

**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 net profit of RM3.1 million in FY2019**

- *Declares first and final dividend of 0.083 Singapore cent per share*

(RM'000)	4Q2019	4Q2018	Change %	FY2019	FY2018	Change %
Revenue	76,648	63,427	20.8	245,860	263,136	(6.6)
Gross profit	4,592	11,623	(60.5)	21,287	43,893	(51.5)
Profit before tax	902	7,911	(88.6)	3,442	24,083	(85.7)
Profit after tax	794	4,504	(82.4)	1,658	14,921	(88.9)
Net profit attributable to shareholders	874	4,504	(80.6)	3,084	14,921	(79.3)

SINGAPORE, 28 February 2020 – 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 net profit attributable to shareholders of RM3.1 million for the full financial year ended 31 December 2019 (“**FY2019**”).

Group revenue slid by 6.6% to RM245.9 million mainly due to a decrease in the number of 40-ft containers (“**containers**”) sold, from 5,232 containers in FY2018 to 4,866 in FY2019, as a result of lower demand from customers mainly from the United States of America (“**US**”). However, this was partially offset by a slight increase in average selling price per container, from RM50,000 in FY2018 to RM51,000 in FY2019, as a result of the strengthening of the US dollar against RM.



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Gross profit declined by 51.5% to RM21.3 million in FY2019, and gross profit margin dropped from 16.7% in FY2018 to 8.7% in FY2019, mainly due to a different product mix sold during the year which resulted in a higher proportionate increase in labour costs.

For fourth quarter ended 31 December 2019, the Group's net profit attributable to shareholders dropped by 80.6% to RM0.9 million despite an increase of 20.8% in revenue to RM76.6 million.

Mr Tan Yong Chuan (“**Mr Tan**”), Chief Executive Officer and Executive Director of LY Corporation said, *“We have been able to remain steady and profitable for this year, despite global volatilities such as the US-China trade tensions. We also saw signs of improvement since July 2019, with more purchases from our US-based customers. Additionally, we have begun expanding our revenue base to include other categories of wooden products such as the manufacturing of kitchen cabinets and millwork products. We are prudently optimistic about the potential of this expansion.”*

Financial Position

As at 31 December 2019, the Group had net asset value of RM220.4 million, which translates into a net asset value per share of RM0.45. Cash and cash equivalents stood at RM36.1 million as at year end.

Dividend

The Board of Directors is proposing a first and final dividend of 0.083 Singapore cent per ordinary share for FY2019, subject to shareholders' approval at the upcoming annual general meeting. This represents a dividend payout of 40.0% of the net profit attributable to shareholders.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 28 February 2020.



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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 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 operates from 19 factories and warehouses, occupying a combined built-up area of approximately 1.6 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.

Issued on behalf of LY Corporation Limited by:

Waterbrooks Consultants Pte Ltd

Tel: +65 6958 8002

For more information, please contact:

Contact: Ms Grace Choong / Ms Sarah Sim

Email: grace@waterbrooks.com.sg / sarah@waterbrooks.com.sg

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.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.