

**LY CORPORATION LIMITED**

Company Registration Number: 201629154K

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

PRESS RELEASE**For Immediate Release**

LY Corporation reverses losses to achieve net profit of RM5.0 million for 1H2024

- Upon the completion of the acquisition of a 51% equity interest in LY Unity Sdn Bhd, the Group will expand into an entirely new retail market for cabinets and furniture in Malaysia
- This strategic move will extend our reach and diversify our presence in this region, thus unlocking new growth opportunities

RM'000	1H2024	1H2023	Change %
Revenue	109,744	86,722	26.5
Gross profit/(loss)	11,041	(1,956)	(664.5)
Profit/(loss) before tax	5,299	(9,878)	(153.6)
Profit/(loss) after tax	5,293	(9,883)	(153.6)
Net profit/(loss) attributable to shareholders	5,041	(9,621)	(152.4)

SINGAPORE, 8 August 2024 – 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 net profit attributable to shareholders of RM5.0 million for the half year ended 30 June 2024 (“**1H2024**”), reversing a net loss of RM9.6 million in the same period a year ago.



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The Group's revenue increased by 26.5% to RM109.7 million, driven by a higher average selling price and increased sales volume. The average selling price per 40-ft container ("container") rose from RM80,000 in 1H2023 to RM88,000 in 1H2024 due to a different product mix sold and the strengthening of the USD against the RM. Additionally, the number of containers sold grew from 1,085 in 1H2023 to 1,122 in 1H2024. The Group's overall revenue and profit were also bolstered by the finalisation of a variation claim with a customer in 1H2024, which involved containers that required re-work due to shipment delays caused by the COVID-19 lockdown.

In 1H2024, the Group achieved a gross profit of RM11.0 million. Excluding the variation claim, the Group recorded a gross profit margin of 0.6% primarily due to revenue increasing at a higher percentage than the cost of sales.

In the latest half-year results, the Group posted earnings per share of 1.03 sen, compared to a loss per share of 1.97 sen in the same period the previous year.

Mr Tan Yong Chuan, Chief Executive Officer and Executive Director of LY Corporation said, ***"Despite the challenges of today's business landscape, we remain resolute in our drive for growth and innovation. By leveraging our diverse product offerings, seizing new opportunities, and driving operational excellence, we are committed to strengthening our market position and delivering sustainable value to our stakeholders."***

Financial Position

As at 30 June 2024, the Group's net asset value was RM218.9 million, which translates into a net asset value per share of RM0.45, compared with RM0.44 as at 31 December 2023. Cash and cash equivalents stood at RM27.8 million as at the end of the period.

Corporate Update

On 23 July 2024, the Company entered into a share sale and purchase agreement with Mr Looi Chee En and Mr Looi Chee Yang ("**Joint Venture Partners**") to acquire 510,000 ordinary shares, representing 51% equity interest in LY Unity Sdn Bhd, for a cash consideration of RM7,012,500 ("**Acquisition**"). LY Unity Sdn Bhd and its subsidiaries are involved in the manufacturing, retailing, and dealership of cabinets and furniture. The Acquisition was completed on 1 August 2024.



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Mr Tan said, ***“We are thrilled about the Acquisition, which presents the Group with an exciting opportunity to enter an entirely new retail market in Malaysia. This move will expand our reach and diversify our presence in this region. While we recognise that this venture will involve a significant learning curve and substantial investment over the coming years, we are optimistic about the potential for growth and innovation. We are confident that the experience and expertise of our Joint Venture Partners will be instrumental in driving the success of our new retail initiative in this promising market.”***

Mr Tan continued, ***“One of the strategies we are considering is introducing the concept of whole-house customisation to the Malaysian market. This innovative approach has the potential to redefine the retail landscape, and we aspire to be pioneers in its successful implementation.”***

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This press release is to be read in conjunction with the Company’s announcement posted on the SGX website on 8 August 2024.

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.

The Group has expanded into the manufacturing of kitchen cabinets as well as original brand manufacturing business to manufacture easy-to-assemble and custom-made furniture under the EZBO brand name to widen its product offerings.

The Group has also diversified into the manufacturing of millworks products which are categorised as building materials.



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The Group operates from 22 factories and warehouses, occupying a combined built-up area of approximately 1.5 million sq ft. The Group's 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:

GC Consultants Pte Ltd

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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 Catalist (the "**Catalist Rules**").*

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 correctness of any of the statements or opinions made or reports contained in this press release.

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