

Unaudited Full Year Financial Statements for the Year Ended 30 June 2018

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 2018. 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		
	12 months ended 30/06/2018 US\$'000	12 months ended 30/06/2017 US\$'000	% increase/ (decrease)
Revenue	288,673	198,917	45.1%
Cost of sales:			
Raw material and consumables	(222,421)	(149,812)	48.5%
Manufacturing expenses	(27,238)	(22,071)	23.4%
Other operating expenses	-	(1,357)	n.m.
Direct depreciation/amortisation	(2,527)	(2,181)	15.9%
	(252,186)	(175,421)	43.8%
Gross profit	36,487	23,496	55.3%
Other income	884	234	277.8%
Other expenses:			
Business development expenses	(5,055)	(4,306)	17.4%
General and administrative expenses	(8,516)	(6,003)	41.9%
Indirect depreciation	(824)	(569)	44.8%
Foreign exchange (loss)/gain	(93)	96	n.m.
	(14,488)	(10,782)	34.4%
Profit before tax	22,883	12,948	76.7%
Income tax expense			
Current year	(4,649)	(2,335)	99.1%
Prior year	(53)	5	n.m.
Profit for the period	18,181	10,618	71.2%
Attributable to:			
Equity holders of the Company	18,181	10,626	71.1%
Non-controlling interests	-	(8)	n.m.
	18,181	10,618	71.2%

Notes to the Income Statement:

n.m. : not meaningful

Statements of comprehensive income
For the twelve months ended 30 June 2018

	The Group		
	12 months ended 30/06/2018 US\$'000	12 months ended 30/06/2017 US\$'000	% increase/ (decrease)
Profit for the period	18,181	10,618	71.2%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	95	(511)	n.m.
Realisation of foreign currency translation reserve upon liquidation of a subsidiary	-	(81)	n.m.
Other comprehensive gain/(loss) for the period, net of tax	95	(592)	n.m.
Total comprehensive income for the period, net of tax	18,276	10,026	82.3%
Total comprehensive income attributable to:			
Equity holders of the Company	18,276	10,034	82.1%
Non-controlling interests	-	(8)	n.m.
	18,276	10,026	82.3%

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	
	30/06/2018 US\$'000	30/06/2017 US\$'000	30/06/2018 US\$'000	30/06/2017 US\$'000
Assets				
Current assets				
Cash and bank balances	57,974	39,929	54,353	34,905
Trade receivables	39,301	38,992	36,621	37,042
Other receivables and prepayments	1,928	4,305	1,436	2,452
Amounts due from subsidiaries	-	-	605	3,733
Inventories	38,793	36,809	34,356	32,085
	<u>137,996</u>	<u>120,035</u>	<u>127,371</u>	<u>110,217</u>
Non-current assets				
Property, plant and equipment	10,603	8,383	6,752	5,359
Prepaid lease payments	17,734	18,580	15,563	16,018
Investments in subsidiaries	-	-	12,176	12,029
Other assets	80	261	80	261
Deferred tax assets	105	96	-	-
	<u>28,522</u>	<u>27,320</u>	<u>34,571</u>	<u>33,667</u>
Total assets	<u>166,518</u>	<u>147,355</u>	<u>161,942</u>	<u>143,884</u>
Equity and liabilities				
Current liabilities				
Trade payables	44,224	41,139	36,769	35,449
Other payables and provision	15,815	15,069	11,541	12,213
Amounts due to subsidiaries	-	-	18,330	12,426
Income tax payable	4,968	2,819	4,447	2,468
	<u>65,007</u>	<u>59,027</u>	<u>71,087</u>	<u>62,556</u>
Non-current liabilities				
Deferred tax liabilities	786	765	786	765
Defined benefit obligations	205	198	-	-
	<u>991</u>	<u>963</u>	<u>786</u>	<u>765</u>
Total liabilities	<u>65,998</u>	<u>59,990</u>	<u>71,873</u>	<u>63,321</u>
Equity attributable to equity holders of the Company				
Share capital	44,667	44,667	44,667	44,667
Foreign currency translation reserve	1,286	1,191	-	-
Retained earnings	54,567	41,507	45,402	35,896
	<u>100,520</u>	<u>87,365</u>	<u>90,069</u>	<u>80,563</u>
Total equity	<u>100,520</u>	<u>87,365</u>	<u>90,069</u>	<u>80,563</u>
Total equity and liabilities	<u>166,518</u>	<u>147,355</u>	<u>161,942</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 30/06/2018		As at 30/06/2017	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/06/2018		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**

	12 months ended	
	30/06/2018 US\$'000	30/06/2017 US\$'000
Cash flows from operating activities		
Profit before tax	22,883	12,948
Adjustments for:		
Depreciation of property, plant and equipment	2,674	2,065
Amortisation of prepaid lease payments	677	685
(Gain)/loss on disposal of property, plant and equipment	(39)	190
Write-back of impairment loss on other assets	-	(24)
Addition/(write back) of allowance for inventories	641	(721)
Gain on liquidation of subsidiary	-	(81)
Gain on disposal of other assets	(32)	-
Interest income	(366)	(269)
Foreign exchange loss/(gain)	271	(254)
Operating profit before working capital changes	26,709	14,539
Trade receivables	(309)	34
Other receivables and prepayments	2,387	(2,582)
Other assets	213	-
Inventories	(2,625)	(5,019)
Trade payables, other payables and provision	3,838	15,950
Cash generated from operations	30,213	22,922
Interest received	356	219
Income tax paid	(2,514)	(1,633)
Net cash flows generated from operating activities	28,055	21,508
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	39	1
Purchase of property, plant and equipment	(4,938)	(1,563)
Net cash flows used in investing activities	(4,899)	(1,562)
Cash flows from financing activities		
Dividends paid on ordinary shares	(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)
Net cash flows used in financing activities	(5,121)	(7,879)
Net increase in cash and bank balances	18,035	12,067
Cash and bank balances at beginning of period	39,929	27,916
Effect of currency translation on balances held in foreign currencies	10	(54)
Total cash and cash equivalents	57,974	39,929

- 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 1 July 2016	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
Balance at 30 September 2016	44,667	1,827	40,249	86,743	44	86,787
Total comprehensive income for the period	-	(1,136)	2,477	1,341	(1)	1,340
Dividends paid	-	-	(4,291)	(4,291)	-	(4,291)
Dividends paid to non-controlling interest of subsidiary	-	-	-	-	(7)	(7)
Balance at 31 December 2016	44,667	691	38,435	83,793	36	83,829
Total comprehensive income for the period	-	303	2,464	2,767	(5)	2,762
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)
Balance at 31 March 2017	44,667	994	37,349	83,010	-	83,010
Realisation of foreign currency translation reserve upon liquidation of a subsidiary	-	(81)	-	(81)	-	(81)
Total comprehensive income for the period	-	278	4,158	4,436	-	4,436
Balance at 30 June 2017	44,667	1,191	41,507	87,365	-	87,365
Balance at 1 July 2017	44,667	1,191	41,507	87,365	-	87,365
Total comprehensive income for the period	-	313	4,270	4,583	-	4,583
Balance at 30 September 2017	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)
Balance at 31 December 2017	44,667	1,894	44,534	91,095	-	91,095
Total comprehensive income for the period	-	439	3,985	4,424	-	4,424
Balance at 31 March 2018	44,667	2,333	48,519	95,519	-	95,519
Realisation of foreign currency translation reserve upon liquidation of a subsidiary	-	-	-	-	-	-
Total comprehensive income for the period	-	(1,047)	6,048	5,001	-	5,001
Balance at 30 June 2018	44,667	1,286	54,567	100,520	-	100,520
Company						
	Share capital	Retained earnings	Total			
	US\$'000	US\$'000	US\$'000			
Balance at 1 July 2016	44,667	37,539	82,206			
Total comprehensive income for the period	-	190	190			
Balance at 30 September 2016	44,667	37,729	82,396			
Total comprehensive income for the period	-	399	399			
Dividends paid	-	(4,291)	(4,291)			
Balance at 31 December 2016	44,667	33,837	78,504			
Total comprehensive income for the period	-	1,747	1,747			
Dividends paid	-	(3,550)	(3,550)			
Balance at 31 March 2017	44,667	32,034	76,701			
Total comprehensive income for the period	-	3,862	3,862			
Balance at 30 June 2017	44,667	35,896	80,563			
Balance at 1 July 2017	44,667	35,896	80,563			
Total comprehensive income for the period	-	3,568	3,568			
Balance at 30 September 2017	44,667	39,464	84,131			
Total comprehensive income for the period	-	3,293	3,293			
Dividends paid	-	(5,121)	(5,121)			
Balance at 31 December 2017	44,667	37,636	82,303			
Total comprehensive income for the period	-	3,857	3,857			
Balance at 31 March 2018	44,667	41,493	86,160			
Total comprehensive income for the period	-	3,909	3,909			
Balance at 30 June 2018	44,667	45,402	90,069			

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 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	9.13	5.34
(ii) On a fully diluted basis	US cents	9.13	5.34

The Group	
12 months ended	
30/06/2018	30/06/2017

Average number of ordinary shares	
12 months ended	
30/06/2018	30/06/2017
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.

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 30 June 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	50.49	43.88
(b) The Company	US cents	45.24	40.46

As at	As at
30/06/2018	30/06/2017

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 full year ended 30 June 2018, the Group achieved revenue of USD 288.67 million. This was 45.1% higher compared to FY17. The revenue increase was mainly attributed to strong orders from existing customers, resulting from the launch of new products and the increase in market demand for existing products. Both China and Indonesia operations benefited from the increase in business. The Group secured several new customers in the second half of FY18. These new projects are in product development and qualification phase.

In FY18, the Group was faced with global electronics supply shortage due to the surge in demand. The close partnership with key customers in planning and execution has helped to minimise the material cost and supply impact. The increase in manufacturing expenses was in line with the increase in business activities. Direct and indirect depreciation were higher compared to the last financial year. This was attributed to the purchase of new production, test and IT equipment. Compared with the same period last year, the Group incurred higher Business Development and G&A expenses. This was mainly due to higher staff costs.

As a result of higher gross profit, the Group operating profit before income tax was USD 22.88 million or 76.7% higher than the previous year. Net profit attributable to equity holders for the full year ended 30 June 2018 was USD 18.18 million or 71.1% higher than the previous year.

B) Financial position and cash flow

The balance sheet and financial position of the Group remain strong. Total assets and liabilities stood at USD 166.52 million and USD 66.00 million respectively. The cash and bank balances as at 30 June 2018 was USD 57.97 million compared to USD 39.93 million as at 30 June 2017. The trade receivables of USD 39.30 million, trade payables of USD 44.22 million, other payables and provision of USD 15.82 million and inventories of USD 38.80 million were in line with the business activities.

For the twelve months ended 30 June 2018, net cash generated from operating activities was USD 28.06 million. Net cash used in investment activities was USD 4.90 million and dividend payment was USD 5.12 million. The total net increase in cash and bank balances was USD 18.04 million, bringing the total cash and bank balances to USD 57.97 million as at 30 June 2018. Total shareholders fund was USD 100.52 million and the Group's net asset value (NAV) per share was USD 50.49 cents as at 30 June 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 economic outlook is uncertain due to the escalating trade conflicts between the US and several major economies including China. The import tariffs implemented by the US are starting to affect China based manufacturers. The cost and supply impact to the electronics market could get worse if the US decides to apply tariffs on a wider range of products from China. As such, the directors are cautious about the Group business outlook in the next 6 months to 12 months.

11. Dividend

(a) Current Financial Year Reported On

Name of dividend	Proposed Final	Proposed Final Special
Dividend type	Cash	Cash
Dividend amount per share	S\$0.030	S\$0.020
Tax rate	Tax Exempt One-Tier	Tax Exempt One-Tier

The Directors are pleased to recommend a final tax exempt one-tier dividend of 3 SG cents per ordinary share (2017: tax exempt one-tier 3 SG cents per ordinary share) and a special tax exempt one-tier dividend of 2 SG cents per ordinary share (2017: tax exempt one-tier 0.5 SG cents per ordinary share) in respect of the financial year ended 30 June 2018 for approval by shareholders at the next Annual General Meeting to be convened.

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of dividend	Special Interim (Paid)	Proposed Final	Proposed Final Special
Dividend type	Cash	Cash	Cash
Dividend amount per share	S\$0.025	S\$0.030	S\$0.005
Tax rate	Tax Exempt One-Tier	Tax Exempt One-Tier	Tax Exempt One-Tier

(c) Date payable

To be advised at a later date.

(d) Books closure date

The notice of book closure for the purpose of determining shareholders' entitlements to the proposed dividends will be announced at a later date.

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

Not applicable.

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 720(1) of the Listing Manual

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

15. 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.**By Geographical Segment**

	Revenue		Non-current assets	
	2018 US\$'000	2017 US\$'000	2018 US\$'000	2017 US\$'000
US	178,531	106,951	1	1
Ireland	54,063	35,191	-	-
China	18,786	17,090	2,275	1,511
Singapore	15,073	19,225	22,415	21,406
Germany	8,020	7,131	-	-
ASEAN (excluding Singapore)	2,245	3,103	3,831	4,402
Others	11,955	10,226	-	-
	288,673	198,917	28,522	27,320

16. 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.

17. A breakdown of sales

	Year ended 30/06/2018 US\$'000	Year ended 30/06/2017 US\$'000	% increase / (decrease)
(a) Sales reported for the first half year	148,853	93,302	59.5%
(b) Operating profit after tax before deducting minority interests reported for the first half year	8,148	4,002	103.6%
(c) Sales reported for the second half year	139,820	105,615	32.4%
(d) Operating profit after tax before deducting minority interests reported for the second half year	10,033	6,616	51.6%

18. 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)
Special interim dividend paid for 2017	-	4,977
Proposed final dividend paid for 2017	5,973	5,973
Proposed final special dividend paid for 2017	995	995
Proposed final dividend for 2018	5,973	-
Proposed final special dividend for 2018	3,982	-
Total	16,923	11,945

19. 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
28th Aug 2018