlling interests				
Share capital	44,667	44,667	44,667	44,667
Foreign currency translation reserve	3,780	4,171	-	-
Retained earnings	35,426	34,543	31,597	32,562
Equity attributable to equity holders of the company	83,873	83,381	76,264	77,229
Non-controlling interests	80	73	-	-
Total equity	83,953	83,454	76,264	77,229
Total liabilities and equity	126,256	122,983	119,190	112,916

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

Amount repayable in one year or less, or on demand

As at 30/06/2014		As at 30/06/2013	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/06/2014		As at 30/06/2013	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Nil

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	4th quarter ended		12 months ended	
	30/06/2014 US\$'000	30/06/2013 US\$'000	30/06/2014 US\$'000	30/06/2013 US\$'000
Operating activities				
Profit before income tax	734	305	6,525	3,499
Adjustments for :				
Depreciation of property, plant and equipment	357	390	1,386	1,770
Amortisation of prepaid lease payment	113	117	452	514
(Gain) loss on disposal of property, plant and equipment	-	-	(58)	1
Impairment loss of other assets	31		31	-
Mark to market value for derivative financial instruments	(27)	233	(228)	239
Interest income	(169)	(150)	(616)	(582)
Foreign exchange (gain) loss	(299)	19	(708)	(353)
Operating profit before working capital changes	740	914	6,784	5,088
Trade receivables	(1,088)	1,299	(4,741)	14,225
Other receivables and prepayments	94	(78)	446	(106)
Inventories	(3,560)	315	(1,198)	10,240
Trade payables, other payables and provision	6,665	2,061	2,587	(12,645)
Amounts due to holding company	-	-	-	7
Cash generated from operations	2,851	4,511	3,878	16,809
Interest received	124	101	601	511
Income tax paid	(250)	4	(381)	(550)
Net cash from operating activities	2,725	4,616	4,098	16,770
Investing activities				
Proceeds on disposal of property, plant and equipment	-	-	58	-
Purchase of property, plant and equipment	(608)	(27)	(1,622)	(700)
Net cash used in investing activities	(608)	(27)	(1,564)	(700)
Financing activities				
Dividend paid	-	-	(4,821)	(4,896)
Proceeds on issuance of shares	-	-	-	47
Net cash flows used in financing activities	-	-	(4,821)	(4,849)
Net increase (decrease) in cash and bank balance	2,117	4,589	(2,287)	11,221
Cash and bank balances at beginning of period	54,899	54,768	59,262	47,659
Effect of exchange rate change on balance of cash held in foreign currencies	192	(95)	233	382
Cash and bank balances	57,208	59,262	57,208	59,262
Pledged deposits for derivative financial instruments with banks	(1,336)	(2,852)	(1,336)	(2,852)
Total Cash and cash equivalents	55,872	56,410	55,872	56,410

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 capitalization issues and distributions to shareholders**

together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital	Foreign currency translation reserve	Retained earnings	Attributable to equity holders of the company	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group						
Balance at July 1, 2012	44,620	4,025	35,945	84,590	62	84,652
Total comprehensive income (loss) for the period	-	445	1,559	2,004	(1)	2,003
Issuance of shares	47	-	-	47	-	47
Balance at September 30, 2012	44,667	4,470	37,504	86,641	61	86,702
Total comprehensive income for the period	-	56	1,431	1,487	4	1,491
Dividend paid	-	-	(4,896)	(4,896)	-	(4,896)
Balance at December 31, 2012	44,667	4,526	34,039	83,232	65	83,297
Total comprehensive (loss) income for the period	-	(211)	234	23	2	25
Balance at March 31, 2013	44,667	4,315	34,273	83,255	67	83,322
Total comprehensive (loss) income for the period	-	(144)	270	126	6	132
Balance at June 30, 2013	44,667	4,171	34,543	83,381	73	83,454
Balance at July 1, 2013	44,667	4,171	34,543	83,381	73	83,454
Total comprehensive (loss) income for the period	-	(231)	1,006	775	4	779
Balance at September 30, 2013	44,667	3,940	35,549	84,156	77	84,233
Total comprehensive (loss) income for the period	-	(63)	2,617	2,554	13	2,567
Dividend paid	-	-	(4,821)	(4,821)	-	(4,821)
Balance at December 31, 2013	44,667	3,877	33,345	81,889	90	81,979
Total comprehensive (loss) income for the period	-	(54)	1,439	1,385	(2)	1,383
Balance at March 31, 2014	44,667	3,823	34,784	83,274	88	83,362
Total comprehensive (loss) income for the period	-	(43)	642	599	(8)	591
Balance at June 30, 2014	44,667	3,780	35,426	83,873	80	83,953

	Share capital	Foreign currency translation reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Company				
Balance at July 1, 2012	44,620	-	35,434	80,054
Total comprehensive income for the period	-	-	741	741
Issuance of shares	47	-	-	47
Balance at September 30, 2012	44,667	-	36,175	80,842
Total comprehensive income for the period	-	-	1,502	1,502
Dividend paid	-	-	(4,896)	(4,896)
Balance at December 31, 2012	44,667	-	32,781	77,448
Total comprehensive income for the period	-	-	528	528
Balance at March 31, 2013	44,667	-	33,309	77,976
Total comprehensive loss for the period	-	-	(747)	(747)
Balance at June 30, 2013	44,667	-	32,562	77,229
Balance at July 1, 2013	44,667	-	32,562	77,229
Total comprehensive income for the period	-	-	725	725
Balance at September 30, 2013	44,667	-	33,287	77,954
Total comprehensive income for the period	-	-	2,015	2,015
Dividend paid	-	-	(4,821)	(4,821)
Balance at December 31, 2013	44,667	-	30,481	75,148
Total comprehensive income for the period	-	-	687	687
Balance at March 31, 2014	44,667	-	31,168	75,835
Total comprehensive income for the period	-	-	429	429
Balance at June 30, 2014	44,667	-	31,597	76,264

- 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 for 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

There was no change in the company's share capital since the end of the previous period reported on.

There were no outstanding convertibles or treasury shares 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.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 June 2014, the total number of issued shares excluding treasury shares was 199,099,000 (30 Jun 2013: 199,099,000).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

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 adopted the same accounting policies and methods of computation as compared with the most recently audited annual financial statements ended 30 June 2013 as well as all the applicable Financial Reporting Standards (FRS) which became effective for financial year beginning on or after 1 July 2013. The adoption of these new accounting policies did not give rise to any significant change to the financial statements.

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.

Earnings per ordinary share for the period based on 1(a) 12.0 above after deducting any provision for preference dividends:-

- | | |
|--|----------|
| (i) Based on the weighted average number of ordinary shares on issue | US cents |
| (ii) On a fully diluted basis | US cents |

The Group			
4th quarter ended		12 months ended	
30/06/2014	30/06/2013	30/06/2014	30/06/2013
0.32	0.14	2.86	1.75
0.32	0.14	2.86	1.75

Average number of ordinary shares		Average number of ordinary shares	
4th quarter ended		12 months ended	
30/06/2014	30/06/2013	30/06/2014	30/06/2013
199,099,000	199,099,000	199,099,000	199,099,000

Earnings per ordinary share have been computed based on the 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 period reported on; and
(b) immediately preceding financial year

Net asset value per ordinary share based on issued share capital as at the end of the period reported on

(a) The Group	US cents
(b) The Company	US cents

As at 30/06/2014	As at 30/06/2013
42.13	41.88
38.30	38.79

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following : -

(a) 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; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) Profit and Loss

Segment result by business activities

	4th quarter ended 30/06/2014	4th quarter ended 30/06/2013	Total 12 months ended 30/06/2014	Total 12 months ended 30/06/2013
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
1 Electronics Manufacturing Services (EMS)	45,532	44,091	174,178	178,965
2 Investment income & interest earned	41	34	197	142
3 Estate management and rental income	994	1,187	4,428	4,552
Total	46,567	45,312	178,803	183,659
Gross Profit	3,849	3,333	17,398	15,190
Gross Profit Margin	8.3%	7.4%	9.7%	8.3%
Profit from operations				
1 Electronics Manufacturing Services (EMS)	44	35	4,133	1,949
% of EMS Revenue	0.1%	0.1%	2.4%	1.1%
2 Investment income & interest earned	67	(200)	424	(93)
3 Estate management and rental income	623	470	1,968	1,643
Total	734	305	6,525	3,499
Profit margin from operations	1.6%	0.7%	3.6%	1.9%
Profit attributable to equity holders of the company	642	270	5,704	3,494

4th Quarter

For the 4th quarter ended 30 June 2014, the Group achieved a revenue of USD 46.57 million or 2.8% higher versus the same period last year. Group profit attributable to equity holders was USD 0.64 million as compared to USD 0.27 million in the corresponding period last year. The improvement in the Group 4th quarter revenue was mainly attributed to the increase in revenue from EMS activities, whereas the increase in profit attributable to equity holders came mainly from Estate management and rental income activities. In this reporting period, investment income came in at USD 0.1 million.

Full Year

For the full year ended 30 June 2014, the Group achieved a revenue of USD 178.80 million as compared to USD 183.66 million last year. Profit attributable to equity holders was USD 5.70 million or 63.3% higher versus the previous year. Revenue from EMS activities and estate management activities was comparable to last year, whereas the improvement in the Group's full year profit from operations came mainly from EMS activities.

Gross profit contribution was USD 17.40 million or 14.5% higher than the previous year. This was due to the improvement in the costs of sales. G&A expenses remained the same as compared to the last financial year, whereas Group business development expenses was lower than the previous year. In this reporting year, the Group's SAP implementation costs were fully depreciated, resulting in a reduction in indirect depreciation as compared to the previous financial year. Mark to market valuation gain was USD 0.23 million as compared to a loss of USD 0.24 million last year. Foreign exchange loss was USD 0.55 million versus a gain of USD 0.39 million in the previous year.

B) Balance Sheet

The balance sheet and the financial position of the Group remained strong. Total assets and liabilities stood at USD 126.26 million and USD 42.30 million respectively. The cash and bank balances as at 30 June 2014 was USD 57.21 million compared to USD 59.26 million as at 30 June 2013. The trade receivables at USD 30.65 million, trade and other payables at USD 40.00 million and inventories at USD 27.75 million were in line with the business activities.

For this financial year, net cash generated in operating activities was USD 4.10 million and net cash used in investment activities was USD 1.56 million. Inclusive of cash used for dividend payment, there was a net decrease of USD 2.29 million in cash and bank balance, bringing the total cash and bank balances to USD 57.21 million as at 30 June 2014. Total shareholders fund was USD 83.87 million and the Group net asset value (NAV) per share was USD 42.13 cents as at 30 June 2014.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Nil

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 global economy is projecting a modest recovery in the next 6 to 12 months. Advanced economies such as the US are experiencing recovery momentum, but emerging economies such as China continue to see growth slowing. Barring downside risks in the global economic environment, the directors remain cautious about Group's business outlook for the next six to twelve months.

11. Dividend

(a) Current Financial Period Reported On

Name of dividend	First & Final	Special
Dividend type	Cash	Cash
Dividend amount per share	S\$0.030	S\$0.070
Tax rate	One-Tier Tax Exempt	One-Tier Tax Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of dividend	First & Final	Special
Dividend type	Cash	Cash
Dividend amount per share	S\$0.030	-
Tax rate	One-Tier Tax Exempt	One-Tier Tax Exempt

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been recommended for the period ended 30 June 2014.

13. Interested Person Transactions

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. 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.

	Electronics manufacturing services	Investment income and interest earned	Estate management and rental income	Elimination	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Business Segment					
2014					
Revenue :					
External	174,178	197	4,428	-	178,803
Inter-segment	-	-	703	(703)	-
Total	174,178	197	5,131	(703)	178,803
Results :					
Segment results	4,133	424	1,968	-	6,525
Profit before income tax	4,133	424	1,968	-	6,525
Income tax expense	(502)	-	(312)	-	(814)
Profit after income tax	3,631	424	1,656	-	5,711
Other information :					
Capital additions	(1,622)	-	-	-	(1,622)
Depreciation and amortisation	1,386	-	452	-	1,838
Interest income	419	197	-	-	616
Assets					
Segment assets	117,193	305	8,758	-	126,256
Liabilities					
Segment liabilities	39,258	-	744	-	40,002
Unallocated corporate liabilities					2,301
Total					42,303
2013					
Revenue :					
External	178,965	142	4,552	-	183,659
Inter-segment	-	-	756	(756)	-
Total	178,965	142	5,308	(756)	183,659
Results :					
Segment results	1,949	(93)	1,643	-	3,499
Profit before income tax	1,949	(93)	1,643	-	3,499
Income tax refund (expense)	305	-	(299)	-	6
Profit after income tax	2,254	(93)	1,344	-	3,505
Other information :					
Capital additions	(700)	-	-	-	(700)
Depreciation and amortisation	1,770	-	514	-	2,284
Interest income	440	142	-	-	582
Dividend income					
Assets					
Segment assets	113,751	321	8,911	-	122,983
Liabilities					
Segment liabilities	36,304	213	1,111	-	37,628
Unallocated corporate liabilities					1,901
Total					39,529

By Geographical Segment

	Revenue		Non-current assets	
	2014 US\$'000	2013 US\$'000	2014 US\$'000	2013 US\$'000
US	71,578	68,414	1	1
China	27,005	43,405	906	1,276
Singapore	38,155	30,824	8,176	8,013
ASEAN(excluding Singapore)	8,421	11,024	43	32
Britain	2,353	1,762	-	-
Australia	194	247	-	-
Others	31,097	27,983	-	-
	178,803	183,659	9,126	9,322

15. 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.

16. A breakdown of sales

	Year ended 30/06/2014 US\$'000	Year ended 30/06/2013 US\$'000	% increase / (decrease)
(a) Sales reported for the first half year	93,729	97,758	(4.1%)
(b) Operating profit after tax before deducting minority interests reported for the first half year	3,640	2,993	21.6%
(c) Sales reported for the second half year	85,074	85,901	(1.0%)
(d) Operating profit after tax before deducting minority interests reported for the second half year	2,071	512	304.5%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	5,973	5,973
Special	13,937	-
Total	19,910	5,973

18. Disclosure of person(s) occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
NIL	NIL	NIL	NIL	NIL

BY ORDER OF THE BOARD

Valerie Tan May Wei
Company Secretary
14th August 2014