

**LY CORPORATION LIMITED**

Company Registration Number: 201629154K

(Incorporated in the Republic of Singapore on 24 October 2016)

PRESS RELEASE**For Immediate Release****LY Corporation FY2020 net profit rises 56.5% to RM4.8 million**

- Declares first and final dividend of 0.1297 Singapore cent per share

RM'000	2H2020	2H2019	Change %	FY2020	FY2019	Change %
Revenue	131,263	142,970	(8.2)	238,604	245,860	(3.0)
Gross profit	11,161	14,364	(22.3)	20,864	21,287	(2.0)
Profit before tax	3,660	6,158	(40.6)	6,046	3,442	75.7
Profit after tax	2,140	4,546	(52.9)	3,448	1,658	108.0
Net profit attributable to shareholders	2,850	5,187	(45.1)	4,826	3,084	56.5

SINGAPORE, 27 April 2021 – 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 a 56.5% increase in net profit attributable to its shareholders to RM4.8 million for the full financial year ended 31 December 2020 (“**FY2020**”).

The Group’s revenue fell by 3.0% to RM238.6 million mainly due to a decrease in the number of 40-ft containers (“**containers**”) sold, from 4,866 containers in FY2019 to 4,298 containers in FY2020. The lower volume of containers sold during the year was mainly due to the temporary closure of the Group’s operations in March 2020 to comply with the Movement Control Order imposed by the Malaysian Government as part of efforts to contain the spread of Covid-19. Additionally, most of the major customers in the United States of America (“**USA**”) only progressively resumed their operations in the second half of FY2020 with the gradual lifting of lockdowns imposed by the USA government in the early months of FY2020 to curb



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the spread of Covid-19. Since the last quarter of 2020, there has also been a shortage of containers, which has impeded the delivery of finished goods to its customers in the USA.

However, this drop was partially offset by an increase in average selling price per container, from approximately RM51,000 in FY2019 to approximately RM56,000 in FY2020, as a result of a different product mix sold during the year.

Gross profit declined by 2.0% to RM20.9 million in FY2020, in line with the lower revenue. Gross profit margin remained unchanged at 8.7% in FY2020, same as the year before, as the percentage decrease in the cost of sales is in line with the percentage decrease in revenue.

In its latest full-year results, the Group posted earnings per share of 0.99 sen, up from 0.63 sen in the previous year.

Mr Tan Yong Chuan, Chief Executive Officer and Executive Director of LY Corporation said, ***“Despite the challenges posed by the Covid-19 pandemic during the year, we have persevered with a steady performance for FY2020. Moving forward, in light of the persisting uncertainties brought on by the ever-evolving Covid-19 situation as well as the worldwide container shortage, we will continue to monitor our operations closely. As vaccines are progressively rolled out and the eventual normalisation of the container shortage problem, we are cautiously optimistic that market conditions in the USA will improve in the coming year, and we will continue to pursue business growth with our expanded product range.”***

Financial Position

As at 31 December 2020, the Group had net asset value of RM222.4 million, which translates into a net asset value per share of RM0.45. Cash and cash equivalents stood at RM37.4 million as at year end.

Dividend

The Board of Directors is proposing a first and final dividend of 0.1297 Singapore cent per ordinary share for FY2020, subject to shareholders' approval at the upcoming annual general meeting. This represents a dividend payout of 40.0% of the net profit attributable to the Company's 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 27 April 2021.

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 more than 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 has expanded into original brand manufacturing business, and manufactures and markets easy-to-assemble and custom-made furniture under the EZBO and CUBO brand names.

The Group operates from 24 factories and warehouses, occupying a combined built-up area of approximately 1.9 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 USA.

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, Xandar Capital Pte. Ltd. (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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