

**JCY International Berhad**  
(Incorporated in Malaysia - Company No. 713422-X)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the financial quarter ended 30 September 2011 (Unaudited)

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30 Sep 2011 RM'000	30 Sep 2010 RM'000	30 Sep 2011 RM'000	30 Sep 2010 RM'000
Revenue	439,917	474,708	1,671,420	2,033,386
Cost of sales	<u>(411,546)</u>	<u>(479,996)</u>	<u>(1,629,971)</u>	<u>(1,811,813)</u>
Gross profit / (loss)	28,371	(5,288)	41,449	221,573
Other operating income	573	121	3,397	3,039
Foreign exchange gain / (loss)	5,448	(2,609)	(525)	(9,940)
General and administrative expenses	<u>(7,207)</u>	<u>(9,028)</u>	<u>(25,141)</u>	<u>(26,377)</u>
Profit / (loss) from operations	27,185	(16,804)	19,180	188,295
Finance costs	<u>(746)</u>	<u>(2,543)</u>	<u>(4,457)</u>	<u>(7,676)</u>
Profit / (loss) before taxation	26,439	(19,347)	14,723	180,619
Income tax expense	<u>-</u>	<u>(5,834)</u>	<u>(170)</u>	<u>(6,856)</u>
Net profit / (loss) for the period	<u>26,439</u>	<u>(25,181)</u>	<u>14,553</u>	<u>173,763</u>
Other comprehensive income / (loss)				
- Foreign exchange translation difference	10,262	(9,681)	14,080	(23,272)
Total comprehensive income / (loss) for the period	<u>36,701</u>	<u>(34,862)</u>	<u>28,633</u>	<u>150,491</u>
Net profit / (loss) attributable to:				
- Equity holders of the Company	26,439	(25,181)	14,553	173,763
Basic and diluted earnings per share (Sen)	<u>1.29</u>	<u>(1.23)</u>	<u>0.71</u>	<u>8.50</u>
Total comprehensive income / (loss) attributable to:				
- Equity holders of the Company	36,701	(34,862)	28,633	150,491
Total comprehensive income / (loss) for the period (sen)	<u>1.79</u>	<u>(1.70)</u>	<u>1.40</u>	<u>7.36</u>
Proposed / declared dividend per share (sen)	-	-	-	3.91

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2010 and the accompanying explanatory notes attached to the interim financial statements.

**JCY International Berhad**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As at 30 September 2011 (Unaudited)

	<b>Unaudited</b> As At 30 Sep 2011 RM'000	<b>Audited</b> As At 30 Sep 2010 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	703,864	753,846
Prepaid land lease payments	18,913	19,239
	<u>722,777</u>	<u>773,085</u>
<b>Current assets</b>		
Inventories	224,864	213,321
Trade and other receivables	340,401	354,310
Cash and bank balances	93,563	128,834
	<u>658,828</u>	<u>696,465</u>
<b>TOTAL ASSETS</b>	<u>1,381,605</u>	<u>1,469,550</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	511,215	511,215
Reserves	375,263	362,008
<b>Total equity</b>	<u>886,478</u>	<u>873,223</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	11,890	11,890
Term loan	-	77,138
	<u>11,890</u>	<u>89,028</u>
<b>Current liabilities</b>		
Trade and other payables	257,908	243,408
Short term borrowings	224,708	262,935
Tax payable	621	956
	<u>483,237</u>	<u>507,299</u>
<b>Total liabilities</b>	<u>495,127</u>	<u>596,327</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,381,605</u>	<u>1,469,550</u>

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the financial quarter ended 30 September 2011 (Unaudited)

	Non-distributable		Distributable		Total RM'000
	Share capital RM'000	Treasury shares RM'000	foreign currency translation reserve RM'000	Retained earnings RM'000	
<b>At 1 October 2010</b>	511,215	-	(914)	362,922	873,223
Purchase of treasury shares		(42)			(42)
Total comprehensive income for the period			14,080	14,553	28,633
Interim tax-exempt dividend of 0.75 sen per ordinary share in respect of the financial year end 30 Sept 2010				(15,336)	(15,336)
<b>At 30 September 2011</b>	<u>511,215</u>	<u>(42)</u>	<u>13,166</u>	<u>362,139</u>	<u>886,478</u>
<b>At 1 October 2009</b>	511,215	-	22,358	269,113	802,686
Total comprehensive income for the period			(23,272)	173,763	150,491
Interim tax-exempt dividend of 3.91 sen per ordinary share in respect of the financial year end 30 Sept 2010				(79,954)	(79,954)
<b>At 30 September 2010</b>	<u>511,215</u>	<u>-</u>	<u>(914)</u>	<u>362,922</u>	<u>873,223</u>

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2010 and the accompanying explanatory notes attached to the interim financial statements.

**JCY International Berhad**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the financial quarter ended 30 September 2011 (Unaudited)

	<b>Current Year To Date 30 Sept 2011 RM'000</b>	<b>Preceding Year Corresponding Period 30 Sep 2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,723	180,619
Adjustments for :		
Depreciation	100,178	93,670
Amortisation of prepaid land lease	247	240
Gain on disposal of property, plant and equipment	-	(101)
Gain on disposal of non-current assets classified as held for sale	-	(185)
Inventory written down to NRV and obsolete inventory written-off	15,330	-
Unrealised (gain) / loss on foreign exchange	(650)	15,665
Property, plant and equipment written off	-	437
Interest income	(799)	(1,729)
Interest expense	4,457	7,676
Operating profit before working capital changes	133,486	296,292
Inventories	(26,873)	(28,330)
Receivables	13,909	(27,562)
Payables	14,500	(47,479)
Cash (used in) / generated from operations	135,022	192,921
Interest paid	(4,457)	(7,676)
Tax paid	(335)	(908)
Net cash (used in) / generated from operating activities	130,230	184,337
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(39,641)	(220,261)
Proceeds from disposal of non-current assets classified as held for sale	-	28,986
Proceeds from disposal of property, plant and equipment	-	324
Interest received	799	1,729
Net cash used in investing activities	(38,842)	(189,222)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount due to shareholder	-	(173,236)
Dividend paid	(15,336)	(79,954)
Drawdown / (Repayment) of short-term borrowings	15,769	22,817
Drawdown of long-term borrowings	(131,134)	131,134
Net cash generated from financing activities	(130,701)	(99,239)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(39,313)	(104,124)
<b>EFFECTS OF FOREIGN EXCHANGE RATE DIFFERENCES</b>	4,042	(5,712)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	128,834	238,670
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	93,563	128,834

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2010 and the accompanying explanatory notes attached to the interim financial statements.

**JCY International Berhad**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

**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 2010 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 2010.

**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 2010, except for the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations by the Group.

**Effective for financial periods beginning on or after 1 January 2010**

FRS 4: Insurance Contracts  
FRS 7: Financial Instruments: Disclosures  
FRS 101: Presentation of Financial Statements (revised)  
FRS 123: Borrowing Costs  
FRS 139: Financial Instruments: Recognition and Measurement  
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127:  
Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary,  
Jointly Controlled Entity or Associate  
Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations  
Amendments to FRS 132: Financial Instruments: Presentation (Paragraphs 95A, 97AA  
and 97AB)  
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7:  
Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded  
Derivatives  
Amendments to FRSs 'Improvements to FRSs (2009)'  
IC Interpretation 9: Reassessment of Embedded Derivatives  
IC Interpretation 10: Interim Financial Reporting and Impairment  
IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions  
IC Interpretation 13: Customer Loyalty Programmes  
IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding  
Requirements and their Interaction  
TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

**Effective for financial periods beginning on or after 1 March 2010**

Amendments to FRS 132: Financial Instruments: Presentation

**Effective for financial periods beginning on or after 1 July 2010**

FRS 1: First-time Adoption of Financial Reporting Standards  
FRS 3: Business Combinations (revised)  
FRS 127: Consolidated and Separate Financial Statements (amended)  
Amendments to FRS 2: Share-based Payment  
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations  
Amendments to FRS 138: Intangible Assets  
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives  
IC Interpretation 12: Service Concession Arrangements  
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation  
IC Interpretation 17: Distributions of Non-cash Assets to Owners

The adoption of the above FRSs, amendments to FRSs and IC interpretations did not have any material impact on the financial statements of the Group.

**JCY International Berhad**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

**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 30

**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 30 September 2011, the Group has capital commitments for the followings:

Approved and contracted for :	<b>RM'000</b>
Purchase of plant and equipment	6,562

**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**

In respect of financial year ended 30 September 2010;

	<b>Current Year to Date 30 September 2010 RM</b>
- Interim tax-exempted dividend of RM0.0391 per ordinary shares of RM0.25 each (Paid on 30 June 2010)	0.0391
- Interim tax-exempted dividend of RM0.0075 per ordinary shares of RM0.25 each (Paid on 24 January 2011)	0.0075
	<u>0.0466</u>

**A10. DILUTED EARNINGS PER SHARE**

There were no diluted earnings per share as at 30 September 2011.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

**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 - 30 September 2011</b>				
Segment revenue				
Sales to external customers	1,286,622	384,798	-	1,671,420
Inter-segment sales	337,882	29,635	(367,517)	-
<b>Total</b>	<b>1,624,504</b>	<b>414,433</b>	<b>(367,517)</b>	<b>1,671,420</b>
Segment results	(6,458)	46,817	(25,806)	14,553

<b>Year to Date - 30 September 2010</b>				
Segment revenue				
Sales to external customers	1,625,893	407,493	-	2,033,386
Inter-segment sales	465,092	42,017	(507,109)	-
<b>Total</b>	<b>2,090,985</b>	<b>449,510</b>	<b>(507,109)</b>	<b>2,033,386</b>
Segment results	262,559	4,674	(93,470)	173,763

**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 2010 except as disclosed in note B11.

**A15. RELATED PARTY TRANSACTIONS**

PCA Mahlin Technology Sdn. Bhd. -  
a company in which a director is the brother of the Company's director  
- Rental of building

**Current Year To Date**  
**30 September 2011**  
**RM'000**

600

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

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011

A17. DISCLOSURE ON REALISED AND UNREALISED PROFITS / LOSSES

	<b>Group</b> <b>As at 30 September 2011</b> <b>RM'000</b>
Retained earnings of the Company and its subsidiaries :	
- Realised	416,641
- Unrealised	<u>(45,649)</u>
	370,992
Less: Consolidation adjustments	<u>(8,853)</u>
Retained earnings per financial statements	<u><u>362,139</u></u>

**By Order of the Board**

Company Secretary  
29 November 2011



**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 RM439.9 million and profit before tax ("PBT") of RM26.4 million for the 4th quarter ended 30th September 2011. The revenue was lower by about 7.3% as compared to the corresponding quarter figures due to the lower average selling price (ASP), lesser volume of shipments and unfavourable US Dollar exchange rate.

Despite relatively high raw material cost and high labour cost resulting from shortage of workers in Malaysia, the Group managed to improve its margin and net profit from improving its operational efficiency and effective cost management.

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

The Group recorded revenue of approximately RM 439.9 million and PBT of RM 26.4 million for the reporting quarter. In the preceding quarter, the Group recorded a revenue of RM395.2 million and loss before taxation ("LBT") of RM31.8 million.

The revenue for the current 4th quarter increased by 11.3% compared with the preceding quarter due mainly to increase in volume of shipments. Likewise, the overall profitability also increased from a LBT of RM 31.8 million to a PBT of RM 26.4 million due to improvement in margin arising from operational efficiency, gain in foreign exchange and reduction in operational cost.

**B3. FUTURE PROSPECT**

The recent devastating flood in Thailand has affected a number of HDD vendors and component suppliers resulting in a global shortage of HDD supply. JCY's factory in Saraburi Thailand is fortunate to have avoided the recent flood in Thailand and is able to maintain its production at full capacity.

Barring any unforeseen circumstances and factors beyond our control within the HDD supply chain, we are optimistic that improvement in HDD average selling price (ASP) and opportunity to capture additional global market share due to the worldwide shortage of HDD components will enable the Group to achieve favourable result for the coming quarters.

**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% (2010: 25%) 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 30 September 2010 has reflected the effects of such exemptions.

	Current Year Quarter 30 September 2011 RM'000	Current Year Ended 30 September 2011 RM'000
Taxation	-	170
Deferred Taxation	-	-

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

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

**B8. STATUS OF CORPORATE PROPOSALS**

1. Executives' Share Option Scheme "ESOS" for the eligible directors and executives of JCY and its subsidiaries.  
- The ESOS has been effected on 1 August 2011
2. Purchase of our own ordinary shares of up to 10% of the issued and paid-up share capital of JCY.  
- Appointment of stockbroker has been completed on 22 July 2011.

**B9. BORROWING AND DEBT SECURITIES**

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 30 September 2011.

	USD'000	RM'000
<b>Long Term Borrowings</b>		
Term loan*	-	-
Total long term borrowings		<u>-</u>
<b>Short Term Borrowings</b>		
Term loan*	25,000	79,725
Bankers' acceptance / ECR / OFCL / FTCL		135,159
Letter of Credit		9,824
Total short term borrowings		<u>224,708</u>
<b>Total borrowings</b>		<u>224,708</u>

*:Note:\* Converted to RM based on the exchange rate of RM3.1890 : USD1.00 as at 30 September 2011*

The Short Term Borrowings are unsecured.

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**B11. MATERIAL LITIGATION**

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.

JCY HDD had disputed the claims and had discussed with TNB as to their basis and quantification of the additional electricity charges. JCY HDD had on 14 June 2010 met TNB directors to discuss on the matter and had on 28 June 2010 provided TNB with the third party audited production reports as requested by TNB. TNB has reverted with claim of approximately RM8 million on 11 January 2011. However, JCY disagrees with the claim and has engaged legal counsel to challenge the claim and seek independent court assessment of the claim.

The Writ of Summons and Statement of Claim dated 23 February 2011 was served on JCY HDD by TNB claiming for the additional electricity charges 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. The Company had sought for solicitor's advise on the necessary course of action to be taken in relation to the aforesaid Writ of Summons. The Company had filed into court its Defence and Counter-Claim on 29 April 2011. On 19 August 2011, a mediation process that was arranged by the Court took place at Penang High Court between the Company and TNB's representatives. There was no settlement reached and TNB requested the Company to raise the amount it had offered. On 27 October 2011, an application has been filed into the Court to have certain preliminary question of law tried and determined by the judge before trial. The Judge has fixed the preliminary question of law for hearing on 25 November 2011.

There will be no significant financial impact arising from the Writ of Summons and Statement of Claim served of JCY HDD as the major shareholder has undertaken that they would make good to the amount claimed by TNB.

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

**B12. DIVIDENDS**

No dividend has been proposed for the current quarter ended 30 September 2011.

**B13. EARNINGS PER SHARE**

The basic earnings per share for the current quarter of 1.29 sen was calculated by dividing the Group's net profit attributable to equity holders of the Company for the quarter amounting to RM26.4 million by the weighted average number of ordinary shares in issue of 2,044,821,957.