

**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 RM3.8 million in 3Q2019**

(RM'000)	3Q2019	3Q2018	Change %	9M2019	9M2018	Change %
Revenue	66,322	51,650	28.4	169,212	199,709	(15.3)
Gross profit	9,648	10,418	(7.4)	16,523	32,270	(48.8)
Profit before tax	5,256	8,703	(39.6)	2,540	16,172	(84.3)
Profit after tax	3,752	6,759	(44.5)	864	10,417	(91.7)

**SINGAPORE, 13 November 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 net profit of RM3.8 million and revenue of RM66.3 million for the three months ended 30 September 2019 (“**3Q2019**”).

Revenue was up by 28.4% compared to three months ended 30 September 2018 (“**3Q2018**”) mainly due to an increase in the number of 40-ft containers (“**containers**”) sold, from 1,102 containers in 3Q2018 to 1,316 containers in 3Q2019 as a result of higher demand from customers mainly from the United States of America (“**US**”). The average selling price per 40-ft container rose from RM47,000 in 3Q2018 to RM50,000 in 3Q2019 owing to the strengthening of USD to RM. However, this rise was slightly offset by the Group’s different product mix, whereby the Group sold more paper laminated products which have lower selling prices compared to veneer-laminated and spray-painted products.

Gross profit decreased by 7.4% to RM9.6 million in 3Q2019 and gross profit margin dropped from 20.2% in 3Q2018 to 14.5% in 3Q2019 mainly due to the different product mix sold during the 3Q2019, which led to higher proportionate increase in raw materials purchased, labour costs, and sub contractors’ costs.



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For the 9 months ended 30 September 2019, the Group recorded revenue and net profit of RM169.2 million and RM0.9 million respectively.

Mr Tan Yong Chuan (“**Mr Tan**”), Chief Executive Officer and Executive Director of LY Corporation said, *“Despite the challenging global economic climate, due to volatilities such as the US-China trade war, we have been able to strengthen our business and remain profitable in 3Q2019. We hope to continue this trend in the coming quarters and improve our profitability further. Apart from growing the sales of our bedroom furniture, we have begun the expansion of our revenue base to include other wooden products.”*

### **Financial Position**

As at 30 September 2019, the Group has a net asset value of RM220.8 million and cash and cash equivalents of RM44.6 million.

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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 November 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 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.



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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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