

## Unaudited Financial Statements for the 3rd Quarter and Nine Months Ended 31 March 2018

The Board of Directors of PCI Limited is pleased to announce the third quarter financial statements on consolidated results for the nine months period ended 31 March 2018. These figures have not been audited.

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 &amp; 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					
	3rd quarter ended 31/03/2018 US\$'000	3rd quarter ended 31/03/2017 US\$'000	% increase/ (decrease)	9 months ended 31/03/2018 US\$'000	9 months ended 31/03/2017 US\$'000	% increase/ (decrease)
<b>Revenue</b>	71,119	45,062	57.8%	219,972	138,363	59.0%
<b>Cost of sales:</b>						
Raw material and consumables	(55,078)	(33,375)	65.0%	(171,248)	(103,557)	65.4%
Manufacturing expenses	(6,780)	(5,345)	26.8%	(20,325)	(16,694)	21.8%
Other operating expenses	-	(130)	n.m.	-	(1,217)	n.m.
Direct depreciation/amortisation	(656)	(534)	22.8%	(1,860)	(1,606)	15.8%
	(62,514)	(39,384)	58.7%	(193,433)	(123,074)	57.2%
<b>Gross profit</b>	8,605	5,678	51.5%	26,539	15,289	73.6%
Other income	226	79	186.1%	667	260	156.5%
Other expenses:						
Business development expenses	(1,280)	(1,072)	19.4%	(3,888)	(3,217)	20.9%
General and administrative expenses	(2,095)	(1,479)	41.6%	(6,675)	(4,428)	50.7%
Indirect depreciation	(212)	(125)	69.6%	(600)	(420)	42.9%
Foreign exchange (loss)/gain	(352)	(89)	n.m.	(896)	325	n.m.
	(3,939)	(2,765)	42.4%	(12,059)	(7,740)	55.8%
<b>Profit before tax</b>	4,892	2,992	63.5%	15,147	7,809	94.0%
Income tax expense						
Current period	(918)	(534)	71.9%	(2,959)	(1,329)	122.6%
Prior period	11	-	n.m.	(55)	(19)	189.5%
<b>Profit for the period</b>	3,985	2,458	62.1%	12,133	6,461	87.8%
<b>Attributable to:</b>						
Equity holders of the Company	3,985	2,463	61.8%	12,133	6,469	87.6%
Non-controlling interests	-	(5)	n.m.	-	(8)	n.m.
	3,985	2,458	62.1%	12,133	6,461	87.8%

## Notes to the Income Statement:

n.m. : not meaningful

**Statements of comprehensive income**

**For the third quarter and nine months ended 31 March 2018**

	The Group					
	3rd quarter ended 31/03/2018 US\$'000	3rd quarter ended 31/03/2017 US\$'000	% increase/ (decrease)	9 months ended 31/03/2018 US\$'000	9 months ended 31/03/2017 US\$'000	% increase/ (decrease)
<b>Profit for the period</b>	3,985	2,458	62.1%	12,133	6,461	87.8%
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Exchange differences on translation of foreign operations	439	303	44.9%	1,142	(789)	n.m.
<b>Other comprehensive gain/(loss) for the period, net of tax</b>	439	303	44.9%	1,142	(789)	n.m.
<b>Total comprehensive income for the period</b>	4,424	2,761	60.2%	13,275	5,672	134.1%
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	4,424	2,766	60.0%	13,275	5,680	133.7%
Non-controlling interests	-	(5)	n.m.	-	(8)	n.m.
	4,424	2,761	60.2%	13,275	5,672	134.1%

**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	
	31/03/2018 US\$'000	30/06/2017 US\$'000	31/03/2018 US\$'000	30/06/2017 US\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and bank balances	31,765	39,929	26,144	34,905
Trade receivables	48,641	38,992	46,901	37,042
Other receivables and prepayments	2,751	4,305	1,995	2,452
Amounts due from subsidiaries	-	-	3,727	3,733
Inventories	45,789	36,809	40,958	32,085
	<u>128,946</u>	<u>120,035</u>	<u>119,725</u>	<u>110,217</u>
<b>Non-current assets</b>				
Property, plant and equipment	10,439	8,383	6,795	5,359
Prepaid lease payments	18,000	18,580	15,677	16,018
Investments in subsidiaries	-	-	12,177	12,029
Other assets	80	261	80	261
Deferred tax assets	90	96	-	-
	<u>28,609</u>	<u>27,320</u>	<u>34,729</u>	<u>33,667</u>
<b>Total assets</b>	<u>157,555</u>	<u>147,355</u>	<u>154,454</u>	<u>143,884</u>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Trade payables	44,918	41,139	39,669	35,449
Other payables and provision	12,647	15,069	8,679	12,213
Amounts due to subsidiaries	-	-	15,976	12,426
Income tax payable	3,499	2,819	3,191	2,468
	<u>61,064</u>	<u>59,027</u>	<u>67,515</u>	<u>62,556</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	779	765	779	765
Defined benefit obligations	193	198	-	-
	<u>972</u>	<u>963</u>	<u>779</u>	<u>765</u>
<b>Total liabilities</b>	<u>62,036</u>	<u>59,990</u>	<u>68,294</u>	<u>63,321</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	44,667	44,667	44,667	44,667
Foreign currency translation reserve	2,333	1,191	-	-
Retained earnings	48,519	41,507	41,493	35,896
	<u>95,519</u>	<u>87,365</u>	<u>86,160</u>	<u>80,563</u>
<b>Total equity</b>	<u>95,519</u>	<u>87,365</u>	<u>86,160</u>	<u>80,563</u>
<b>Total equity and liabilities</b>	<u>157,555</u>	<u>147,355</u>	<u>154,454</u>	<u>143,884</u>

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

Amount repayable in one year or less, or on demand

As at 31/03/2018		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/03/2018		As at 30/06/2017	
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

	3rd quarter ended		9 months ended	
	31/03/2018 US\$'000	31/03/2017 US\$'000	31/03/2018 US\$'000	31/03/2017 US\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	4,892	2,992	15,147	7,809
Adjustments for:				
Depreciation of property, plant and equipment	700	488	1,950	1,511
Amortisation of prepaid lease payments	168	171	510	515
(Gain)/Loss on disposal of property, plant and equipment	-	-	(39)	3
Addition of impairment loss on other assets	-	(4)	-	1
Gain on disposal of other assets	-	-	(32)	-
Interest income	(82)	(73)	(231)	(183)
Foreign exchange loss/(gain)	429	137	1,136	(484)
<b>Operating profit before working capital changes</b>	6,107	3,711	18,441	9,172
Trade receivables	(2,881)	(1,507)	(9,649)	7,688
Other receivables and prepayments	172	2	1,532	(398)
Other assets	-	-	213	-
Inventories	1,936	(3,458)	(8,980)	(973)
Trade payables, other payables and provision	(5,963)	5,329	1,352	5,260
<b>Cash (used in)/generated from operations</b>	(629)	4,077	2,909	20,749
Interest received	63	69	253	171
Income tax paid	(1,049)	(280)	(2,356)	(1,177)
<b>Net cash flows (used in)/generated from operating activities</b>	(1,615)	3,866	806	19,743
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	-	39	-
Purchase of property, plant and equipment	(608)	(209)	(3,912)	(755)
<b>Net cash flows used in investing activities</b>	(608)	(209)	(3,873)	(755)
<b>Cash flows from financing activities</b>				
Dividends paid on ordinary shares	-	(3,550)	(5,121)	(7,841)
Dividends paid to non-controlling interest of subsidiary	-	-	-	(8)
Return of capital to non-controlling interest upon liquidation of a subsidiary	-	(30)	-	(30)
<b>Net cash flows used in financing activities</b>	-	(3,580)	(5,121)	(7,879)
<b>Net (decrease)/increase in cash and bank balances</b>	(2,223)	77	(8,188)	11,109
Cash and bank balances at beginning of period	33,961	38,702	39,929	27,916
Effect of currency translation on balances held in foreign currencies	27	119	24	(127)
<b>Total cash and cash equivalents</b>	<b>31,765</b>	<b>38,898</b>	<b>31,765</b>	<b>38,898</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 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
<b>Group</b>						
<b>Balance at 1 July 2016</b>	44,667	1,783	38,722	85,172	46	85,218
Total comprehensive income for the period	-	44	1,527	1,571	(2)	1,569
<b>Balance at 30 September 2016</b>	44,667	1,827	40,249	86,743	44	86,787
Total comprehensive (loss)/income for the period	-	(1,135)	2,475	1,340	(1)	1,339
Dividends paid	-	-	(4,291)	(4,291)	-	(4,291)
Dividends paid to non-controlling interest of subsidiary	-	-	-	-	(7)	(7)
<b>Balance at 31 December 2016</b>	44,667	692	38,433	83,792	36	83,828
Total comprehensive income for the period	-	303	2,463	2,766	(5)	2,761
Dividends paid	-	-	(3,550)	(3,550)	-	(3,550)
Dividends paid to non-controlling interest of subsidiary	-	-	-	-	(1)	(1)
Return of capital to non-controlling interest upon liquidation of a subsidiary	-	-	-	-	(30)	(30)
<b>Balance at 31 March 2017</b>	44,667	995	37,346	83,008	-	83,008
<b>Balance at 1 July 2017</b>	44,667	1,191	41,507	87,365	-	87,365
Total comprehensive income for the period	-	313	4,270	4,583	-	4,583
<b>Balance at 30 September 2017</b>	44,667	1,504	45,777	91,948	-	91,948
Total comprehensive income for the period	-	390	3,878	4,268	-	4,268
Dividends paid	-	-	(5,121)	(5,121)	-	(5,121)
<b>Balance at 31 December 2017</b>	44,667	1,894	44,534	91,095	-	91,095
Total comprehensive income for the period	-	439	3,985	4,424	-	4,424
<b>Balance at 31 March 2018</b>	44,667	2,333	48,519	95,519	-	95,519

	Share capital	Retained earnings	Total
	US\$'000	US\$'000	US\$'000
<b>Company</b>			
<b>Balance at 1 July 2016</b>	44,667	37,539	82,206
Total comprehensive income for the period	-	190	190
<b>Balance at 30 September 2016</b>	44,667	37,729	82,396
Total comprehensive income for the period	-	399	399
Dividends paid	-	(4,291)	(4,291)
<b>Balance at 31 December 2016</b>	44,667	33,837	78,504
Total comprehensive income for the period	-	1,747	1,747
Dividends paid	-	(3,550)	(3,550)
<b>Balance at 31 March 2017</b>	44,667	32,034	76,701
<b>Balance at 1 July 2017</b>	44,667	35,896	80,563
Total comprehensive income for the period	-	3,568	3,568
<b>Balance at 30 September 2017</b>	44,667	39,464	84,131
Total comprehensive income for the period	-	3,293	3,293
Dividends paid	-	(5,121)	(5,121)
<b>Balance at 31 December 2017</b>	44,667	37,636	82,303
Total comprehensive income for the period	-	3,857	3,857
<b>Balance at 31 March 2018</b>	44,667	41,493	86,160

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 31 March 2018, the total number of issued shares excluding treasury shares was 199,099,000 (30 Jun 2017: 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 neither been audited nor 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 2017 as well as all the applicable Financial Reporting Standards (FRS) which became effective for financial year beginning on or after 1 July 2017. 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 financial 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 profit attributable to equity holders of the Company 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			
3rd quarter ended		9 months ended	
31/03/2018	31/03/2017	31/03/2018	31/03/2017
2.00	1.24	6.09	3.25
2.00	1.24	6.09	3.25

Earnings per ordinary share have been computed based on the average number of ordinary shares outstanding during the year.

Average number of ordinary shares		Average number of ordinary shares	
3rd quarter ended		9 months ended	
31/03/2018	31/03/2017	31/03/2018	31/03/2017
199,099,000	199,099,000	199,099,000	199,099,000

Note: Group basic earnings per share was the same as the fully diluted earnings per share as the Group did not have any potential dilutive ordinary shares outstanding as at 31 March 2018 and 2017.

**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**

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

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

As at	As at
31/03/2018	30/06/2017
47.98	43.88
43.27	40.46

**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**

For the 3rd quarter ended 31 March 2018, the Group recorded a revenue of USD 71.12 million. This was 57.8% higher compared to the same period last year. Gross profit for this reporting period was USD 8.61 million or 51.5% higher compared to last year. As a result of higher gross profit, Group net profit attributable to equity holders rose 61.8% to USD 3.99 million compared to the same period last year. Earnings per share for this quarter was 2.00 USD cents.

For this reporting period, the increase in revenue as compared to the same period last year came mainly from existing customers. Raw material costs and manufacturing expenses were in line with the revenue. The increase in Business Development and G&A expenses was attributed to higher staff costs and administrative expenses. The weakening of USD against SGD and RMB resulted in a foreign exchange loss of USD 0.35 million in this period. As a result of higher profit, income tax expenses incurred was USD 0.91 million compared to USD 0.53 million in the third quarter of the previous year.

For the nine months ended 31 March 2018, the Group total revenue was USD 219.97 million and net profit attributable to equity holders was USD 12.13 million. Compared to the same period last year, revenue and net profit increased by 59.0% and 87.6 % respectively.

**B) Financial position and cash flow**

The balance sheet and the financial position of the Group remain strong. Total assets and liabilities stood at USD 157.56 million and USD 62.04 million respectively. The cash and bank balances as at 31 March 2018 was USD 31.77 million compared to USD 39.93 million as at 30 June 2017. The trade receivables of USD 48.64 million, trade payables of USD 44.92 million, other payables and provision of USD 12.65 million and inventories of USD 45.79 million were in line with the business activities.

For this reporting period, net cash generated from operating activities was USD 0.81 million. Net cash used in investment activities was USD 3.87 million and dividend payment was USD 5.12 million. The total net decrease in cash and bank balances was USD 8.19 million, bringing the total cash and bank balances to USD 31.77 million as at 31 March 2018. Total shareholders fund was USD 95.52 million and the Group's net asset value (NAV) per share was USD 47.98 cents as at 31 March 2018.

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 significant trends and 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 has improved in the last 12 months. However, the risk of recent trade dispute may have an adverse impact on world economic order. As such, the directors remain cautious about the Group's business outlook in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Name of dividend	:	Nil
Dividend type	:	Nil
Dividend amount per share	:	Nil
Tax rate	:	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of dividend	:	Nil
Dividend type	:	Nil
Dividend amount per share	:	Nil
Tax rate	:	Nil

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Company did not declare any dividend for the period ended 31 March 2018.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

14. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirms that to the best of its knowledge, nothing has come to the attention of the Directors of the Company which may render the unaudited financial results for the third quarter ended 31 March 2018 to be false or misleading in any material respect.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Board of Directors of the Company hereby confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual have been procured.

BY ORDER OF THE BOARD

Valerie Tan May Wei  
COMPANY SECRETARY  
10<sup>th</sup> May 2018