



JCY INTERNATIONAL BERHAD

[200501031285 (713422 X)]
(Incorporated in Malaysia)

Interim Financial Statements
31 Mar 2020



JCY International Berhad

(Incorporated in Malaysia - Company No. 200501031285 [713422 X])

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For The Period Ended 31 March 2020 (Unaudited)

| | Individual Quarter 3 Months Ended | | Cumulative 6 Months Ended | |
|---|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 31 Mar 2020 Unaudited RM'000 | 31 Mar 2019 Unaudited RM'000 | 31 Mar 2020 Unaudited RM'000 | 31 Mar 2019 Unaudited RM'000 |
| Revenue | 269,508 | 258,920 | 547,335 | 565,035 |
| Cost of sales | (256,546) | (274,560) | (521,717) | (567,228) |
| Gross profit / (loss) | 12,962 | (15,640) | 25,618 | (2,193) |
| Other operating income | 1,439 | 1,389 | 3,891 | 2,565 |
| Foreign exchange (loss) / gain | (2,675) | 371 | (6,421) | (1,317) |
| General and administrative expenses | (6,649) | (11,109) | (13,331) | (22,240) |
| Other operating expenses | - | - | - | - |
| Profit from operations | 5,077 | (24,989) | 9,757 | (23,185) |
| Finance costs | (498) | (780) | (1,072) | (1,528) |
| Profit before taxation | 4,579 | (25,769) | 8,685 | (24,713) |
| Income tax expense | (205) | (551) | (341) | (918) |
| Net Profit for the period | 4,374 | (26,320) | 8,344 | (25,631) |
| Other comprehensive income: | | | | |
| - Foreign currency translation | 8,518 | 2,665 | 8,327 | 2,879 |
| Total comprehensive income / (loss) for the period | 12,892 | (23,655) | 16,671 | (22,752) |
| Net profit / (loss) attributable to: | | | | |
| - Equity holders of the Company | 4,374 | (26,320) | 8,344 | (25,631) |
| Basic earning / (loss) per share (Sen) | 0.21 | (1.28) | 0.40 | (1.24) |
| Diluted earning / (loss) per share (Sen) | 0.21 | (1.24) | 0.39 | (1.20) |
| Total comprehensive income / (loss) attributeable to: | | | | |
| - Equity holders of the Company | 12,892 | (23,655) | 16,671 | (22,752) |
| Basic total comprehensive income / (loss) per share for the period (sen) | 0.62 | (1.15) | 0.81 | (1.10) |
| Diluted total comprehensive income / (loss) per share for the period (sen) | 0.61 | (1.11) | 0.78 | (1.07) |

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2019 and the accompanying explanatory notes attached to the interim financial statements.

JCY International Berhad

(Incorporated in Malaysia - Company No. 200501031285 [713422 X])

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020 (Unaudited)

| | As At 31 Mar 2020 Unaudited RM'000 | As At 30 Sep 2019 Audited RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 266,858 | 278,452 |
| Land use rights | 24,839 | 25,143 |
| Deferred tax assets | - | - |
| Restricted bank deposits | 1,697 | 1,769 |
| | <u>293,394</u> | <u>305,364</u> |
| Current assets | | |
| Inventories | 204,978 | 192,202 |
| Trade and other receivables | 274,997 | 285,913 |
| Non-current assets held for sales | - | - |
| Other current assets | 8,185 | 6,605 |
| Tax recoverable | 894 | 894 |
| Cash and bank balances | 335,376 | 287,632 |
| | <u>824,430</u> | <u>773,246</u> |
| TOTAL ASSETS | <u><u>1,117,824</u></u> | <u><u>1,078,610</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 539,246 | 536,732 |
| Reserves | 358,754 | 351,948 |
| Total equity | <u>898,000</u> | <u>888,680</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 1,040 | 1,040 |
| Long term employees benefits | 5,373 | 5,248 |
| | <u>6,413</u> | <u>6,288</u> |
| Current liabilities | | |
| Trade and other payables | 159,029 | 135,812 |
| Short term borrowings | 54,382 | 47,517 |
| Tax payable | - | 313 |
| | <u>213,411</u> | <u>183,642</u> |
| Total liabilities | <u>219,824</u> | <u>189,930</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>1,117,824</u></u> | <u><u>1,078,610</u></u> |

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2019 and the accompanying explanatory notes attached to the interim financial statements.

JCY International Berhad

(Incorporated in Malaysia - Company No. 200501031285 [713422 X])

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For The Period Ended 31 March 2020 (Unaudited)

| | Non-distributable | | | | Distributable | Total RM'000 |
|---|----------------------------|--|----------------------------|------------------------------|--------------------------------|-----------------|
| | Share capital RM'000 | Foreign currency translation reserve RM'000 | ESOS reserves RM'000 | Treasury shares RM'000 | Retained earnings RM'000 | |
| At 01 October 2019 | 536,732 | 48,181 | 4,473 | (15,584) | 314,878 | 1,088,810 |
| Total comprehensive income for the period | - | 8,327 | - | - | 8,344 | 16,671 |
| Transactions with owners:- | | | | | | |
| Dividend | - | - | - | - | (10,305) | (10,305) |
| Share-based payments under ESOS | - | - | 440 | - | - | 440 |
| Issuance of new shares pursuant to ESOS | 2,514 | - | - | - | - | 2,514 |
| At 31 March 2020 | 539,246 | 56,508 | 4,913 | (15,584) | 312,917 | 898,000 |
| At 01 October 2018 | 536,732 | 53,645 | - | (15,584) | 369,051 | 943,844 |
| Total comprehensive income for the period | - | 2,879 | - | - | (25,631) | (22,752) |
| Transactions with owners:- | | | | | | |
| Share-based payments under ESOS | - | - | 2,459 | - | - | 2,459 |
| At 31 March 2019 | 536,732 | 56,524 | 2,459 | (15,584) | 343,420 | 923,551 |
| Total comprehensive income for the period | - | (8,343) | - | - | (28,542) | (36,885) |
| Transactions with owners:- | | | | | | |
| Dividend | - | - | - | - | - | - |
| Share-based payments under ESOS | - | - | 2,014 | - | - | 2,014 |
| At 30 September 2019 | 536,732 | 48,181 | 4,473 | (15,584) | 314,878 | 888,680 |

This statement should be read in conjunction with the Company's audited financial statements for the year ended 30 September 2019 and the accompanying explanatory notes attached to the interim financial statements.

JCY International Berhad

(Incorporated in Malaysia - Company No. 200501031285 [713422 X])

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS For The Period Ended 31 March 2020 (Unaudited)

| | Cumulative 6 Months Ended | |
|--|---------------------------|-----------------|
| | 31 Mar 2020 | 31 Mar 2019 |
| | Unaudited | Unaudited |
| | RM'000 | RM'000 |
| CASH FLOWS FROM | | |
| OPERATING ACTIVITIES | | |
| Profit before taxation | 8,685 | (24,713) |
| Adjustments for : | | |
| Depreciation | 18,263 | 27,748 |
| Amortisation of prepaid land lease | 304 | 319 |
| (Gain)/loss on disposal of PPE / land use right | - | (142) |
| Inventory written down to NRV and obsolete inventory written-off | - | - |
| Unrealised loss/(gain) on foreign exchange | 7,855 | 4,193 |
| Property, plant and equipment written off | 6 | 1,410 |
| Share-based payments under ESOS | 440 | 3,180 |
| Defined benefit plan | 346 | 312 |
| Interest and investment income | (3,302) | (2,345) |
| Interest expense | 963 | 1,328 |
| Operating cash flow before working capital changes | <u>33,560</u> | <u>11,290</u> |
| Inventories | (12,776) | 43,985 |
| Receivables | (15,262) | 37,080 |
| Other Current Assets | (1,580) | (4,213) |
| Payables | <u>19,479</u> | <u>(38,331)</u> |
| Cash generated from operations | 23,421 | 49,811 |
| Interest paid | (963) | (1,328) |
| Tax (paid) / recovered | <u>(654)</u> | <u>(870)</u> |
| Net cash (used in) / generated from operating activities | <u>21,804</u> | <u>47,613</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

JCY International Berhad

(Incorporated in Malaysia - Company No. 200501031285 [713422 X])

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS For The Period Ended 31 March 2020 (Unaudited)

| | Cumulative 6 Months Ended | |
|--|---------------------------|------------------|
| | 31 Mar 2020 | 31 Mar 2019 |
| (Continued) | | |
| CASH FLOWS FROM | Unaudited | Unaudited |
| INVESTING ACTIVITIES | RM'000 | RM'000 |
| Purchase of property, plant and equipment / land use right | (10,155) | (16,458) |
| Proceeds from disposal of property, plant and equipment / land use right | 39,554 | 18,486 |
| Additional restricted bank deposits | - | - |
| Additional deposits with investment fund operated by financial institution | (805) | (824) |
| Interest and investment income received | 3,302 | 2,345 |
| Net cash generated from / (used in) investing activities | <u>31,896</u> | <u>3,549</u> |
| CASH FLOWS FROM | | |
| FINANCING ACTIVITIES | | |
| Dividend paid | (10,305) | - |
| Proceed from issuance of new shares pursuant to exercise of ESOS | 2,514 | - |
| Drawdown / (repayment) of short-term borrowings | 6,021 | (591) |
| Net cash generated from / (used in) financing activities | <u>(1,770)</u> | <u>(591)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 51,930 | 50,571 |
| EFFECTS OF FOREIGN EXCHANGE RATE DIFFERENCES | (4,991) | 5,445 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | 242,180 | 170,033 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | <u>289,119</u> | <u>226,049</u> |
| Reconciliation with Cash and Bank Balances:- | | |
| Cash and Cash Equivalents | 289,119 | 226,049 |
| Deposits with Investment Fund operated by Financial Institution | 46,257 | 44,601 |
| CASH AND BANK BALANCES | <u>335,376</u> | <u>270,650</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

JCY International Berhad

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

A1. BASIS OF PREPARATION

These interim financial statements are unaudited and have been prepared in compliance with MFRS 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Main Market LR").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 September 2019 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 financial year ended 30 September 2019.

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 2019, except for the following new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs adopted by the Group for the financial year ending 30 September 2020:-

Effective for financial periods beginning on or after 1 January 2019

MFRS 16 Leases

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015–2017 Cycle

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

IC Interpretation 23 Uncertainty over Income Tax Treatments

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.

JCY International Berhad

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

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 quarter ended 31 March 2020.

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

The Group has capital commitments for the followings:

| | As at 31 Mar 20 | As at 30 Sep 19 |
|--|--------------------|--------------------|
| | RM'000 | RM'000 |
| Approved and contracted for : | | |
| Purchase of properties, plants and equipment | 19,580 | 4,369 |

A8. DEBTS AND EQUITY SECURITIES

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

A9. DIVIDENDS PAID

Dividends declared or paid, if any, during the financial quarter under review and the financial year ending 30 September 2020 are disclosed in note B11.

A10. DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are disclosed in the Condensed Consolidated Statements of Comprehensive Income and note B12.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

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) Thailand
- (iii) Others : These consist of segments which cover mainly China and Singapore but which individually fall below the 10% threshold of a reportable segment

| | Malaysia RM'000 | Thailand RM'000 | Others RM'000 | Eliminations RM'000 | Total RM'000 |
|-------------------------------------|--------------------|--------------------|------------------|------------------------|-----------------|
| 6 Months Ended 31 March 2020 | | | | | |
| Segment revenue | | | | | |
| Sales to external customers | 391,045 | 156,184 | 106 | - | 547,335 |
| Inter-segment sales | 94,228 | - | - | (94,228) | - |
| Total | 485,273 | 156,184 | 106 | (94,228) | 547,335 |
| Segment results | 48,114 | (30,959) | (701) | (8,110) | 8,344 |
| As at 31 March 2020 | | | | | |
| Total assets | 1,665,201 | 146,355 | 490,886 | (1,184,618) | 1,117,824 |
| Total liabilities | 220,410 | 225,507 | 324,952 | (551,045) | 219,824 |
| | Malaysia RM'000 | Thailand RM'000 | Others RM'000 | Eliminations RM'000 | Total RM'000 |
| 6 Months Ended 31 March 2019 | | | | | |
| Segment revenue | | | | | |
| Sales to external customers | 409,770 | 155,265 | - | - | 565,035 |
| Inter-segment sales | 84,824 | - | 23,057 | (107,881) | - |
| Total | 494,594 | 155,265 | 23,057 | (107,881) | 565,035 |
| Segment results | (18,598) | (8,232) | 84 | 1,115 | (25,631) |
| As at 31 March 2019 | | | | | |
| Total assets | 1,630,244 | 148,502 | 482,204 | (1,117,153) | 1,143,797 |
| Total liabilities | 198,669 | 186,329 | 321,164 | (486,637) | 219,525 |

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

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

On 26 February 2020, the Company incorporated a new wholly-owned subsidiary by the name of JCY Auto Sdn. Bhd. The intended principal activity of JCY Auto is to be involved in the manufacture of parts and accessories for motor vehicles.

A14. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 September 2020.

A15. RELATED PARTY TRANSACTIONS

There was no related party transaction in the current period under review and the corresponding period in previous financial year.

A16. MATERIAL EVENT SUBSEQUENT TO END OF CURRENT FINANCIAL QUARTER

On 18 March 2020, the Malaysian Government imposed Movements Control Order (MCO) that most premises in Malaysia were ordered to be closed amid the COVID-19 pandemic. JCY's Malaysian plants were affected by the MCO. Subsequently, the Malaysian plants were approved by Malaysian authority to operate at a reduced capacity since 29 March 2020 and were allowed to operate with full capacity from 29 April 2020 with conditions imposed. The reduction in production activities of the Malaysian plants would have significant adverse impacts to the Group's revenue as well as costs of production for the month of April 2020.

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JCY International Berhad

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

B1. REVIEW OF PERFORMANCE

| | Revenue | | Net Profit / (Loss) | |
|-----------------|----------------|----------------|---------------------|-----------------|
| | 3 Months Ended | | 3 Months Ended | |
| | 31 Mar 20 | 31 Mar 19 | 31 Mar 20 | 31 Mar 19 |
| Segments | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 235,488 | 227,704 | 43,634 | (23,271) |
| Thailand | 80,238 | 73,619 | (37,080) | (3,326) |
| Group | 269,508 | 258,920 | 4,374 | (26,320) |

| | Revenue | | Net Profit / (Loss) | |
|-----------------|----------------|----------------|---------------------|-----------------|
| | 6 Months Ended | | 6 Months Ended | |
| | 31 Mar 20 | 31 Mar 19 | 31 Mar 20 | 31 Mar 19 |
| Segments | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 485,273 | 494,594 | 48,114 | (18,598) |
| Thailand | 156,184 | 155,265 | (30,959) | (8,232) |
| Group | 547,335 | 565,035 | 8,344 | (25,631) |

Detailed Analysis for current quarter and cumulative period

The Group recorded a revenue of RM269.5 million and RM547.3 million for the reporting quarter and cumulative period respectively, these represent an increase of 4.1% in the reporting quarter and a reduction of 3.1% for the cumulative period compared to previous year's corresponding periods. The revenues recorded in the comparing periods remain largely the same.

The Group recorded a net profit of RM4.4 million and RM8.3 million for the reporting quarter and cumulative period respectively, compared to net loss of RM26.3 million and RM25.6 million recorded in the previous year's corresponding periods. The improvements of net result for the reporting periods were due mainly to the improvement in gross margin as a result of cost rationalisation efforts, amid the lower exchange losses.

As our segmental report is based on geographical performance with similar business activities, the factors affecting the earnings and revenue for Malaysia and Thailand segments are similar to those affecting the Group as discussed above, except that, during the periods under review, the Thailand segment recorded significant exchange losses while the Malaysia segment recorded gains due to the strengthening of US Dollar against Thai Baht and Malaysian Ringgit respectively as at the end of the period.

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

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a revenue of approximately RM269.5 million for the reporting quarter or 3.0% lower compared to the RM277.8 million of revenue recorded in the immediate preceding quarter ended 31 December 2019. The reduction on revenue was due mainly to lower overall quantities shipped during the reporting period as a result of the Movements Control Order (MCO) imposed in Malaysia.

The Group recorded a profit before tax of RM4.6 million for the reporting quarter, compared to profit before tax of RM4.1 million reported in the immediate preceding quarter ended 31 December 2019. The improvement of the result before tax was due mainly to the improvement in gross margin as a result of cost rationalisation efforts, despite suffering from higher production cost in late March 2020 due to a 11-day of non-activity in JCY's Malaysian plants during the MCO period.

B3. FUTURE PROSPECT

As a tentative global recovery from the COVID-19 pandemic begins, there are considerable uncertainties in the world outlook. The general consensus is that recovery to pre-pandemic levels may take at least two years and, perhaps more significantly, that the disruption caused by the pandemic may well lead to significant structural changes in global economic and trading systems in the future.

In the immediate term, while overall supply and demand has fallen across the board, the need to strengthen systems for management and monitoring of national economies and the shift to “work-from-home” has resulted in increasing demand from sectors associated with IT infrastructure, IT devices and components, and cloud services. Post-MCO, JCY resumed full operations from 29 April, 2020 and will be actively engaged in accommodating our clients' requirements in this space.

While JCY remains competitive in the HDD component space, we continue to carefully monitor changing patterns in the global supply chain in order to further diversify our businesses.

B4. VARIANCE FROM PROFIT FORECAST

Not applicable as the Group has not issued any profit forecast for the period under review.

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

B5. TAXATION

Domestic current income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

| | 6 Months Ended 31 Mar 20 RM'000 | 6 Months Ended 31 Mar 19 RM'000 |
|------------------|--|--|
| Current year tax | <u>341</u> | <u>918</u> |
| | <u>341</u> | <u>918</u> |

B6. PROFIT ON SALES OF UNQUOTED INVESTMENT OR PROPERTIES

Save for as disclosed in note A5, there were no sales of unquoted investment or property by the Group for the current quarter under review.

B7. STATUS OF CORPORATE PROPOSALS

On 12 March 2019, the Company announced that YK Technology (Suzhou) Co., Ltd ("YKT"), an indirect wholly-owned subsidiary of the Company, had entered into a Non-residential Property Relocation Compensation Agreement with Guo Lane Street Relocation Office ("Guo Lane") for the proposed acceptance of relocation compensation for the land located at No. 1777, YiZhong South Road, Suzhou Wuzhong Economic Technology Development Area together with non-commercial buildings erected thereon by YKT from Guo Lane for a total relocation compensation amount of Chinese Yuan (CNY)133,306,850 (equivalent to approximately RM81,050,565).

On 21 March 2019, YKT received the first payment of CNY 26,661,370 (equivalent to approximately RM16,215,000) as per payment schedule stipulated in the Agreement. On 25 October 2019, YKT officially handed over the properties to Guo Lane per agreed under the Relocation Compensation Agreement. In December 2019, YKT received second payment of CNY 66,653,425 (equivalent to approximately RM39,554,000) as per payment schedule stipulated in the Agreement.

On 13 January 2020, the Company announced that it had entered into a Business Sale Agreement with SDM Precision Casting Sdn. Bhd. ("SDM") to purchase the Business of SDM for a total purchase consideration of RM5,385,900. The Company is currently conducting an operational due diligence as one of the conditions precedent to the Business Sale Agreement.

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

B8. BORROWING AND DEBT SECURITIES

Save as disclosed below, there were no other borrowings or debt securities in the Group as at 31 March 2020.

| | As At 31 Mar 20 RM'000 | As At 30 Sep 19 RM'000 |
|------------------------------|------------------------------|------------------------------|
| Short Term Borrowings | | |
| Foreign currency trade loans | <u>54,382</u> | <u>47,517</u> |

All the above borrowings are unsecured.

B9. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B10. MATERIAL LITIGATION

There is no major changes to material litigation since the last statement of financial position date as of 30 September 2019.

Tenaga Nasional Berhad ("TNB") vs JCY HDD Technology Sdn Bhd ("JCY HDD")

A subsidiary of the Company, JCY HDD Technology Sdn. Bhd. ("JCY HDD"), has received letters dated 14 December 2010 from Tenaga Nasional Berhad ("TNB" or the "Plaintiff") claiming for additional electricity charges of approximately RM8.36 million. JCY HDD had disputed the claims and had discussed with TNB as to their basis and quantification of the additional electricity charges.

On 15 December 2011, the Judge fixed for decision for the case after a preliminary question of law that TNB's claim is only restricted to 3 months backcharges and JCY HDD is only required to pay to TNB for an amount of approximately RM1.05 million. However, TNB had filed an appeal to the Court of Appeal against the decision of the High Court made on 15 December 2011.

On 19 July 2018, the Court decided that the Plaintiff's claim for a balance sum of RM6.97 million is allowed and the cost of RM25,000 is awarded to the Plaintiff, and that interest at the rate of 5% per annum is payable on the judgment sum calculated from the date of judgment until date of full settlement. JCY HDD is currently seeking confirmation of final settlement amount with TNB.

The Company expects there will be no significant financial impact arising from the case as the major shareholder of the Company has undertaken to indemnify the Company for any claim.

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

B11. DIVIDENDS

| | In Respect of | |
|---|---|--|
| | Financial Year Ending 30 Sep 20 RM'000 | Financial Year Ended 30 Sep 19 RM'000 |
| Single Tier Interim Dividend of 0.5 sen per ordinary share on 2,060,912,300 ordinary shares (excluding Treasury Shares), declared on 27 Nov 2019 and paid on 8 Jan 2020 * | - | 10,305 |

* Being dividend declared for the results of financial year ended 30 September 2019, but paid and recognised in financial year ending 30 September 2020.

B12. EARNINGS PER SHARE

The basic and diluted earnings per share were derived as below:-

| | 3 months Ended | | Cumulative 6 months Ended | |
|--|----------------|-----------|---------------------------|-----------|
| | 31 Mar 20 | 31 Mar 19 | 31 Mar 20 | 31 Mar 19 |
| Net (loss) / profit (RM '000) | 4,374 | (26,320) | 8,344 | (25,631) |
| Weighted average number of ordinary shares (excluding Treasury Shares) ('000) | 2,069,070 | 2,060,912 | 2,064,969 | 2,060,912 |
| Basic (loss) / earnings per share (Sen) | 0.21 | (1.28) | 0.40 | (1.24) |
| Diluted weighted average no. of ordinary shares (excluding Treasury Shares) ('000) | 2,125,792 | 2,128,082 | 2,125,797 | 2,128,082 |
| Diluted (loss) / earnings per share (Sen) | 0.21 | (1.24) | 0.39 | (1.20) |

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JCY International Berhad

(Incorporated in Malaysia - Company No. 200501031285 [713422 X])

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

B13. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

| | 3 months Ended | | Cumulative 6 months Ended | |
|---|----------------|-----------|---------------------------|------------|
| | 31 Mar 20 | 31 Mar 19 | 31 Mar 20 | 31 Mar 19 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| After charging:- | | | | |
| Interest Expense | 444 | 704 | 963 | 1,328 |
| Depreciation and Amortization | 8,039 | 13,899 | 18,567 | 28,067 |
| Foreign Exchange Loss (net) | 2,675 | - | 6,421 | 1,317 |
| Loss on disposal of property, plant and equipment / land use rights (net) | - | 34 | - | - |
| Property, plant and equipment written-off | - | 1,041 | 6 | 1,410 |
| Impairment loss | - | - | - | - |
| Inventory written down to NRV and obsolete inventory written-off | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| After crediting:- | | | | |
| Interest Income | 646 | 794 | 2,506 | 1,521 |
| Investment Income | 390 | 403 | 796 | 824 |
| Other Income | 403 | 192 | 589 | 220 |
| Foreign Exchange Gain (Net) | - | 371 | - | - |
| Gain on disposal of property, plant and equipment (Net) | - | - | - | 142 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>142</u> |

There were no gain or loss on disposal of quoted or unquoted investments and other exceptional items for the current quarter under review and cumulative period ended 31 March 2020.

By Order of the Board

Company Secretary
28 May 2020