

**LY CORPORATION LIMITED**Company Registration Number: 201629154K
(Incorporated in the Republic of Singapore on 24 October 2016)**PRESS RELEASE****For Immediate Release****LY Corporation posts revenue of RM52.1 million in 2Q2019**

(RM'000)	2Q2019	2Q2018	Change %	1H2019	1H2018	Change %
Revenue	52,064	62,939	(17.3)	102,890	148,059	(30.5)
Gross profit	2,076	12,986	(84.0)	6,875	28,115	(75.5)
(Loss) /Profit before tax	(1,899)	8,643	N.M	(2,716)	7,469	N.M.
(Loss) /Profit after tax	(1,916)	6,455	N.M.	(2,888)	3,658	N.M.

N.M. - Not meaningful

SINGAPORE, 14 August 2019 – LY Corporation Limited (“**LY Corporation**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), one of Malaysia’s leading manufacturers and exporters of wooden bedroom furniture, reported revenue of RM52.1 million and net loss of RM1.9 million for the three months ended 30 June 2019 (“**2Q2019**”).

Revenue was down 17.3% compared to 2Q2018 mainly due to a decline in the number of 40-ft containers (“**containers**”) sold from 1,295 containers in 2Q2018 to 1,031 containers in 2Q2019 as a result of lower demand from customers mainly from the United States of America (“**US**”). Although the average selling price per container increased slightly as a result of the strengthening of the USD against the RM, this was offset by the discounts offered on some products (mainly veneer laminated), and different product mix whereby the Group sold more paper laminated products which have lower selling prices as compared to veneer laminated and/or spray-painted products.

Gross profit decreased by 84.0% to RM2.1 million in 2Q2019 mainly due to the decrease in the number of containers sold in 2Q2019 (where the economies of scale is better achieved in 2Q2018 as compared to 2Q2019) and discounts offered on some models. Gross profit margin dropped to 4.0% in 2Q2019 from 20.6% in 2Q2018.



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For the 6 months ended 30 June 2019, the Group recorded a net loss of RM2.9 million on a 30.5% decrease in Group's revenue to RM102.9 million.

Mr Tan Yong Chuan (“**Mr Tan**”), Executive Director and Chief Executive Officer of LY Corporation said, *“The ongoing US-China trade war continues to present uncertainty. Despite the challenging operating environment, we are strengthening our business. We intend to step up promotion for our new original brand manufacturing furniture business in various countries. Responses from potential customers for the EZBO and CUBO brands of furniture have been positive.”*

Financial Position

The Group's financial position remained healthy, with a net asset value of RM217.0 million and cash and cash equivalents of RM59.8 million as at 30 June 2019.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 14 August 2019.

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 and original equipment manufacturer of wooden bedroom furniture.

In January 2019, the Group entered into original brand manufacturing via the acquisition of the assets of Cubo Sdn Bhd, which manufactures and markets furniture under the EZBO and CUBO brands.

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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This press release has been prepared by LY Corporation Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes 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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