



Media Release

For Immediate Release

JCY ESTABLISHES PRINCIPAL HUB IN JOHOR First Public Listed Malaysian Company to Join the Scheme

22 April 2016, Kuala Lumpur – JCY Group, one of the largest Hard Disk Drive (HDD) mechanical components manufacturers in the world, today announced its establishment of a Principal Hub (PH) in Johor. The PH establishment will function as the Global Procurement Centre for the Group. Essentially, the new Johor entity will now control the supply chain functions that were previously undertaken by its entities in Singapore, British Virgin Island, Mauritius, Thailand and China. JCY HDD Industries will act as the main decision maker for key growth strategies and manage the profit and loss of the Group's subsidiaries in Malaysia and overseas.

“The centralisation of key decision making within the Group's network will build up the capabilities of Malaysian talents as experts with business, management and entrepreneurial knowledge and skills. JCY's operations in its 16 Malaysian facilities currently employ 1,400 locals in its workforce. With the new project, the company will create 82 more jobs whereby almost 80% will be filled up by Malaysians. Half of these positions will be offered a monthly salary of more than RM5,000 while 5% will be getting a monthly income of more than RM25,000,” said YB. Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry (MITI) at JCY's announcement held at the Malaysian Investment Development Authority (MIDA) Headquarters.

“With this new establishment, our local suppliers will also enjoy more businesses. Currently, JCY's operations in Malaysia engage approximately 350 suppliers, who are mainly local suppliers including those in the areas of raw materials, automation equipment design, fabrication and supplies such as sensors and robotic arms, and equipment such as ultrasonic generator. Malaysian companies will benefit from JCY's 'Grow with Suppliers' approach whereby they will be given priority in supplying key materials and components to serve the procurement needs of JCY's global network. This will ultimately boost the competitiveness of our local suppliers in meeting international standards and enable them to integrate themselves into the global value chain,” YB Minister added.

“We view the Principal Hub initiative as an important part of our springboard to the future. We will be able to consolidate our resources across various entities within JCY Group, and with external entities within the hard disk drive industry” said Dr. Rozali Bin Mohamed Ali, the Chairman of JCY International Berhad, at the announcement.

“Being located in Johor, JCY’s Principal Hub establishment is a good example to highlight that the scheme is not confined to a specific area, but provides locational flexibility. In other words, companies can choose to establish their Principal Hub at any preferred location in Malaysia that best aligns with their strategic objectives. The scheme also fits the current trend of the way businesses manage their operations globally as MNCs are increasingly centralising key strategic value-adding functions to maximise value and be more cost efficient,” YB Minister said.

“The presence of JCY’s Principal Hub is also in line with the Government’s call for companies to embrace industrial automation. We are pleased that JCY will enhance its R&D capabilities by undertaking design and development of tools and fixtures that will bring better production yields, greater efficiency, cost saving as well as reduce reliance on unskilled manpower. We hope more companies will emulate JCY in terms of automation and utilisation of robotics that will generate better returns economically and technically,” said YB Dato’ Sri Mustapa.

Since its introduction in May 2015 until the first quarter of this year, MIDA has approved a total of 12 PH projects with investments worth RM7.31 billion. These PHs are in the aerospace, E&E, food & beverage, engineering and resource-based industries. These projects, which will generate a total of 728 high value jobs, will be located at various areas in Malaysia including Kuala Lumpur, Johor and Negeri Sembilan.

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About Malaysian Investment Development Authority (MIDA)

Malaysian Investment Development Authority (MIDA) is the government's principal promotion agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Established in 1967, MIDA is the first point of contact for investors that want to take advantage of Malaysia’s vibrant economy, world-class infrastructure and business-friendly environment to set up their profit centre in Asia. For more information, please visit www.mida.gov.my.

About JCY Group

Since its inception in 1994, JCY Group has indeed grown, starting as a supplier of Printed Circuit Board Assembly (PCBA) to Hard Disk Drive (HDD) vendors. Over the years, the Group has successfully consolidated its position to become one of the largest HDD mechanical components manufacturers in the world. The company’s listing in Bursa Malaysia in 2010 was one of the largest Initial Public Offers (IPO) in that year and the largest IPO for a technology company with an initial market capitalisation of RM3 billion. The company is now serving leading players in the Electrical and Electronics (E&E) industry. In 2015, JCY Group has successfully recorded a total revenue of RM1.9 billion. For more information, please visit www.jcyinternational.com.