

**Unaudited Financial Statements for the 3rd Quarter and Nine Months Ended 31 March 2014**

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 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					
	3rd quarter ended 31/03/2014 US\$'000	3rd quarter ended 31/03/2013 US\$'000	% increase/ (decrease)	9 months ended 31/03/2014 US\$'000	9 months ended 31/03/2013 US\$'000	% increase/ (decrease)
1.0 Revenue	38,507	40,589	(5.1%)	132,236	138,347	(4.4%)
2.0 Cost of sales						
2.1 Raw material and consumables	(28,576)	(30,470)	(6.2%)	(100,078)	(105,545)	(5.2%)
2.2 Manufacturing expenses	(4,924)	(5,734)	(14.1%)	(15,231)	(17,183)	(11.4%)
2.3 Other operating expenses	(710)	(727)	(2.3%)	(2,280)	(2,365)	(3.6%)
2.4 Direct depreciation/amortization	(365)	(453)	(19.4%)	(1,098)	(1,397)	(21.4%)
	(34,575)	(37,384)	(7.5%)	(118,687)	(126,490)	(6.2%)
3.0 Gross profit	3,932	3,205	22.7%	13,549	11,857	14.3%
4.0 Other operating income	213	94	126.6%	387	329	17.6%
5.0 Other expenses						
5.1 Business development expenses	(1,195)	(1,480)	(19.3%)	(3,794)	(4,785)	(20.7%)
5.2 General & administrative expenses	(1,150)	(1,491)	(22.9%)	(3,687)	(4,246)	(13.2%)
5.3 Indirect depreciation	(112)	(88)	27.3%	(270)	(380)	(28.9%)
5.4 Foreign exchange (loss) gain	(27)	98	n.m.	(595)	424	n.m.
5.5 Mark to market valuation gain (loss)	10	(49)	n.m.	201	(5)	n.m.
	(2,474)	(3,010)	(17.8%)	(8,145)	(8,992)	(9.4%)
6.0 Profit from operations	1,671	289	478.2%	5,791	3,194	81.3%
7.0 Exceptional item	-	-	-	-	-	-
8.0 Finance cost	-	-	-	-	-	-
9.0 Profit before income tax	1,671	289	478.2%	5,791	3,194	81.3%
10.0 Income tax expenses						
10.1 Current period	(234)	(53)	341.5%	(999)	(347)	187.9%
10.2 Prior period	-	-	-	285	382	(25.4%)
11.0 Profit after income tax	1,437	236	508.9%	5,077	3,229	57.2%
Attributable to :						
12.0 Equity holders of the company	1,439	234	515.0%	5,062	3,224	57.0%
13.0 Non-controlling interests	(2)	2	n.m.	15	5	200.0%
	1,437	236	508.9%	5,077	3,229	57.2%

**Notes to the Income Statement:**

n.m. : not meaningful

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2014**

	The Group					
	3rd quarter ended 31/03/2014 US\$'000	3rd quarter ended 31/03/2013 US\$'000	% increase/ (decrease)	9 months ended 31/03/2014 US\$'000	9 months ended 31/03/2013 US\$'000	% increase/ (decrease)
<b>PROFIT FOR THE PERIOD</b>	1,437	236	508.9%	5,077	3,229	57.2%
<b>OTHER COMPREHENSIVE INCOME</b>						
Exchange differences on translation of foreign operations	(54)	(211)	(74.4%)	(348)	289	n.m.
<b>OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	(54)	(211)	(74.4%)	(348)	289	n.m.
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	1,383	25	5432.0%	4,729	3,518	34.4%
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>						
Equity holders of the company	1,385	23	5921.7%	4,714	3,513	34.2%
Non-controlling interests	(2)	2	n.m.	15	5	200.0%
	1,383	25	5432.0%	4,729	3,518	34.4%

**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	
	31/03/2014 US\$'000	30/06/2013 US\$'000	31/03/2014 US\$'000	30/06/2013 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	54,899	59,262	43,214	45,490
Trade receivables	29,566	25,913	26,267	21,810
Other receivables and prepayments	1,538	1,922	757	783
Amounts due from subsidiaries	-	-	1,454	3,784
Amounts due from holding company	3	3	-	-
Derivative financial instruments	-	6	-	6
Inventories	24,193	26,555	20,909	21,234
<b>Total current assets</b>	<b>110,199</b>	<b>113,661</b>	<b>92,601</b>	<b>93,107</b>
<b>Non-current assets</b>				
Property, plant and equipment	3,165	3,195	2,304	2,061
Prepaid lease payment	5,485	5,812	-	-
Investments in subsidiaries	-	-	16,292	16,292
Other assets	315	315	315	315
<b>Total non-current assets</b>	<b>8,965</b>	<b>9,322</b>	<b>18,911</b>	<b>18,668</b>
<b>Total assets</b>	<b>119,164</b>	<b>122,983</b>	<b>111,512</b>	<b>111,775</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables, other payables and provision	33,329	37,408	25,433	25,874
Amounts due to subsidiaries	-	-	8,242	7,057
Amounts due to holding company	7	7	7	7
Derivative financial instruments	6	213	6	213
Income tax payable	2,145	1,585	1,674	1,079
<b>Total current liabilities</b>	<b>35,487</b>	<b>39,213</b>	<b>35,362</b>	<b>34,230</b>
<b>Non-current liability</b>				
Deferred tax liabilities	315	316	315	316
<b>Total non-current liability</b>	<b>315</b>	<b>316</b>	<b>315</b>	<b>316</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	44,667	44,667	44,667	44,667
Foreign currency translation reserve	3,823	4,171	-	-
Retained earnings	34,784	34,543	31,168	32,562
Equity attributable to equity holders of the company	83,274	83,381	75,835	77,229
Non-controlling interests	88	73	-	-
<b>Total equity</b>	<b>83,362</b>	<b>83,454</b>	<b>75,835</b>	<b>77,229</b>
<b>Total liabilities and equity</b>	<b>119,164</b>	<b>122,983</b>	<b>111,512</b>	<b>111,775</b>

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

**Amount repayable in one year or less, or on demand**

As at 31/03/2014		As at 30/06/2013	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Amount repayable after one year**

As at 31/03/2014		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**

	3rd quarter ended		9 months ended	
	31/03/2014 US\$'000	31/03/2013 US\$'000	31/03/2014 US\$'000	31/03/2013 US\$'000
<b>Operating activities</b>				
Profit before income tax	1,671	288	5,791	3,194
Adjustments for :				
Depreciation of property, plant and equipment	365	412	1,030	1,380
Amortisation of prepaid lease payment	112	130	338	397
(Gain) loss on disposal of property, plant and equipment	(49)	1	(58)	1
Mark to market value for derivative financial instruments	(10)	49	(201)	5
Interest income	(134)	(145)	(447)	(432)
Foreign exchange loss (gain)	103	(77)	(410)	(373)
Operating profit before working capital changes	2,058	658	6,043	4,172
Trade receivables	(1,424)	141	(3,653)	12,926
Other receivables and prepayments	63	(10)	354	(28)
Amounts due from holding company	-	-	-	-
Inventories	2,998	2,694	2,362	9,925
Trade payables, other payables and provision	(4,932)	(1,847)	(4,078)	(14,706)
Amounts due to holding company	-	-	-	7
Cash generated from operations	(1,237)	1,636	1,028	12,296
Interest received	187	155	476	410
Income tax paid	(181)	(160)	(131)	(553)
Net cash from operating activities	(1,231)	1,631	1,373	12,153
<b>Investing activities</b>				
Proceeds on disposal of property, plant and equipment and prepaid lease payment	49	-	58	-
Purchase of property, plant and equipment	(910)	(32)	(1,014)	(673)
Net cash used in investing activities	(861)	(32)	(956)	(673)
<b>Financing activities</b>				
Dividend paid	-	-	(4,821)	(4,895)
Proceeds on issue of shares	-	-	-	47
Net cash flows used in financing activities	-	-	(4,821)	(4,848)
Net (decrease) increase in cash and bank balance	(2,092)	1,599	(4,404)	6,632
Cash and bank balances at beginning of period	57,114	53,219	59,262	47,659
Effect of exchange rate change on balance of cash held in foreign currencies	(123)	(50)	41	477
<b>Cash and bank balances</b>	<b>54,899</b>	<b>54,768</b>	<b>54,899</b>	<b>54,768</b>
Pledged deposits for derivative financial instruments with banks	(1,327)	(2,312)	(1,327)	(2,312)
<b>Total Cash and cash equivalents</b>	<b>53,572</b>	<b>52,456</b>	<b>53,572</b>	<b>52,456</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 July 1, 2012</b>	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
<b>Balance at September 30, 2012</b>	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	-	-	(4,895)	(4,895)	-	(4,895)
<b>Balance at December 31, 2012</b>	44,667	4,526	34,040	83,233	65	83,298
Total comprehensive (loss) income for the period	-	(211)	234	23	2	25
<b>Balance at March 31, 2013</b>	44,667	4,315	34,274	83,256	67	83,323
<b>Balance at July 1, 2013</b>	44,667	4,171	34,543	83,381	73	83,454
Total comprehensive (loss) income for the period	-	(231)	1,006	775	4	779
<b>Balance at September 30, 2013</b>	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)
<b>Balance at December 31, 2013</b>	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
<b>Balance at March 31, 2014</b>	44,667	3,823	34,784	83,274	88	83,362

	Share capital	Foreign currency translation reserve	Retained earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Company</b>				
<b>Balance at July 1, 2012</b>	44,620	-	35,434	80,054
Total comprehensive income for the period	-	-	741	741
Issuance of shares	47	-	-	47
<b>Balance at September 30, 2012</b>	44,667	-	36,175	80,842
Total comprehensive income for the period	-	-	1,502	1,502
Dividend paid	-	-	(4,895)	(4,895)
<b>Balance at December 31, 2012</b>	44,667	-	32,782	77,449
Total comprehensive income for the period	-	-	528	528
<b>Balance at March 31, 2013</b>	44,667	-	33,310	77,977
<b>Balance at July 1, 2013</b>	44,667	-	32,562	77,229
Total comprehensive income for the period	-	-	725	725
<b>Balance at September 30, 2013</b>	44,667	-	33,287	77,954
Total comprehensive income for the period	-	-	2,015	2,015
Dividend paid	-	-	(4,821)	(4,821)
<b>Balance at December 31, 2013</b>	44,667	-	30,481	75,148
Total comprehensive income for the period	-	-	687	687
Dividend paid	-	-	-	-
<b>Balance at March 31, 2014</b>	44,667	-	31,168	75,835

- 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 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			
3rd quarter ended		9 months ended	
31/03/2014	31/03/2013	31/03/2014	31/03/2013
0.72	0.12	2.54	1.62
0.72	0.12	2.54	1.62

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	
31/03/2014	31/03/2013	31/03/2014	31/03/2013
199,099,000	199,099,000	199,099,000	199,099,000

**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

		As at 31/03/2014	As at 30/06/2013
(a) The Group	US cents	41.83	41.88
(b) The Company	US cents	38.09	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

	3rd quarter ended 31/03/2014 US\$'000	3rd quarter ended 31/03/2013 US\$'000	Total 9 months ended 31/03/2014 US\$'000	Total 9 months ended 31/03/2013 US\$'000
Revenue				
1 Electronics Manufacturing Services (EMS)	37,351	39,561	128,646	134,874
2 Investment income & interest earned	48	37	156	108
3 Estate management and rental income	1,108	991	3,434	3,365
Total	38,507	40,589	132,236	138,347
Gross Profit	3,932	3,205	13,549	11,857
Gross Profit Margin	10.2%	7.9%	10.2%	8.6%
Profit from operations				
1 Electronics Manufacturing Services (EMS)	1,152	(27)	4,089	1,914
% of EMS Revenue	3.1%	-0.1%	3.2%	1.4%
2 Investment income & interest earned	58	(13)	357	107
3 Estate management and rental income	461	329	1,345	1,173
Total	1,671	289	5,791	3,194
Profit margin from operations	4.3%	0.7%	4.4%	2.3%
Profit attributable to equity holders of the company	1,439	234	5,062	3,224

For the 3rd quarter ended 31 March 2014, the Group achieved revenue of USD 38.51 million and gross profit of USD 3.93 million. Group revenue decreased marginally by 5.1% as compared to the previous year whilst profit attributable to equity holders of the Company jumped to USD 1.44 million as compared to USD 0.23 million in the same period last year.

**EMS**

In this reporting period, EMS achieved a revenue of USD 37.35 million. Revenue declined marginally as compared to the previous corresponding period. This was attributed to weaker orders from key customers. EMS recorded a profit of USD 1.15 million as compared to a USD 0.027 million loss in the same period last year. Manufacturing and overhead expenses were brought down and aligned to the current level of manufacturing activities. Other expenses were lowered to USD 2.47 million as compared to USD 3.01 million in the same period last year. The reduction in other expenses came mainly from business development and general and administrative expenses. As a result of continuing efforts to manage cost, EMS operating profit margin was 3.1% in this reporting period.

**Estate Management and Rental Income**

In this reporting period, estate management and rental income activities achieved revenue of USD 1.11 million and a profit from operations of USD 0.46 million. This represents an 11.8% increase in revenue and a 40.1% increase in operating profit compared to the same period last year

## **B) Balance Sheet**

The balance sheet and the financial position of the Group remained strong. Total assets and liabilities stood at USD 119.16 million and USD 35.80 million respectively. The cash and bank balances as at 31 March 2014 was USD 54.90 million compared to USD 59.26 million as at 30 June 2013. The trade receivables of USD 29.57 million, trade payables, other payables and provision of USD 33.33 million and inventories of USD 24.19 million were in line with the business activities.

For this reporting period, net cash generated in operating activities was USD 1.37 million. Net cash used in investment activities was USD 0.96 million. The total net decrease in cash and bank balances was USD 4.40 million, bringing the total cash and bank balances to USD 54.90 million as at 31 March 2014. Total shareholders fund was USD 83.27 million and the Group net asset value (NAV) per share was USD 41.83 cents as at 31 March 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 economic environment remains challenging. Despite economic recovery in the US gaining momentum, China's economy is expected to contract in 2014. In the rest of the Asian region, Indonesia, Thailand and India are facing elections this year, the outcome of which may give rise to short term uncertainty in this region. In view of these factors, the directors remain cautious about the Group business outlook for the next six to twelve 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**

No interim dividend has been recommended for the period ended 31 March 2014.

### **13. Interested Person Transactions**

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

### **14. Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the third quarter ended 31 March 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Valerie Tan May Wei  
COMPANY SECRETARY  
9<sup>th</sup> May 2014