

**Unaudited Financial Statements for the 2nd Quarter and 1st Half Ended 31 December 2014**

The Board of Directors of PCI Limited is pleased to announce the half-year financial statements on consolidated results for the six months period ended 31 December 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					
		2nd quarter ended 31/12/2014 US\$'000	2nd quarter ended 31/12/2013 US\$'000	% increase/ (decrease)	1st half ended 31/12/2014 US\$'000	1st half ended 31/12/2013 US\$'000	% increase/ (decrease)
		1.0	Revenue	47,483	46,303	2.5%	95,021
2.0	Cost of sales						
2.1	Raw material and consumables	(35,731)	(34,457)	3.7%	(71,604)	(71,502)	0.1%
2.2	Manufacturing expenses	(5,480)	(4,925)	11.3%	(11,205)	(10,307)	8.7%
2.3	Other operating expenses	(642)	(773)	(16.9%)	(1,462)	(1,570)	(6.9%)
2.4	Direct depreciation/amortisation	(352)	(365)	(3.6%)	(704)	(733)	(4.0%)
		(42,205)	(40,520)	4.2%	(84,975)	(84,112)	1.0%
3.0	Gross profit	5,278	5,783	(8.7%)	10,046	9,617	4.5%
4.0	Other operating income	116	49	136.7%	442	174	154.0%
5.0	Other expenses						
5.1	Business development expenses	(806)	(1,323)	(39.1%)	(2,045)	(2,599)	(21.3%)
5.2	General & administrative expenses	(1,130)	(1,343)	(15.9%)	(2,567)	(2,537)	1.2%
5.3	Indirect depreciation	(117)	(76)	53.9%	(238)	(158)	50.6%
5.4	Foreign exchange (loss) gain	(284)	15	n.m	(139)	(568)	(75.5%)
5.5	Mark to market valuation (loss) gain	(507)	25	n.m	(923)	191	n.m
		(2,844)	(2,702)	5.3%	(5,912)	(5,671)	4.2%
6.0	Profit from operations	2,550	3,130	(18.5%)	4,576	4,120	11.1%
7.0	Exceptional item	-	-	-	-	-	-
8.0	Finance cost	-	-	-	-	-	-
9.0	Profit before income tax	2,550	3,130	(18.5%)	4,576	4,120	11.1%
10.0	Income tax expenses						
10.1	Current period	(432)	(499)	(13.4%)	(908)	(765)	18.7%
10.2	Prior period	-	(1)	n.m	50	285	(82.5%)
11.0	Profit after income tax	2,118	2,630	(19.5%)	3,718	3,640	2.1%
	Attributable to :						
12.0	Equity holders of the company	2,119	2,617	(19.0%)	3,718	3,623	2.6%
13.0	Non-controlling interests	(1)	13	n.m	-	17	n.m
		2,118	2,630	(19.5%)	3,718	3,640	2.1%

**Notes to the Income Statement:**

n.m. : not meaningful

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND FIRST HALF ENDED 31 DECEMBER 2014**

	The Group					
	2nd quarter ended 31/12/2014 US\$'000	2nd quarter ended 31/12/2013 US\$'000	% increase/ (decrease)	1st half ended 31/12/2014 US\$'000	1st half ended 31/12/2013 US\$'000	% increase/ (decrease)
<b>PROFIT FOR THE PERIOD</b>	2,118	2,630	(19.5%)	3,718	3,640	2.1%
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Exchange differences on translation of foreign operations	(587)	(63)	831.7%	(910)	(294)	209.5%
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>	(587)	(63)	831.7%	(910)	(294)	209.5%
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	1,531	2,567	(40.4%)	2,808	3,346	(16.1%)
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>						
Equity holders of the company	1,532	2,554	(40.0%)	2,808	3,329	(15.7%)
Non-controlling interests	(1)	13	n.m	-	17	n.m
	1,531	2,567	(40.4%)	2,808	3,346	(16.1%)

**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	
	31/12/2014 US\$'000	30/06/2014 US\$'000	31/12/2014 US\$'000	30/06/2014 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	37,969	57,208	27,884	45,658
Trade receivables	34,269	30,654	31,067	28,012
Other receivables and prepayments	4,100	1,491	2,819	775
Amounts due from subsidiaries	-	-	2,136	2,378
Amounts due from holding company	2	3	-	-
Derivative financial instruments	-	21	-	21
Inventories	32,612	27,753	29,088	24,603
<b>Total current assets</b>	<b>108,952</b>	<b>117,130</b>	<b>92,994</b>	<b>101,447</b>
<b>Non-current assets</b>				
Property, plant and equipment	2,993	3,418	2,384	2,637
Prepaid lease payment	4,910	5,424	-	-
Investments in subsidiaries	-	-	13,986	14,822
Other assets	284	284	284	284
<b>Total non-current assets</b>	<b>8,187</b>	<b>9,126</b>	<b>16,654</b>	<b>17,743</b>
<b>Total assets</b>	<b>117,139</b>	<b>126,256</b>	<b>109,648</b>	<b>119,190</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables, other payables and provision	42,355	39,995	33,589	31,049
Amounts due to subsidiaries	-	-	9,546	9,969
Amounts due to holding company	23	7	23	7
Derivative financial instruments	902	-	902	-
Income tax payable	2,379	1,966	1,921	1,566
<b>Total current liabilities</b>	<b>45,659</b>	<b>41,968</b>	<b>45,981</b>	<b>42,591</b>
<b>Non-current liability</b>				
Deferred tax liabilities	270	335	270	335
<b>Total non-current liability</b>	<b>270</b>	<b>335</b>	<b>270</b>	<b>335</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	44,667	44,667	44,667	44,667
Foreign currency translation reserve	2,870	3,780	-	-
Retained earnings	23,628	35,426	18,730	31,597
Equity attributable to equity holders of the company	71,165	83,873	63,397	76,264
Non-controlling interests	45	80	-	-
<b>Total equity</b>	<b>71,210</b>	<b>83,953</b>	<b>63,397</b>	<b>76,264</b>
<b>Total liabilities and equity</b>	<b>117,139</b>	<b>126,256</b>	<b>109,648</b>	<b>119,190</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 31/12/2014		As at 30/06/2014	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/12/2014		As at 30/06/2014	
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**

	2nd quarter ended		1st half ended	
	31/12/2014 US\$'000	31/12/2013 US\$'000	31/12/2014 US\$'000	31/12/2013 US\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	2,550	3,130	4,576	4,120
Adjustments for :				
Depreciation of property, plant and equipment	360	328	720	665
Amortisation of prepaid lease payment	109	113	222	226
Gain on disposal of property, plant and equipment	-	-	(27)	(9)
Mark to market value for derivative financial instruments	507	(25)	923	(191)
Interest income	(142)	(140)	(275)	(313)
Foreign exchange gain	(56)	(291)	(194)	(513)
Operating profit before working capital changes	3,328	3,115	5,945	3,985
Trade receivables	(249)	262	(3,615)	(2,229)
Other receivables and prepayments	(464)	152	(906)	291
Amounts due from holding company	1	1	1	-
Inventories	(3,710)	242	(4,859)	(636)
Trade payables, other payables and provision	1,029	(4,700)	2,361	854
Amounts due to holding company	(1)	-	16	-
Cash (used in)/generated from operations	(66)	(928)	(1,057)	2,265
Interest received	175	136	304	289
Income tax (paid)/refund	(446)	(110)	(471)	50
Net cash flows (used in)/generated from operating activities	(337)	(902)	(1,224)	2,604
<b>Cash flows from investing activities</b>				
Proceeds on disposal of property, plant and equipment	-	-	27	9
Purchase of property, plant and equipment	(1,995)	(78)	(2,028)	(104)
Net cash flows used in investing activities	(1,995)	(78)	(2,001)	(95)
<b>Cash flows from financing activities</b>				
Dividend paid to equity holders of the Company	(15,516)	(4,821)	(15,516)	(4,821)
Dividend paid to non-controlling interests of subsidiary	(35)	-	(35)	-
Proceeds on issuance of shares	-	-	-	-
Net cash flows used in financing activities	(15,551)	(4,821)	(15,551)	(4,821)
Net decrease in cash and bank balances	(17,883)	(5,801)	(18,776)	(2,312)
Cash and bank balances at beginning of period	56,206	62,676	57,208	59,262
Effect of exchange rate change on balance of cash held in foreign currencies	(354)	239	(463)	164
Cash and cash equivalents at end of period include the following:				
<b>Cash and bank balances</b>	<b>37,969</b>	<b>57,114</b>	<b>37,969</b>	<b>57,114</b>
Pledged deposits for derivative financial instruments with banks	(4,462)	(2,203)	(4,462)	(2,203)
<b>Total Cash and cash equivalents</b>	<b>33,507</b>	<b>54,911</b>	<b>33,507</b>	<b>54,911</b>

**Notes to the statement of cash flows:**

Purchase of property, plant and equipment included the deposit payment of USD 1,733K for the acquisition of property located at 35 Pioneer Road North, Singapore 628475.

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, 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 to equity holders of the Company	-	-	(4,821)	(4,821)	-	(4,821)
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	-	-
<b>Balance at December 31, 2013</b>	44,667	3,877	33,345	81,889	90	81,979
<b>Balance at July 1, 2014</b>	44,667	3,780	35,426	83,873	80	83,953
Total comprehensive (loss) income for the period	-	(323)	1,598	1,275	2	1,277
<b>Balance at September 30, 2014</b>	44,667	3,457	37,024	85,148	82	85,230
Total comprehensive (loss) income for the period	-	(587)	2,120	1,533	(2)	1,531
Dividend paid to equity holders of the Company	-	-	(15,516)	(15,516)	-	(15,516)
Dividend paid to non-controlling interests of subsidiary	-	-	-	-	(35)	(35)
<b>Balance at December 31, 2014</b>	44,667	2,870	23,628	71,165	45	71,210
	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, 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 to equity holders of the Company	-	-	(4,821)	(4,821)		
<b>Balance at December 31, 2013</b>	44,667	-	30,481	75,148		
<b>Balance at July 1, 2014</b>	44,667	-	31,597	76,264		
Total comprehensive income for the period	-	-	1,244	1,244		
<b>Balance at September 30, 2014</b>	44,667	-	32,841	77,508		
Total comprehensive income for the period	-	-	1,405	1,405		
Dividend paid to equity holders of the Company	-	-	(15,516)	(15,516)		
<b>Balance at December 31, 2014</b>	44,667	-	18,730	63,397		

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 December 2014, the total number of issued shares excluding treasury shares was 199,099,000 (30 Jun 2014: 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 2014 as well as all the applicable Financial Reporting Standards (FRS) which became effective for financial year beginning on or after 1 July 2014. 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			
2nd quarter ended		1st half ended	
31/12/2014	31/12/2013	31/12/2014	31/12/2013
1.06	1.31	1.87	1.82
1.06	1.31	1.87	1.82

Average number of ordinary shares		Average number of ordinary shares	
2nd quarter ended		1st half ended	
31/12/2014	31/12/2013	31/12/2014	31/12/2013
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

		As at 31/12/2014	As at 30/06/2014
(a) The Group	US cents	35.74	42.13
(b) The Company	US cents	31.84	38.30

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

	2nd quarter ended 31/12/2014	2nd quarter ended 31/12/2013	1st half ended 31/12/2014	1st half ended 31/12/2013
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
1 Electronics Manufacturing Services (EMS)	46,271	45,079	92,685	91,295
2 Investment income & interest earned	45	55	92	108
3 Estate management and rental income	1,167	1,169	2,244	2,326
Total	47,483	46,303	95,021	93,729
Gross Profit	5,278	5,783	10,046	9,617
Gross Profit Margin	11.1%	12.5%	10.6%	10.3%
Profit from operations				
1 Electronics Manufacturing Services (EMS)	2,429	2,592	4,252	2,937
% of EMS Revenue	5.2%	5.7%	4.6%	3.2%
2 Investment income & interest earned	(462)	79	(831)	299
3 Estate management and rental income	583	459	1,155	884
Total	2,550	3,130	4,576	4,120
Profit margin from operations	5.4%	6.8%	4.8%	4.4%
Profit attributable to equity holders of the company	2,119	2,617	3,718	3,623

For the first half ended 31 December 2014, the Group achieved revenue of USD 95.02 million. This was 1.4% higher compared to the previous corresponding period. Group profit attributable to equity holders of the company was USD 3.72 million compared to USD 3.62 million previously. EMS and estate management activities contributed higher profit from operations versus the first half of the previous year. Investment income & interest earned incurred a USD 0.83 million loss compared to a USD 0.30 million gain in the same period last year.

**EMS**

For the first half ended 31 December 2014, EMS revenue and profit from operations were USD 92.69 million and USD 4.25 million respectively. Revenue remained comparable to the same period last year but operating profit margin increased from the previous period of 3.2% to 4.6% in this reporting period. The increase in profit margin was mainly attributed to higher gross profit contributions and lower business development expenses incurred in this reporting period versus the first half last year. G&A expenses remained fairly constant compared to the first half of the previous year.

**Estate Management and Rental Income**

In this reporting period, estate management and rental income activities achieved revenue of USD 2.24 million and a profit from operations of USD 1.16 million. This represents a 3.5% decrease in revenue and a 30.7% increase in profit from operations.

## **B) Balance Sheet**

The balance sheet and the financial position of the Group remained strong. Total assets and liabilities stood at USD 117.14 million and USD 45.93 million respectively. The cash and bank balances as at 31 December 2014 was USD 37.97 million compared to USD 57.21 million as at 30 June 2014. The trade receivables at USD 34.27 million, trade payables, other payables and provision at USD 42.36 million and inventories at USD 32.61 million were in line with the business activities.

For this reporting period, net cash used in operating activities was USD 1.22 million. Net cash used in investment activities was USD 2.00 million and dividend payment was USD 15.55 million. The total net decrease in cash and bank balances was USD 18.78 million, bringing the total cash and bank balances to USD 37.97 million as at 31 December 2014. Total shareholders fund was USD 71.17 million and the Group net asset value (NAV) per share was USD 35.74 cents as at 31 December 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 US economy is showing signs that it is gaining moderate growth. However, the European economic outlook remains uncertain and the Chinese economic growth is projected to slow down in 2015. As such, in the next six months, the global demand for electronic products is not expected to increase during this period when demand is seasonally low. In view of this, the Directors remain cautious about the Group business outlook for the next 6 months and beyond.

### **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 December 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 first half year ended 31 December 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Valerie Tan May Wei  
COMPANY SECRETARY  
13<sup>th</sup> February 2015