

Unaudited Full Year Financial Statements for the Year Ended 30 June 2017

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 2017. 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 30/06/2017 US\$'000	4th quarter ended 30/06/2016 US\$'000	% increase/ (decrease)	12 months ended 30/06/2017 US\$'000	12 months ended 30/06/2016 US\$'000	% increase/ (decrease)
Revenue	60,554	53,042	14.2%	198,917	180,231	10.4%
Cost of sales:						
Raw material and consumables	(46,255)	(39,717)	16.5%	(149,812)	(136,277)	9.9%
Manufacturing expenses	(5,377)	(5,432)	(1.0%)	(22,071)	(21,983)	0.4%
Other operating expenses	(140)	(528)	(73.5%)	(1,357)	(2,130)	(36.3%)
Direct depreciation/amortisation	(575)	(608)	(5.4%)	(2,181)	(2,203)	(1.0%)
	(52,347)	(46,285)	13.1%	(175,421)	(162,593)	7.9%
Gross profit	8,207	6,757	21.5%	23,496	17,638	33.2%
Other (loss)/income	(26)	151	n.m.	234	461	(49.2%)
Other expenses:						
Business development expenses	(1,089)	(1,158)	(6.0%)	(4,306)	(3,632)	18.6%
General and administrative expenses	(1,575)	(1,762)	(10.6%)	(6,003)	(5,424)	10.7%
Indirect depreciation	(149)	(147)	1.4%	(569)	(477)	19.3%
Foreign exchange (loss)/gain	(228)	30	n.m.	96	(1,503)	n.m.
Mark to market valuation gain	-	-	n.m.	-	249	n.m.
	(3,041)	(3,037)	0.1%	(10,782)	(10,787)	(0.0%)
Profit before tax	5,140	3,871	32.8%	12,948	7,312	77.1%
Income tax expense						
Current period / year	(1,006)	(625)	61.0%	(2,335)	(1,467)	59.2%
Prior period / year	24	(260)	n.m.	5	(108)	n.m.
Profit for the period	4,158	2,986	39.2%	10,618	5,737	85.1%
Attributable to:						
Equity holders of the Company	4,158	2,987	39.2%	10,626	5,736	85.3%
Non-controlling interests	-	(1)	n.m.	(8)	1	n.m.
	4,158	2,986	39.2%	10,618	5,737	85.1%

Notes to the Income Statement:

n.m. : not meaningful

Statements of comprehensive income

For the fourth quarter and twelve months ended 30 June 2017

	The Group					
	4th quarter ended 30/06/2017 US\$'000	4th quarter ended 30/06/2016 US\$'000	% increase/ (decrease)	12 months ended 30/06/2017 US\$'000	12 months ended 30/06/2016 US\$'000	% increase/ (decrease)
Profit for the period	4,158	2,986	39.2%	10,618	5,737	85.1%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	278	37	n.m.	(511)	3	n.m.
Realisation of foreign currency translation reserve upon liquidation of a subsidiary	(81)	-	n.m.	(81)	-	n.m.
Other comprehensive gain/(loss) for the period, net of tax	197	37	n.m.	(592)	3	n.m.
Total comprehensive income for the period, net of tax	4,355	3,023	44.1%	10,026	5,740	74.7%
Total comprehensive income attributable to:						
Equity holders of the Company	4,355	3,024	44.0%	10,034	5,739	74.8%
Non-controlling interests	-	(1)	n.m.	(8)	1	n.m.
	4,355	3,023	44.1%	10,026	5,740	74.7%

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	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	US\$'000	US\$'000	US\$'000	US\$'000
Assets				
Current assets				
Cash and bank balances	39,929	27,916	34,905	23,928
Trade receivables	38,992	39,026	37,042	36,718
Other receivables and prepayments	4,305	1,674	2,452	562
Amounts due from subsidiaries	-	-	3,733	4,528
Inventories	36,809	31,069	32,085	27,742
	<u>120,035</u>	<u>99,685</u>	<u>110,217</u>	<u>93,478</u>
Non-current assets				
Property, plant and equipment	8,383	9,238	5,359	5,782
Prepaid lease payments	18,580	19,304	16,018	16,472
Investments in subsidiaries	-	-	12,029	12,029
Other assets	261	237	261	237
Deferred tax assets	96	79	-	-
	<u>27,320</u>	<u>28,858</u>	<u>33,667</u>	<u>34,520</u>
Total assets	<u>147,355</u>	<u>128,543</u>	<u>143,884</u>	<u>127,998</u>
Equity and liabilities				
Current liabilities				
Trade payables, other payables and provision	56,208	40,456	47,662	32,953
Amounts due to subsidiaries	-	-	12,426	10,418
Income tax payable	2,819	2,183	2,468	1,735
	<u>59,027</u>	<u>42,639</u>	<u>62,556</u>	<u>45,106</u>
Non-current liabilities				
Deferred tax liabilities	765	686	765	686
Defined benefit obligations	198	-	-	-
	<u>963</u>	<u>686</u>	<u>765</u>	<u>686</u>
Total liabilities	<u>59,990</u>	<u>43,325</u>	<u>63,321</u>	<u>45,792</u>
Equity attributable to equity holders of the Company				
Share capital	44,667	44,667	44,667	44,667
Foreign currency translation reserve	1,191	1,783	-	-
Retained earnings	41,507	38,722	35,896	37,539
	<u>87,365</u>	<u>85,172</u>	<u>80,563</u>	<u>82,206</u>
Non-controlling interests	-	46	-	-
Total equity	<u>87,365</u>	<u>85,218</u>	<u>80,563</u>	<u>82,206</u>
Total equity and liabilities	<u>147,355</u>	<u>128,543</u>	<u>143,884</u>	<u>127,998</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 30/06/2017		As at 30/06/2016	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/06/2017		As at 30/06/2016	
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	
	30/06/2017 US\$'000	30/06/2016 US\$'000	30/06/2017 US\$'000	30/06/2016 US\$'000
Cash flows from operating activities				
Profit before tax	5,140	3,871	12,948	7,312
Adjustments for:				
Depreciation of property, plant and equipment	553	588	2,065	2,048
Amortisation of prepaid lease payments	171	168	685	632
Loss on disposal of property, plant and equipment	187	132	190	41
(Write-back)/addition of impairment loss on other assets	(25)	(3)	(24)	27
Write back of allowance for inventories	(721)	(864)	(721)	(864)
Mark to market value for derivative financial instruments	-	-	-	(249)
Gain on liquidation of subsidiary	(81)	-	(81)	-
Interest income	(86)	(36)	(269)	(404)
Foreign exchange loss/(gain)	229	40	(254)	1,272
Operating profit before working capital changes	5,367	3,896	14,539	9,815
Trade receivables	(7,654)	(8,189)	34	(5,861)
Other receivables and prepayments	(2,183)	54	(2,582)	2,445
Inventories	(4,046)	7,466	(5,019)	(3,012)
Trade payables, other payables and provision	10,690	(1,289)	15,950	(789)
Cash generated from operations	2,174	1,938	22,922	2,598
Interest received	48	26	219	472
Income tax paid	(456)	(84)	(1,633)	(1,680)
Net cash flows generated from operating activities	1,766	1,880	21,508	1,390
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1	2	1	155
Purchase of property, plant and equipment	(808)	(332)	(1,563)	(7,253)
Net cash flows used in investing activities	(807)	(330)	(1,562)	(7,098)
Cash flows from financing activities				
Dividends paid on ordinary shares	-	-	(7,841)	(7,110)
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	-	-	(7,879)	(7,110)
Net increase/(decrease) in cash and bank balances	959	1,550	12,067	(12,818)
Cash and bank balances at beginning of period	38,898	26,388	27,916	41,978
Effect of currency translation on balances held in foreign currencies	72	(22)	(54)	(1,244)
Total cash and cash equivalents	39,929	27,916	39,929	27,916

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 2015	44,667	1,780	40,095	86,542	46	86,588
Total comprehensive (loss)/income for the period	-	(800)	606	(194)	-	(194)
Balance at 30 September 2015	44,667	980	40,701	86,348	46	86,394
Total comprehensive income for the period	-	82	1,398	1,480	1	1,481
Dividends paid	-	-	(7,110)	(7,110)	-	(7,110)
Balance at 31 December 2015	44,667	1,062	34,989	80,718	47	80,765
Total comprehensive income for the period	-	684	747	1,431	-	1,431
Balance at 31 March 2016	44,667	1,746	35,736	82,149	47	82,196
Total comprehensive income/(loss) for the period	-	37	2,986	3,023	(1)	3,022
Balance at 30 June 2016	44,667	1,783	38,722	85,172	46	85,218

Balance at 1 July 2016	44,667	1,783	38,722	85,172	46	85,218
Total comprehensive income/(loss) 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 (loss)/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/(loss) 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

Company

	Share capital	Retained earnings	Total
	US\$'000	US\$'000	US\$'000
Balance at 1 July 2015	44,667	34,165	78,832
Total comprehensive income for the period	-	672	672
Balance at 30 September 2015	44,667	34,837	79,504
Total comprehensive income for the period	-	1,365	1,365
Dividends paid	-	(7,110)	(7,110)
Balance at 31 December 2015	44,667	29,092	73,759
Total comprehensive income for the period	-	3,903	3,903
Balance at 31 March 2016	44,667	32,995	77,662
Total comprehensive income for the period	-	4,544	4,544
Balance at 30 June 2016	44,667	37,539	82,206

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

- 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 2017, the total number of issued shares excluding treasury shares was 199,099,000 (30 Jun 2016: 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 2016 as well as all the applicable Financial Reporting Standards (FRS) which became effective for financial year beginning on or after 1 July 2016. 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			
4th quarter ended		12 months ended	
30/06/2017	30/06/2016	30/06/2017	30/06/2016
2.09	1.50	5.34	2.88
2.09	1.50	5.34	2.88

Average number of ordinary shares		Average number of ordinary shares	
4th quarter ended		12 months ended	
30/06/2017	30/06/2016	30/06/2017	30/06/2016
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.

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 2017 and 2016.

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
30/06/2017	30/06/2016
43.88	42.78
40.46	41.29

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 4th quarter ended 30 June 2017, the Group recorded a 14.2% rise in revenue to USD 60.55 million compared to USD 53.04 million for the same period last year. The increase in revenue was mainly attributed to stronger orders from existing projects and new projects launched in this reporting quarter. Gross profit was USD 8.21 million or 21.5% higher compared to the previous year. Net profit attributable to equity holders was USD 4.16 million for the 4th quarter.

For the full year ended 30 June 2017, the Group achieved revenue of USD198.92 million. This was 10.4% higher compared to FY16. The Group began the financial year with uncertainty over the global economic outlook. The business climate improved going into the second half of the financial year. Several of our customers benefited from the improved economic conditions and gained strong end market demand. However, some of our customers continued to face market weakness. On an overall basis, Group revenue growth was supported by existing customers' new businesses and new customers won over the last two years.

Costs of sales was in line with the revenue. The reduction in other operating expenses compared to the previous year was mainly due to the reduction in estate management activities. In FY17, the Group saw an increase in BD and G&A expenses. This was primarily attributed to higher staff costs.

As a result of higher turnover and continued improvement in operating efficiency, the Group net profit attributable to equity holders for the full year ended 30 June 2017 was USD 10.63 million or 85.3% higher than the previous year.

B) Financial position and cash flow

The balance sheet and financial position of the Group remains strong. Total assets and liabilities stood at USD 147.36 million and USD 60.00 million respectively. The cash and bank balances as at 30 June 2017 was USD 39.93 million compared to USD 27.92 million as at 30 June 2016. The trade receivables of USD 38.99 million, trade payables, other payables and provision of USD 56.21 million and inventories of USD 36.81 million were in line with the business activities.

For the twelve months ended 30 June 2017, net cash generated from operating activities was USD 21.51 million. Net cash used in investment activities was USD 1.56 million and dividend payment was USD 7.85 million. The total net increase in cash and bank balances was USD 12.07 million, bringing the total cash and bank balances to USD 39.93 million as at 30 June 2017. Total shareholders fund was USD 87.37 million and the Group's net asset value (NAV) per share was USD 43.88 cents as at 30 June 2017.

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 turning more optimistic with the US economy showing signs of modest growth and China's economic slowdown bottoming out. However, the on-going anti-globalisation and protectionist threats as well as inflationary concerns could affect the global business sentiment unfavourably. As such, the directors are cautiously optimistic about the Group business outlook in the next 6 months but remain cautious beyond the next 6 months.

11. Dividend

(a) Current Financial Year Reported On

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

The Directors are pleased to recommend a final tax exempt one-tier dividend of 3 SG cents per ordinary share (2016: tax exempt one-tier 3 SG cents per ordinary share) and a final special tax exempt one-tier dividend of 0.5 SG cents per ordinary share (2016: Nil) in respect of the financial year ended 30 June 2017 for approval by shareholders at the next Annual General Meeting to be convened.

Together with the special interim dividend comprising a tax exempt one-tier dividend of 2.5 SG cents per ordinary share paid on 10 March 2017 (2016: Nil), total distributions paid and proposed in respect of the financial year ended 30 June 2017 will be 6 SG cents per ordinary share (2016: 3 SG cents per ordinary share).

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of dividend	Interim	First & Final (Paid)	Special
Dividend type	Cash	Cash	Cash
Dividend amount per share	-	S\$0.030	-
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 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.

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	
	2017 US\$'000	2016 US\$'000	2017 US\$'000	2016 US\$'000
US	106,951	94,127	1	1
Ireland	35,191	22,132	-	-
China	17,090	18,115	1,511	1,707
Singapore	19,225	20,835	21,406	22,359
Germany	7,131	9,467	-	-
ASEAN (excluding Singapore)	3,103	4,084	4,402	4,791
Others	10,226	11,471	-	-
	198,917	180,231	27,320	28,858

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 30/06/2017 US\$'000	Year ended 30/06/2016 US\$'000	% increase / (decrease)
(a) Sales reported for the first half year	93,302	88,263	5.7%
(b) Operating profit after tax before deducting minority interests reported for the first half year	4,002	2,005	99.6%
(c) Sales reported for the second half year	105,615	91,968	14.8%
(d) Operating profit after tax before deducting minority interests reported for the second half year	6,616	3,732	77.3%

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)
First and final dividend paid for 2016	-	5,973
Special interim dividend paid for 2017	4,977	-
Proposed final dividend for 2017	5,973	-
Proposed final special dividend for 2017	995	-
Total	11,945	5,973

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 2017