



PRESS RELEASE

JCY releases its 4th quarter result for financial year 2015

Key Highlights

- Net profit after tax was recorded at RM75.6m for the 4th quarter, an increase of 358% compared to 4th quarter last year
- Net profit after tax was recorded at RM209.5m for financial year ended September 2015, an increase of 91% compared to previous financial year.
- 4th interim dividend was declared at 3 sen per share, bringing year-to-date dividend to 6.75 sen per share at approximately 66% dividend payout ratio

Kuala Lumpur, 23 November 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 fourth quarter and full financial year ended 30 September 2015.

JCY recorded a revenue of RM465.9 million for the reporting quarter, representing an increment of 0.8% 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 12.2% with gross profit amounting to RM57.1 million, this represents an increase of 67% as compared to the RM34.1 recorded in previous year's corresponding quarter. The improved performance was mainly attributable to 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 RM1,301 million at the end of the financial year, this translates to 63.1 sen of net asset per share. Cash and cash equivalent grew to RM 383.5 million from RM260.8 million as reported at the end of previous financial year. Gearing ratio improved to 6.4% 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 RM241.7 million in the financial year 2015. With the RM91.6 million payout of dividend, JCY managed to generate a net cash in-flow of RM134.2 million.

Based on the closing price of RM0.89 per share on 20 November 2015, JCY has a market capitalization of RM1,821.6 million. The total shares issued were 2,062.7 million.

Dividend Declaration

On 23 November 2015, the Board of Directors of JCY resolved to declare a forth interim single tier tax exempt dividend of 3 sen per share with the payment date to be determined in due course. The declaration of 3 sen dividend represents a pay-out ratio of approximately 81% of the profit after tax of the reporting quarter, which is better than the dividend policy established by the Company. At RM0.89 closing price per JCY's share on 20 November 2015, this declaration of dividend signifies an annualised dividend yield of 13.5%.

JCY had been consistently declaring dividend for the past 8 consecutive financial quarters with an aggregate declared dividend of approximately RM224.3 million or 11 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 financial year 2015, RM67.6 million had been spent and another RM15.0 million had been contracted for on capital expenditure on this perspective.



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Business Outlook

Estimates for Total Addressable Market (“TAM”) for Hard Disk Drive (“HDD”) indicate a modest increase in last quarter, although it is expected to remain largely flat for the next few quarters.

Recent developments within the industry group include new strategic investment in HDD manufacturers, and the announcement of a new major data center storage initiative in China. With these, it is expected that the outlook for HDDs will remain favourable in the near future.

Production continues to be affected by labour costs. The increase of the minimum wage in Malaysia effective from July 2016, and the workers welfare requirements as required by the Electronic Industry Code of Conduct (“EICC”) are expected to increase our production cost per worker. However, JCY has been successful in automating many of its production processes and has managed to reduce its workforce significantly. These efforts will continue.

“JCY continues to hold an important position in the HDD sector. We will continue to leverage our competitive strengths and to intensify our efforts on improving our operational efficiencies” said JCY.

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 16,000 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.

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