

**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 1H2023 net loss as demand falls amid high US inventory buildup

RM'000	1H2023	1H2022	Change %
Revenue	86,910	134,938	(35.6)
Gross (loss)/profit	(1,768)	21,705	(108.1)
(Loss)/profit before tax	(9,878)	13,199	(174.8)
(Loss)/profit after tax	(9,883)	13,199	(174.9)
Net (loss)/profit attributable to shareholders	(9,621)	14,500	(166.4)

SINGAPORE, 10 August 2023 – 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 loss attributable to shareholders of RM9.6 million for the half year ended 30 June 2023 (“**1H2023**”).

The Group's revenue dropped by 35.6% to RM86.9 million mainly due to a decrease in the number of 40-ft containers (“**container**”) sold, from 1,882 in 1H2022 to 1,085 in 1H2023. Demand for our products has declined due to high inventory buildup across furniture importers in the United States over the past year.

However, this was partially offset by an increase in average selling price per container, from RM72,000 in 1H2022 to RM80,000 in 1H2023, due to the different product mix sold and the strengthening of USD against RM.

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The Group registered a gross loss and gross loss margin of RM1.8 million and 2.0% respectively in 1H2023 as a result of a higher percentage decrease in revenue as compared to cost of sales.

In the latest half-year results, the Group recorded a loss per share of 1.97 sen versus earnings per share of 2.97 sen in the same period the previous year.

Mr Tan Yong Chuan, Chief Executive Officer and Executive Director of LY Corporation said, ***“As a resilient Group with a proven track record, we are confident that we will be able to navigate the uncertainty in these volatile times and adapt our strategies to capture new business opportunities for growth and sustainable profitability”.***

Financial Position

As at 30 June 2023, the Group had a net asset value of RM211.9 million, which translates into a net asset value per share of RM0.43. Cash and cash equivalents stood at RM41.3 million as at the end of the period.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 10 August 2023.

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 24 factories and warehouses, occupying a combined built-up area of approximately 2.0 million sq ft. Our 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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