

JCY International Berhad

Press Release

JCY posts increase in revenue to RM439.9 million and profit before taxation of RM26.4 million for fourth quarter ended 30 September 2011.

Kuala Lumpur, 29th November 2011 –JCY International Bhd (“JCY” or the “Company”) today announced its unaudited results for its fiscal 2011 fourth quarter ended 30 September 2011. It posted a revenue of RM439.9 million, up by 11.3% compared to the preceding quarter ended 30 June 2011. JCY also announced a profit before taxation of RM26.4 million for the current quarter compared with a loss before taxation of RM31.8 million for the preceding quarter ended 30 June 2011.

The increase in turnover was due to the overall increase in revenues arising mainly from increases in the shipment quantity and favourable USD exchange rates for the 4th quarter. The cost of sales decreased despite the increase in the overall sales due to efficient cost management and improvement in output through the better yield and improvements in operational efficiency.

Dr. Rozali bin Mohamed Ali, the Group Chairman, said the results were satisfactory given the challenging business environment. “We are very comfortable with our improvement in the operational efficiency, and we will continue to focus our efforts in improving our yields to maintain our sustainable profit improvement for the next financial year”, he added.

Thailand Flood

The unprecedented October flooding in Thailand has adversely affected the HDD component suppliers. HDD vendors also have their factories in the flooded zone, and based on a recent media report, HDD industry production in this coming quarter is expected to be approximately 50 million drives short of its 180 million target. As a result, average HDD prices are likely to increase in the short and medium term.

Dr. Rozali bin Mohamed Ali also added that JCY is fortunate as its facilities in Thailand were not affected by the recent flooding. JCY continues to operate at full capacity in Thailand.

JCY is currently taking a number of approaches to increase its output from its factories in Malaysia and elsewhere, including restructuring its production output and product mix, and accelerating its expansion for its plants in China. “We will continue to work closely with our key customers to meet their requirements for our HDD components over the next few quarters” added Dr. Rozali. However, the biggest challenge facing JCY in Malaysia continues to be

shortages of its work force which constraints its output. JCY has increasingly implemented automation for its production and this has resulted in the improvement of its output yield recently.

Financial Position Remains Strong

On the whole, JCY's financials remained strong with total assets of RM 1,382 million and net assets of RM886 million approximately. Net asset value per share was RM0.4335 and the total number of share issued was 2,044.9 million. JCY has a market capitalization of RM 1,554.1 million based on 29 November 2011 closing price of RM 0.76 per share.

Outlook

The recent devastating floods in Thailand have severely affected the global HDD industry. Nevertheless, barring any unforeseen circumstances and factors beyond our control, we are optimistic that we will be able to improve our global market share and profitability. This will enable the Group to achieve favourable results in the coming quarters.

About JCY

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 assembly, top cover assembly and antidisks. JCY has three manufacturing facilities in Malaysia located in Johor, Melaka and Penang employing approximately 15,000 employees and contract workers. JCY also has facilities in Saraburi, Thailand and Suzhou, the People's Republic of China.

The company currently supplies HDD mechanical components to two of the world's largest players in the HDD market, Western Digital and Seagate.

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