

**LY CORPORATION LIMITED**

(the "Company")

Company Registration no. 201629154K

(Incorporated in the Republic of Singapore)

ADDITIONAL INVESTMENT IN A WHOLLY-OWNED SUBSIDIARY

The Board of Directors of LY Corporation Limited, (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has increased its investment in the issued and paid-up capital of its wholly-owned subsidiary, LY Furniture Sdn. Bhd. ("**LYFSB**") by RM9.0 million from RM14.0 million to RM23.0 million (the "**Capital Increase**"), of which RM5 million will be satisfied by way of capitalising the advances from Company to LYFSB ("**Capitalisation**") and the remaining balance of RM4 million will be satisfied by way of cash injection ("**Cash Injection**").

The Capital Increase is due to the issue and allotment of an additional nine million ordinary shares at RM1.00 each to the Company for a total consideration of RM9.0 million. The Cash Injection will be satisfied in full by way of cash payment funded through the proceeds raised from the initial public offering of the Company's shares on Catalist board of Singapore Exchange Securities Trading Limited whereby the purpose of the funds is used by LYFSB to upgrade its machinery and equipment as well as acquiring new technology and construction of additional facilities.

As at the date of this announcement, the status on the use of the Initial Public Offering net proceeds is as follows:

Purpose	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Expanding the sales network in the PRC	1,000	(127)	873
Upgrading the machinery and equipment and acquiring new technology	5,000	(3,214)	1,786
Construction of additional facilities	4,000	(3,765)	235
General working capital purposes ⁽¹⁾	3,000	(1,323)	1,677
Total	13,000	(8,429)	4,571

Note:

(1) Payment of corporate and administrative expenses.

The above utilisations of proceeds are in line with the intended use of proceeds as set out in the Company's offer document dated 18 January 2018.

The Capital Increase is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the current financial year ending 31 December 2019.

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in the Capital Increase.

BY ORDER OF THE BOARD

Tan Yong Chuan
Executive Director and Chief Executive Officer

23 September 2019



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*This announcement has been prepared by LY Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's 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 announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

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