



PRESS RELEASE

JCY posted positive y-o-y growth

Key Highlights

- Net profit after tax was recorded at RM32.6m for the 3rd quarter, an increase of 30% compared to 3rd quarter last year
- Net asset value increased to 60.1 sen per share, an increase of 4.9 sen per share compared to end of last financial year
- Cash and cash equivalent increased to RM339.1 million or an equivalent of 16.6 sen per share
- RM168.3 million of cash was generated from operating activities in the first 9 months of the financial year 2015
- 3rd interim dividend was declared at 1.25 sen per share, bringing year-to-date dividend to 3.75 sen per share at approximately 57% dividend payout ratio

Kuala Lumpur, 19 August 2015, JCY International Berhad (JCY), a leading multi-mechanical components producer for HDD industry listed in the Main Market of Bursa Malaysia, had today announced its interim financial results for the third quarter ended 30 June 2015.

JCY recorded a revenue of RM479.8 million for the reporting quarter, representing an increment of 6.0% compared to previous year's corresponding period. The increase was due mainly to the better average exchange rate of USD against Ringgit Malaysia, amid at a lower sales volume.

Gross Profit margin in the reporting quarter stood at 9.1% amounting to RM43.7 million, this represents an increase of 12% as compared to the RM39.2 recorded in previous year's corresponding quarter. The improved performance was mainly attributable to the better revenue and the Group's continuous efforts in improving its operational efficiency.



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Financial Position, Cash Flow and Market Capitalisation

JCY carried a net asset of RM1,229 million at the end of the reporting quarter, this translates to 60.1 sen of net asset per share. Cash and cash equivalent grew to RM 339.1 million from RM260.8 million as reported at the end of previous financial year. Gearing ratio improved to 5.8% for the reporting quarter as compared to 8.6% at the end of previous financial year.

JCY generated a net operating cash in-flow of RM168.3 million in the first 9 months of the financial year 2015. With the RM66.1 million payout of dividend, JCY managed to generate a net cash in-flow of RM86.4 million.

Based on the closing price of RM0.625 per share on 18 August 2015, JCY has a market capitalization of RM1,277.8 million. The total shares issued were 2,044.5 million.

Dividend Declaration

On 19 August 2015, the Board of Directors of JCY resolved to declare a third interim single tier tax exempt dividend of 1.25 sen per share with the payment date to be determined in due course. The declaration of 1.25 sen dividend represents a pay-out ratio of approximately 78% of the profit after tax of the reporting quarter, which is better with the dividend policy established by the Company. At RM0.625 closing price per JCY's share on 18 August 2015, this declaration of dividend signifies an annualised dividend yield of 8.0%.

JCY had been consistently declaring dividend for the past 7 consecutive financial quarters with an aggregate declared dividend of approximately RM163 million or 8 sen per share.

Capital Expenditure

JCY's management has been prudent in making its capital expenditure decision with the aim to improve operational efficiency, to ensure quality excellence and to reduce cost of operation, especially from its reliance on manual labour. For the first 9 months in the financial year 2015, RM54.4 million had been spent and another RM8.8 million had been contracted for on capital expenditure on this perspective.



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Business Outlook

The outlook for Total Addressable Market (“TAM”) for HDD is challenging, despite the recent launching of Windows 10, a major rebound in PC demand in the near future is unlikely.

The demand in enterprise class HDDs is affected by the poor global economic environment with financial uncertainties in Europe and the slowdown in China. The demand for HDD is also adversely affected by the strong U.S. Dollar. However, the weakening of Ringgit Malaysia against U.S. Dollar has a positive effect on our revenue.

JCY will continue to leverage its competitive strengths so as to intensify its efforts on improving its operational efficiency.

This press release should be read in conjunction with the latest Interim Financial Statements of JCY, a copy of the Interim Financial Statements could be found at the Bursa Malaysia’s web portal as well as the Company’s website at www.jcyinternational.com. The forward looking statements, if any, in this press release represent the company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that the future events will occur, that the projections will be achieved, or that the company’s assumptions are correct. Actual results may differ materially from those projected.



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About JCY (www.jcyinternational.com)

JCY is one of the largest global precision engineering manufacturers of HDD mechanical components. As a multi-component manufacturer, JCY produces base plates, actuator pivot flex assemblies, top cover assemblies and antidisks. JCY has manufacturing facilities in Johor, Melaka and Penang of Malaysia, Saraburi of Thailand and Suzhou of the People's Republic of China. JCY engages approximately 18,000 workers worldwide. The company supplies HDD mechanical components to two of the world's largest OEMs in the HDD market, namely Western Digital and Seagate.

Issued by: RAPR Mileage Communications Sdn Bhd on behalf of JCY International Berhad

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