

**LY CORPORATION LIMITED**

Company Registration Number: 201629154K

(Incorporated in the Republic of Singapore on 24 October 2016)

**PRESS RELEASE****For Immediate Release****LY Corporation delivers 3Q2018 net profit of RM6.8 million**

(RM'000)	3Q2018	3Q2017	Change	9M2018	9M2017	Change
Revenue	51,650	85,537	(39.6%)	199,709	249,342	(19.9%)
Gross profit	10,418	19,994	(47.9%)	38,533	59,088	(34.8%)
Profit before tax	8,703	15,453	(43.7%)	16,172	43,442	(62.8%)
Profit after tax	6,759	13,436	(49.7%)	10,417	34,536	(69.8%)

**SINGAPORE, 12 November 2018** – LY Corporation Limited (“LY Corporation”), one of Malaysia’s leading manufacturers and exporters of wooden bedroom furniture, reported revenue of RM51.7 million and net profit of RM6.8 million for the three months ended 30 September 2018 (“3Q2018”).

Revenue was down 39.6% mainly due to the decrease in the number of 40-ft containers (“containers”) sold from 1,560 containers in 3Q2017 to 1,102 containers in 3Q2018 as a result of lower demand from customers mainly from the United States of America (“US”). Another reason for the decline in revenue was a decrease in average selling price per container from RM55,000 in 3Q2017 to RM47,000 in 3Q2018, as a result of the strengthening of the Malaysian Ringgit against the US dollar.

Gross profit decreased by approximately RM9.6 million, or 47.9% to RM10.4 million. The overall gross profit margin decreased from 23.4% in 3Q2017 to 20.2% in 3Q2018 mainly due to a decrease in average selling price arising from the strengthening of the Malaysian Ringgit against the US dollar. The average Malaysian Ringgit



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strengthened against the US dollar by approximately 4.1% in 3Q2018 as compared to 3Q2017.

Other income increased to RM2.8 million in 3Q2018 mainly due to net foreign exchange gain.

For the nine months ended 30 September 2018, the Group reported revenue and net profit of RM199.7 million and RM10.4 million respectively.

Commenting on the results, Mr Tan Yong Chuan, Chief Executive Officer and Executive Director of LY Corporation Limited said, ***“The US is our largest market and exports have been affected by the US-China trade war as customers were more conservative in their inventory management. We will continue to monitor the situation and make adjustments to the selling price, if necessary, and strategise to maintain our competitive position. Meanwhile, the Group will continue to invest in new technology and machinery to improve efficiency and reduce reliance on labour.”***

**Financial Position**

The Group’s financial position remained firm, with a net asset value of 45 sen per share as at 30 September 2018 and cash of RM63 million.

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*This news release is to be read in conjunction with the Company’s announcement posted on the SGX website on 12 November 2018.*



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**About LY Corporation Limited**

**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 operated 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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