

IPO FACT SHEET

LY Corporation Ltd

ISSUE STATISTICS

Offer Size: 61.1742m new shares + 14.6738m vendor shares

Public Tranche: nil

Placement Tranche: 75.848m shares

Price: S\$0.26

NAV per share (post IPO): RM0.408 (equivalent to S\$0.1344)

Historical PE: 7.7x (FY16)

Market Cap (post-IPO): S\$127.2m

Open: 18 Jan 18

Close: 29 Jan 18, 12.00 noon

Trading: 31 Jan 18, 9.00 am (on "ready" basis)

Lead Manager: UOB Kay Hian

	RMm	yoy % chg
Revenue		
FY15	313.6	+45.1
FY16	287.4	-8.4
Net profit		
FY15	52.7	+203.7
FY16	43.4	-17.5

BACKGROUND

- LY Corporation is Malaysia's leading manufacturer and exporter of wooden bedroom furniture. The group is an established ODM principally engaged in the design and manufacture of wooden bedroom furniture and the manufacture of custom wooden bedroom furniture. The manufactured furniture is typically rebranded by customers for sale. As at the latest practicable date, the group operates from 15 factories and warehouses, which it owns or leases, occupying a combined built-up area of approximately 1.4m sf.

BUSINESS STRATEGY AND FUTURE PLANS

- Expanding sales network in China.
- Upgrading machinery and equipment and acquiring new technology.
- Construction of additional facilities.
- Exploring investments, M&As, JVs and/or strategic collaborations

COMPETITIVE STRENGTHS

- Established track record in the furniture industry and well recognised for quality furniture products.
- Strong in-house design and development capabilities.
- Established subcontractor network.
- Consistently strives to be cost-competitive, efficient and to turn around products quickly.
- Experienced and committed management team.

KEY RISKS

- Business is dependent on the US market.
- Requires various licences, permits, approvals and certificates to operate business.
- May be affected by loss of business from major customers.
- Subject to foreign exchange risks.
- May be affected by disruptions to supply of raw materials.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

Use of proceeds from the issue of New Shares	Amount (S\$'000)	Amount allocated for each dollar of the proceeds raised by our Company from issuance of New Shares (cents)
Expanding sales network in China	1,000	6.3
Upgrading our machinery and equipment and acquiring new technology	5,000	31.4
Construction of additional facilities	4,000	25.1
General working capital purposes	3,000	18.9
Net proceeds from the issue of New Shares	13,000	81.7

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