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### JCY net profit posts double-digit growth

#### Key Highlights

- Net profit after tax was recorded at RM51.2m for the second financial quarter ended 31 March 2015
- Net asset value increased to 59.5 sen per share
- Cash and cash equivalent increased to RM329.1 million
- RM116.4 million cash generated from operating activities in the first 6 months of the financial year 2015
- Second interim dividend at 1.25 sen per share

**Kuala Lumpur, 20 May 2015,** JCY International Berhad (JCY), a leading multi-mechanical components producer for HDD industry listed in the Main Market of Bursa Malaysia, recorded a revenue of RM508.8 million for the 3 months period ended 31 March 2015 (FY2015Q2, the reporting period), this represents an increase of 4.3% as compared to the revenue reported in the immediate preceding quarter (FY2015Q1: RM487.9 million).

Gross Profit margin in the reporting quarter stood at 10.1% on the back of RM51.3 million gross profit, this represents an increase of 19.9% as compared to the RM42.8 recorded in the immediate preceding quarter. The improved performance was mainly attributable to the favourable exchange rate of USD against Ringgit Malaysia as well as the better average selling prices (ASP) achieved in the reporting quarter.

“Prudent financial management together with investment in automation processes have rendered in improvements in operational efficiency and this has enabled us to maintain our steady performance over the last quarter.” Said Dr. Rozali Bin Mohamed Ali, the non-executive Chairman of JCY.

#### Financial Performance

JCY recorded a revenue of RM996.7 million for the 6 months period ended 31 March 2015, this represents an increment of 4.7% as compared to the RM952.1 million revenue recorded in the corresponding period of the preceding financial year. The growth in revenue was mainly contributed by the better average selling prices and better exchange rate.



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JCY also posted a net profit of RM101.3 million for the 6 months period ended 31 March 2015, this represents an improvement of 48% as compared to the net profit of RM68.4 million recorded in the corresponding period of the preceding financial year. This improvement was a result due mainly to the Company's continuous efforts on improving its operational efficiency, as well as the better exchange rate of USD against Ringgit Malaysia in the 6 months period ended 31 March 2015.

### **Financial Position, Cash Flow and Market Capitalisation**

JCY carried a net asset of RM1,211 million at the end of the reporting quarter, this translates to 59.5 sen of net asset per share. Cash and cash equivalent grew to RM 329.1 million from RM260.8 million as reported at the end of previous financial year. Gearing ratio improved to 6.6% 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 RM116.4 million in the first 6 months of the financial year 2015. Even with the RM40.2 million payout of dividend, JCY managed to generate a net cash in-flow of RM83.4 million in the same period.

Based on the closing price of RM0.77 per share on 20 May 2015, JCY has a market capitalization of RM1,586.4 million. The total shares issued were 2,060.3 million.

### **Dividend Declaration**

On 20 May 2015, the Board of Directors of JCY resolved to declare a second 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 49.7% of the profit after tax of the reporting quarter, which is consistent with the dividend policy established by the Company. At RM0.77 closing price per JCY's share on 20 May 2015, this declaration of dividend signifies an annualised dividend yield of 6.5%.

JCY had been consistently declaring dividend for the past 6 consecutive financial quarters with an aggregate declared dividend of approximately RM137 million or 6.75 sen per share.



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### 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 6 months in the financial year 2015, RM13.6 million had been spent and another RM32.1 million had been contracted for on capital expenditure on this perspective.

### Business Outlook

Original Design Manufacturer (ODM) shipment numbers released recently for the 31 March 2015 quarter continue to reveal softness in PC builds with output down slightly compared with the shipment number in the previous financial quarter. However, enterprise shipments are expected to recover in the second half of the year on increased demand from traditional storage/server vendors as well as hyperscale companies.

The Sony Playstation 4 finally commenced selling in China towards the end of March 2015 and the prospective PC refresh cycle resulting from Windows 10 may help to improve HDD shipments for the second half of 2015. The demand for cloud infrastructure and enterprise applications will continue to make up for the reduction in PC shipments.

The recent appreciation of the US Dollar relative to Ringgit Malaysia will continue to benefit JCY's results as all JCY's sales are denominated in U.S. Dollars. JCY will continue to automate its production process to improve productivity and reduce reliance on manual workers. JCY's competitive strengths of economies of scale and multi-components capability will enhance JCY's future profitability.

*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](http://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](http://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 19,000 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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