

# JCY International Berhad

(Company No. 713422-X)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED

31 MARCH 2010

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31 Mar 2010 RM'000	31 Mar 2009 RM'000	31 Mar 2010 RM'000	31 Mar 2009 RM'000
Revenue	549,687	346,400	1,077,889	776,192
Cost of sales	<u>(473,628)</u>	<u>(297,034)</u>	<u>(917,252)</u>	<u>(676,294)</u>
Gross profit	76,059	49,366	160,637	99,898
Other operating income	841	781	2,194	1,447
Foreign exchange gain / (loss)	(2,364)	10,670	(3,672)	(8,521)
General and administrative expenses	<u>(5,849)</u>	<u>(4,583)</u>	<u>(11,459)</u>	<u>(11,090)</u>
Profit from operations	68,687	56,234	147,700	81,734
Finance costs	<u>(2,458)</u>	<u>(1,794)</u>	<u>(3,683)</u>	<u>(3,269)</u>
Profit before taxation	66,229	54,440	144,017	78,465
Income tax expense	<u>(350)</u>	<u>(38)</u>	<u>(672)</u>	<u>(63)</u>
Profit for the period	<u><u>65,879</u></u>	<u><u>54,402</u></u>	<u><u>143,345</u></u>	<u><u>78,402</u></u>
Attributable to:				
Equity holders of the Company	65,879	54,402	143,345	78,402
Basic and diluted earnings per share (Sen)	<u><u>3.22</u></u>	<u><u>2.66</u></u>	<u><u>7.01</u></u>	<u><u>3.83</u></u>

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements.

# JCY International Berhad

(Company No. 713422-X)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2010

(The figures have not been audited)

	Unaudited As At 31 Mar 2010 RM'000	Audited As At 30 Sep 2009 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	710,251	643,428
Prepaid land lease payments	19,585	19,593
	<u>729,836</u>	<u>663,021</u>
<b>Current assets</b>		
Inventories	218,411	185,339
Trade and other receivables	371,762	345,268
Cash and bank balances	255,244	238,670
	<u>845,417</u>	<u>769,277</u>
Non-current asset classified as held for sale	-	28,801
	<u>-</u>	<u>28,801</u>
<b>TOTAL ASSETS</b>	<u>1,575,253</u>	<u>1,461,099</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	511,215	511,215
Reserves	425,104	291,471
<b>Total equity</b>	<u>936,319</u>	<u>802,686</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	6,080	5,536
Term loan	114,188	-
	<u>120,268</u>	<u>5,536</u>
<b>Current liabilities</b>		
Trade and other payables	268,911	292,155
Amount due to shareholder	-	173,236
Short term borrowings	249,027	186,122
Tax payable	728	1,364
	<u>518,666</u>	<u>652,877</u>
<b>Total liabilities</b>	<u>638,934</u>	<u>658,413</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,575,253</u>	<u>1,461,099</u>
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This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements.

## JCY International Berhad

(Company No. 713422-X)

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### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

(The figures have not been audited)

	Share capital RM'000	Non-distributable foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000
<b>At 1 October 2009</b>	511,215	22,358	269,113	802,686
Foreign currency translation		(9,712)		(9,712)
Net profit for the period			143,345	143,345
<b>At 31 March 2010</b>	<u>511,215</u>	<u>12,646</u>	<u>412,458</u>	<u>936,319</u>
<b>At 1 October 2008</b>	511,215	20,779	293,312	825,306
Foreign currency translation		14,712		14,712
Net profit for the period			78,402	78,402
<b>At 31 March 2009</b>	<u>511,215</u>	<u>35,491</u>	<u>371,714</u>	<u>918,420</u>

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements.

# JCY International Berhad

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE FINANCIAL PERIOD ENDED

31 MARCH 2010

(The figures have not been audited)

	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31 Mar 2010</b>	<b>31 Mar 2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	144,017	78,465
Adjustments for :		
Depreciation	44,200	35,462
Amortisation of prepaid land lease	171	128
(Gain) / Loss on disposal of property, plant and equipment	(178)	23
Inventory written down		-
Unrealised loss on foreign exchange	1,020	1,901
Interest income	(1,100)	(786)
Interest expense	3,683	3,269
Operating profit before working capital changes	191,813	118,462
Inventories	(33,422)	6,018
Receivables	(28,748)	57,063
Payables	(21,668)	(54,493)
Amount due to/from shareholder	(173,237)	(60,000)
Cash (used in) / generated from operations	(65,262)	67,050
Interest paid	(3,683)	(3,269)
Tax paid	(760)	(52)
Net cash (used in) / generated from operating activities	(69,705)	63,729
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(116,923)	(52,659)
Payment of prepaid land lease	(69)	(73)
Proceeds from disposal of property, plant and equipment	28,986	457
Interest received	1,100	785
Net cash used in investing activities	(86,906)	(51,490)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of short-term borrowings	62,905	9,503
Drawdown of long-term borrowings	114,188	-
Net cash generated from financing activities	177,093	9,503
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	20,482	21,742
<b>EFFECTS OF FOREIGN EXCHANGE RATE DIFFERENCES</b>	(3,908)	3,955
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	238,670	145,062
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	255,244	170,759
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This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to the interim financial statements.

# JCY International Berhad

(Company No. 713422-X)

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2010

### A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in compliance with FRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 September 2009 and the accompanying explanatory notes attached to this interim financial statements. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of JCY International Berhad and its subsidiaries ("the Group") since the year ended 30 September 2009.

### A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the year ended 30 September 2009, except for the adoption of FRS 8 : Operating Segments which is effective for financial period beginning on or after 1 July 2009.

The adoption of FRS 8 does not result in significant change in accounting policies of the Group.

### A3. AUDITORS' REPORT IN PRECEDING FINANCIAL STATEMENTS

The auditors' report on the financial statements for the preceding year was not subject to any audit qualification.

### A4. SEASONAL OR CYCLICAL FACTORS

The Group does not experience significant fluctuations in operations due to seasonal factors, although demand for hard disk drive ("HDD") components tends to increase slightly during the last quarter of the financial year as a result of higher demand for HDDs.

### A5. UNUSUAL ITEMS AFFECTING THE ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASHFLOW

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2010.

### A6. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in accounting estimates that have had a material effect in the current financial period results.

### A7. CAPITAL COMMITMENTS

As at 31 March 2010, the Group has capital commitments for the followings:

Approved and contracted for :	<b>RM'000</b>
Purchase of plant and equipment	73,186

### A8. DEBTS AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter.

### A9. DIVIDENDS PAID

There were no dividend paid during the current financial quarter.

# JCY International Berhad

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2010

### A10. DILUTED EARNINGS PER SHARE

There were no diluted earnings per share as at 31 March 2010.

### A11. SEGMENTAL INFORMATION

The Group's activities are predominantly in the sector of trading, manufacturing and assembling of HDD components. As such, segmental information is only presented by geographical segments. The geographical segments are based on the location of assets and these are :

- (i) Malaysia
- (ii) Others : These consist of segments which are outside Malaysia but which individually fall below the 10% threshold of a reportable segment.

	Malaysia	Others	Eliminations	Total
<b>Year to Date - 31 March 2010</b>				
Segment revenue				
Sales to external customers	853,153	224,736	-	1,077,889
Inter-segment sales	215,183	24,138	(239,321)	-
Total	<u>1,068,336</u>	<u>248,874</u>	<u>(239,321)</u>	<u>1,077,889</u>
Segment results	<u>134,957</u>	<u>3,147</u>	<u>5,240</u>	<u>143,345</u>
				-
<b>Year to Date - 31 March 2009</b>				
Segment revenue				
Sales to external customers	664,414	111,778	-	776,192
Inter-segment sales	127,063	22,193	(149,256)	-
Total	<u>791,477</u>	<u>133,971</u>	<u>(149,256)</u>	<u>776,192</u>
Segment results	<u>88,379</u>	<u>(66)</u>	<u>(9,911)</u>	<u>78,402</u>

### A12. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

### A13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period to date.

### A14. CONTINGENT LIABILITIES

There were no changes in contingent liabilities since the balance sheet as at 30 September 2009 except for the followings:

A subsidiary of the Company, JCY HDD Technology Sdn. Bhd. (JCY HDD), has received letters dated 14 December 2009 from Tenaga Nasional Berhad ("TNB") claiming for additional electricity charges of approximately RM8.36 million. The additional electricity charges were in respect of the electricity charges supposedly undercharged by TNB for the period from September 2007 to November 2009 due to the incorrect meter reading from electricity meters that were either defective or tampered.

As at the date of this announcement, JCY HDD is disputing the claims and is in discussion with TNB as to their basis and quantification of the additional electricity charges. JCY HDD had on 19 March 2010 again written to TNB to seek amicable solution to the matter and hopes it can be resolved as soon as possible. In view of this, the directors of the Company are of the view that the additional electricity charges should not be provided in the financial statements as the amount, if any, cannot be reasonably estimated and such amount that may finally have to be paid to TNB are not expected to have a significant impact on the financial statements.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2010**

**A15. RELATED PARTY TRANSACTIONS**

	<b>Current Year To Date 31 Mar 2010 RM'000</b>
Armster Sdn. Bhd. - a company in which a director's brother has interest - Factory renovation and maintenance expenses	2,493
PCA Mahlin Technology Sdn. Bhd. - a company in which a director is the brother of the Company's director - Rental of building	<u>300</u>

**A16. MATERIAL EVENT SUBSEQUENT TO END OF CURRENT FINANCIAL QUARTER**

The were no material event subsequent to the end of the current financial quarter under review to the date of this announcement.

**By Order of the Board**

Company Secretary  
20 May 2010

# JCY International Berhad

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## ADDITIONAL NOTES REQUIRED BY THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

### B1. REVIEW OF PERFORMANCE

The Group recorded revenue of approximately RM549.7 million and profit before taxation ("PBT") of RM66.2 million for the 2nd quarter ended 31 March 2010, this represents a 58.7% and 21.7% growth as compared to the corresponding quarterly figures. This significant increase in the revenue and PBT for the current year's 2nd quarter were mainly due to increase in the overall demand from our customers as a result of the recovery of the HDD business.

### B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group achieved PBT of RM66.2 million for the current quarter. This represents a decrease of 14.9% from RM77.8 million achieved in the preceding quarter ended 31 December 2009. The strengthening of the RM against the USD and the reduction in Average Selling Price also contributed to the decrease in our profit. However, comparing with the similar quarter for 2009, there was an increase of PBT of RM11.8 million from RM54.4 million to RM66.2 million in 2010 despite the adverse impact of the significant Forex loss between the two period.

### B3. FUTURE PROSPECT

The HDD market continue to enjoy exceptional growth due to healthy demands from both PC and other electronic consumer markets. Our Group continue to focus in our core business of supplying quality mechanical components for the HDD industry. Barring any unforeseen circumstances, the Group's performance will be favorable for the financial year ended 30 September 2010 in view of strong demand for the HDD components.

### B4. VARIANCE FROM PROFIT FORECAST

Not applicable as the Group has not issued any profit forecast.

### B5. TAXATION

Domestic current income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. Certain subsidiaries of the Group enjoy tax exemptions from the relevant authorities on their business income for current and future periods. The computation of deferred tax as at 31 December 2009 has reflected the effects of such exemptions.

	Current Year Quarter 31 Mar 2010 RM'000	Current Year To Date 31 Mar 2010 RM'000
Taxation	75	125
Deferred Taxation	272	544

### B6. PROFIT ON SALES OF UNQUOTED INVESTMENT OR PROPERTIES

There were no sales of unquoted investment or property by the Group for the current quarter under review.

### B7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchase or disposal of quoted securities by the Group for the current quarter and financial year under review.

### B8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposal by the Group for the current quarter under review.



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## ADDITIONAL NOTES REQUIRED BY THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

### B9. BORROWING AND DEBT SECURITIES

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2010.

	USD'000	RM'000
<b>Long Term Borrowings</b>		
Term loan*	35,000	<u>114,188</u>
Total long term borrowings		<u>114,188</u>
<b>Short Term Borrowings</b>		
Term loan*	15,000	48,938
Bankers' acceptance		106,156
Letter of Credit		<u>93,933</u>
Total short term borrowings		<u>249,027</u>
<b>Total borrowings</b>		<u>363,215</u>

Note:

\* Converted to RM based on the exchange rate of RM3.2625 : USD1.00 as at 30 March 2010

The Short Term and Long Term Borrowings are unsecured.

### B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any off balance sheet financial instruments.

### B11. MATERIAL LITIGATION

As of the date of this announcement, there are no material litigations against the Group or taken by the Group.

### B12. DIVIDENDS

The Board of Directors declared an interim dividend of 15.6% (or RM0.0391) per ordinary share in respect of the financial year ending 30 September 2010. The interim dividend of 15.6% per ordinary share of RM0.25 each is based on share capital of 2,044,860,000 shares.

The entitlement of the interim dividend will be determined based on the shareholders registered in the record of depositors as at 15 June 2010 and the date of payment will be on 30 June 2010

The total dividend for the current financial period to date is 15.6% (or RM0.0391) per ordinary shares of RM0.25 each.

### B13. EARNINGS PER SHARE

The basic earnings per share for the current quarter of 3.22 sen was calculated by dividing the Group's net profit attributable to equity holders of the Company for the quarter amounting to RM65.9 million by the weighted average number of ordinary shares in issue of 2,044,860,000.