



LY CORPORATION LIMITED

Company Registration Number: 201629154K
(Incorporated in the Republic of Singapore on 24 October 2016)

PRESS RELEASE

For Immediate Release

LY Corporation recorded revenue of RM85.1 million for three months ended 31 March 2018

- Net profit of RM4.0 million excluding one-off non-recurring IPO expenses;
- 7.8% increase in container sales for 1Q2018 as compared to 1Q2017

(RM' million)	1Q2018	1Q2017	Change
Revenue	85.1	83.6	↑1.8%
Cost of Sales	(70.0)	(63.5)	↑10.3%
Gross Profit	15.1	20.1	↓24.9%
Profit after Tax (excl IPO expenses)	4.0	10.4	NM
One off IPO expenses	(6.8)	-	NM
(Loss)/Profit after Tax (incl IPO expenses)	(2.8)	10.4	NM
Container Sales (40-ft) (units)	1,681	1,560	↑7.8%

SINGAPORE, 11 May 2018 – LY Corporation Limited (“LY Corporation” or the “Company”), one of Malaysia’s leading manufacturers and exporters of wooden bedroom furniture, is pleased to announce that the Group’s revenue increased by 1.8% to RM85.1 million for the first three months ended 31 March 2018 (“1Q2018”). This is attributed to the increase in the number of 40-ft containers sold from 1,560 units of 40-ft containers in three months ended 31 March 2017 (“1Q2017”) to 1,681 units of 40-ft containers in 1Q2018 due to the increase in demand from customers mainly from the United States of America.

The Group incurred a net loss of RM2.8 million for 1Q2018 as compared to a net profit of RM10.4 million in 1Q2017. However, excluding the non-recurring Initial Public Offer (“IPO”) expenses of approximately RM6.8 million in 1Q2018, the Group would have generated a net profit of approximately RM4.0 million for 1Q2018.



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“Our performance in this quarter is impacted mainly by the one-off non-recurring IPO expenses and the strengthening of Malaysian Ringgit (“RM”) against the US dollar (“USD”). We believe that the one-off non-recurring IPO expenses are essential to meet the financial needs of our long term expansion plans.”

“The Group remains optimistic of our growth prospects despite the recent strengthening of RM against the USD and rising raw material costs. We have successfully negotiated with our customers to increase our future selling price and expects such exchange rate effects to only affect our results in the short term. We have also implemented a hedging policy to respond effectively in managing the rising unfavourable exchange rates,” said Mr Tan Yong Chuan, Executive Director and Chief Executive Officer of LY Corporation.

Gross profit decreased by approximately RM5.0 million, or 24.9%, and gross profit margin decreased from 24.1% in 1Q2017 to 17.8% in 1Q2018 as a result of the decrease in the average selling price per 40-ft container arising from the strengthening of RM against the USD. The average movement of RM against the USD has been strengthened by approximately 11.7% in 1Q2018 as compared to 1Q2017.

Meanwhile, approximately S\$1.6 million out of the total IPO net proceeds had been invested as planned for the use of the construction of additional facilities in 1Q2018.

About LY Corporation Limited (www.lyfurniture.com/)

(Stock Code: SGX: 1H8; Bloomberg: LCL: SP)

LY Corporation Limited and its subsidiaries (the “Group”) is one of Malaysia’s leading manufacturers and exporters of wooden bedroom furniture. With an established track record of approximately 40 years in the furniture industry, the Group is an established original design manufacturer (“ODM”) principally engaged in the design and manufacture of custom wooden bedroom furniture, and the manufacture of custom wooden bedroom furniture which may be tailored to customers’ specifications and requirements on an original equipment manufacturer (“OEM”) basis.

The Group operates from 15 factories and warehouses, occupying a combined built-up area of approximately 1.4 million sq ft. Its products are sold mainly to overseas dealers such as furniture wholesalers and retailers who generally resell the products to end-users through their respective retail networks and domestic customers who are primarily third-party agents who typically export and resell its products outside Malaysia, such as to the US.



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Issued on behalf of LY Corporation Limited by:

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LY Corporation Limited was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 31 January 2018. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "Sponsor").

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this press release.

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