

**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 1Q2019 revenue of RM50.8 million**

(RM'000)	1Q2019	1Q2018	YoY Change
Revenue	50,826	85,120	(40.3%)
Gross profit	4,799	12,835	(62.6%)
Loss before tax	(817)	(1,174)	(30.4%)
Loss after tax	(972)	(2,797)*	(65.2%)

Note:

* After deducting the non-recurring Initial Public Offer (“**IPO**”) expenses of approximately RM6.8 million in 1Q2018.

SINGAPORE, 13 May 2019 – LY Corporation Limited (“**LY Corporation**”), one of Malaysia’s leading manufacturers and exporters of wooden bedroom furniture, reported revenue of RM50.8 million for the three months ended 31 March 2019 (“**1Q2019**”), down 40.3% from the previous period.

This was mainly due to the decrease in the number of 40-ft containers (“**containers**”) sold from 1,681 containers in 1Q2018 to 1,115 containers in 1Q2019 as a result of lower demand from customers mainly from the United States of America (“**US**”). The decrease in average selling price per container in 1Q2019 as compared to 1Q2018 was mainly due to discounts being 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.



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Gross profit decreased by 62.6% to RM4.8 million in 1Q2019 on lower average selling price and number of containers sold. The gross profit margin decreased from 15.1% in 1Q2018 to 9.4% in 1Q2019 mainly due to discounts being offered on some models.

Net loss narrowed by 65.2% to RM972,000 mainly due to the absence of listing expenses of RM6.8 million in 1Q2019 and lower foreign exchange loss of RM681,000 in 1Q2019 as compared with RM2.8 million in 1Q2018.

Financial Position

The Group's financial position remained healthy, with a net asset value of RM225.1 million and cash and cash equivalents of RM65.1 million as at 31 March 2019.

Mr Tan Yong Chuan ("**Mr Tan**"), Chief Executive Officer and Executive Director of LY Corporation Limited said, *"The ongoing US-China trade war continues to impact our results as the US continues to be our largest market. We are seeking to diversify our revenue base to Asia Pacific region progressively."*

Corporate Updates

Following the acquisition of the EZBO and CUBO brands in January 2019, the Group has been seeking to position the business for expansion, targeting markets in Asia Pacific.

Mr Tan said, *"We believe the product range under the EZBO and CUBO brands are value for money, and have improved functionality. The DIY concept and our designs are patented innovations, which are well-received in the Asia Pacific region, in particular Japan and Korea."*

In China, the Group is continuously working with Hangzhou Feilue Network Technology Co., Ltd, to grow its E-commerce business via the virtual furniture store on Tmall/Taobao.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 13 May 2019.



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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 business and 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.

Issued on behalf of LY Corporation Limited by:

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This press release has been prepared by LY Corporation Limited (“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. The Sponsor has not independently verified the contents of this press release.

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