

Unaudited First Quarter Financial Statements for the Period Ended 30 September 2014

The Board of Directors of PCI Limited is pleased to announce the First Quarter financial statements on consolidated results for the three months period ended 30 September 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		
		3 months ended 30/09/2014 US\$'000	3 months ended 30/09/2013 US\$'000	% increase/ (decrease)
1.0	Revenue	47,538	47,426	0.2%
2.0	Cost of sales			
2.1	Raw material and consumables	(35,872)	(37,045)	(3.2%)
2.2	Manufacturing expenses	(5,725)	(5,382)	6.4%
2.3	Other operating expenses	(821)	(796)	3.1%
2.4	Direct depreciation/amortisation	(352)	(367)	(4.1%)
		(42,770)	(43,590)	(1.9%)
3.0	Gross profit	4,768	3,836	24.3%
4.0	Other operating income	326	125	160.8%
5.0	Other expenses			
5.1	Business development expenses	(1,239)	(1,276)	(2.9%)
5.2	General & administrative expenses	(1,437)	(1,195)	20.3%
5.3	Indirect depreciation	(121)	(82)	47.6%
5.4	Foreign exchange gain (loss)	145	(586)	n.m.
5.5	Mark to market valuation (loss) gain	(416)	167	n.m.
		(3,068)	(2,972)	3.2%
6.0	Profit from operations	2,026	989	104.9%
7.0	Exceptional item	-	-	-
8.0	Finance cost	-	-	-
9.0	Profit before income tax	2,026	989	104.9%
10.0	Income tax expenses			
10.1	Current period	(476)	(265)	79.6%
10.2	Prior period	50	286	(82.5%)
11.0	Profit after income tax	1,600	1,010	58.4%
	Attributable to :			
12.0	Equity holders of the company	1,598	1,006	58.8%
13.0	Non-controlling interests	2	4	(50.0%)
		1,600	1,010	58.4%

Notes to the income statement:

n.m. : not meaningful

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEP 2014**

	The Group		
	3 months ended 30/09/2014 US\$'000	3 months ended 30/09/2013 US\$'000	% increase/ (decrease)
PROFIT FOR THE PERIOD	1,600	1,010	58.4%
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(323)	(231)	39.8%
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(323)	(231)	39.8%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	1,277	779	63.9%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the company	1,275	775	64.5%
Non-controlling interests	2	4	(50.0%)
	1,277	779	63.9%

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	
	30/09/2014	30/06/2014	30/09/2014	30/06/2014
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and bank balances	56,206	57,208	48,254	45,658
Trade receivables	34,021	30,654	31,026	28,012
Other receivables and prepayments	1,937	1,491	1,053	775
Amounts due from subsidiaries	-	-	521	2,378
Amounts due from holding company	3	3	-	-
Derivative financial instruments	-	21	-	21
Inventories	28,901	27,753	25,265	24,603
Total current assets	121,068	117,130	106,119	101,447
Non-current assets				
Property, plant and equipment	3,098	3,418	2,397	2,637
Prepaid lease payment	5,209	5,424	-	-
Investments in subsidiaries	-	-	13,986	14,822
Other assets	284	284	284	284
Total non-current assets	8,591	9,126	16,667	17,743
Total assets	129,659	126,256	122,786	119,190
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables, other payables and provision	41,327	39,995	32,936	31,049
Amounts due to subsidiaries	-	-	9,793	9,969
Amounts due to holding company	24	7	24	7
Derivative financial instruments	395	-	395	-
Income tax payable	2,387	1,966	1,834	1,566
Total current liabilities	44,133	41,968	44,982	42,591
Non-current liability				
Deferred tax liabilities	296	335	296	335
Total non-current liability	296	335	296	335
Capital, reserves and non-controlling interests				
Share capital	44,667	44,667	44,667	44,667
Foreign currency translation reserve	3,457	3,780	-	-
Retained earnings	37,024	35,426	32,841	31,597
Equity attributable to equity holders of the company	85,148	83,873	77,508	76,264
Non-controlling interests	82	80	-	-
Total equity	85,230	83,953	77,508	76,264
Total liabilities and equity	129,659	126,256	122,786	119,190

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

Amount repayable in one year or less, or on demand

As at 30/09/2014		As at 30/06/2014	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30/09/2014		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**

	3 months ended	
	30/09/2014 US\$'000	30/09/2013 US\$'000
Cash flows from operating activities		
Profit before income tax	2,026	989
Adjustments for :		
Depreciation of property, plant and equipment	360	337
Amortisation of prepaid lease payment	113	112
Gain on disposal of property, plant and equipment	(27)	(9)
Mark to market value for derivative financial instruments	416	(167)
Interest income	(133)	(173)
Foreign exchange gain	(138)	(220)
Operating profit before working capital changes	2,617	869
Trade receivables	(3,367)	(2,490)
Other receivables and prepayments	(442)	139
Inventories	(1,148)	(878)
Trade payables, other payables and provision	1,332	5,554
Amounts due to holding company	17	-
Cash (used in)/generated from operations	(991)	3,194
Interest received	129	153
Income tax (paid)/refund	(25)	160
Net cash flows (used in)/generated from operating activities	(887)	3,507
Cash flows from investing activities		
Proceeds on disposal of property, plant and equipment	27	9
Purchase of property, plant and equipment	(33)	(26)
Net cash flows used in investing activities	(6)	(17)
Cash flows from financing activity		
Proceeds on issuance of shares	-	-
Net cash flows from financing activity	-	-
Net (decrease)/increase in cash and bank balances	(893)	3,490
Cash and bank balances at beginning of period	57,208	59,262
Effect of exchange rate change on balance of cash held in foreign currencies	(109)	(76)
Cash and cash equivalents at end of period include the following:		
Cash and bank balances	56,206	62,676
Pledged deposits for derivative financial instruments with banks	(3,807)	(2,293)
Total Cash and cash equivalents	52,399	60,383

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 2013	44,667	4,171	34,543	83,381	73	83,454
Total comprehensive (loss) income for the period	-	(231)	1,006	775	4	779
Balance at 30 September 2013	44,667	3,940	35,549	84,156	77	84,233
Balance at 1 July 2014	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
Balance at 30 September 2014	44,667	3,457	37,024	85,148	82	85,230
	Share capital	Foreign currency translation reserve	Retained earnings	Total		
	US\$'000	US\$'000	US\$'000	US\$'000		
Company						
Balance at 1 July 2013	44,667	-	32,562	77,229		
Total comprehensive income for the period	-	-	725	725		
Balance at 30 September 2013	44,667	-	33,287	77,954		
Balance at 1 July 2014	44,667	-	31,597	76,264		
Total comprehensive income for the period	-	-	1,244	1,244		
Balance at 30 September 2014	44,667	-	32,841	77,508		

- 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 September 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 |

Group	
3 months ended	
30/09/2014	30/09/2013
0.80	0.51
0.80	0.51

Average number of ordinary shares	
3 months ended	
30/09/2014	30/09/2013
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

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

As at	As at
30/09/2014	30/06/2014
42.77	42.13
38.93	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

Revenue

- 1 Electronics Manufacturing Services (EMS)
- 2 Investment income & interest earned
- 3 Estate management and rental income
- Total

Gross Profit

Gross Profit Margin

Profit from operations

- 1 Electronics Manufacturing Services (EMS)
% of EMS Revenue
- 2 Investment income & interest earned
- 3 Estate management and rental income
- Total

Profit margin from operations

Profit attributable to equity holders of the company

Total 3months ended 30/09/2014	Total 3months ended 30/09/2013
US\$'000	US\$'000
46,414	46,216
47	53
1,077	1,157
47,538	47,426
4,768	3,836
10.0%	8.1%
1,823	344
3.9%	0.7%
(369)	220
572	425
2,026	989
4.3%	2.1%
1,598	1,006

For the 1st quarter ended 30 September 2014, the Group achieved revenue of USD 47.54 million and net profit attributable to equity holders of USD 1.60 million. Gross profit was USD 4.77 million or 24.3% higher versus the same period last year. In this reporting period, G&A expenses was 20.3% higher compared to the same period last year due to higher staff costs. Mark to market valuation loss was USD 0.42 million versus USD 0.17 million gain in Q1 of the previous year. This was due to the weakening of SGD against the USD. As a result of better gross profit and a marginal increase in other expenses, profit from operations for this reporting period doubled to USD 2.03 million compared to USD 0.99 million in the same period of the previous year.

EMS

For the 1st quarter ended 30 September 2014, EMS revenue and profit from operations were USD 46.41 million and USD 1.82 million respectively. Revenue remained the same but profit from operations increased from USD 0.34 million to USD 1.82 million. Cost of sales was lower as compared to the same period last year and it was mainly attributed to lower material content product shipment. This gave rise to higher gross profit for this reporting period as compared to the same period last year.

Estate Management and Rental Income

In this reporting period, estate management and rental income activities achieved revenue of USD 1.10 million and a profit from operations of USD 0.57 million. Revenue was 7.0% lower whereas profit from operations was 34.6% higher compared to 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 129.66 million and USD 44.43 million respectively. The cash and bank balances as at 30 September 2014 was USD 56.21 million compared to USD 57.21 million as at 30 June 2014. The trade receivables of USD 34.02 million, trade payables, other payables and provision of USD 41.33 million and inventories of USD 28.90 million were in line with the business activities.

For this reporting period, net cash used in operating activities was USD 0.89 million and net cash used in investment activities was USD 0.01 million. The total net decrease in cash and bank balances was USD 0.89 million, bringing the total cash and bank balances to USD 56.21 million as at 30 September 2014. Total shareholders fund was USD 85.15 million and the Group net asset value (NAV) per share was USD 42.77 cents as at 30 September 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.

Global economic growth remains weak and uncertain. Demand for electronics products continues to be slow, despite the approach of the year-end festive season. In view of this, the directors are cautious about the Group's business outlook for the next 6 to 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 three months ended 30 September 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 quarter ended 30 September 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Valerie Tan May Wei
COMPANY SECRETARY
6th November 2014