



LY CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201629154K)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

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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, 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 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 correctness of any of the statements or opinions made or reports contained in this announcement.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group 6 months ended		
	Note	30 June 2025 RM'000	30 June 2024 RM'000	Increase/ (decrease) %
Revenue	N4	102,195	109,744	(6.9)
Cost of sales		(104,034)	(98,703)	5.4
Gross (loss)/profit		(1,839)	11,041	(116.7)
Other items of income				
Interest income from short-term deposits		214	728	(70.6)
Distributions from short-term investment security		-	104	(100.0)
Other income		1,979	5,189	(61.9)
Other items of expense				
Selling and administrative expenses		(13,997)	(10,295)	35.9
Finance costs	N6.1	(743)	(1,044)	(28.8)
Other expenses		(870)	(424)	105.2
(Loss)/profit before tax	N6	(15,256)	5,299	(387.9)
Income tax expense	N7	(181)	(6)	2,916.7
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period		(15,437)	5,293	(391.6)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period attributable to:				
Owners of the Company		(14,596)	5,041	(389.5)
Non-controlling interest		(841)	252	(433.7)
		(15,437)	5,293	(391.6)
(Loss)/earnings per share attributable to owners of the Company (sen per share)				
Basic and diluted		(2.99)	1.03	

B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		Group As at 30 June 2025 RM'000	Group As at 31 December 2024 RM'000	Company As at 30 June 2025 RM'000	Company As at 31 December 2024 RM'000
	Note				
ASSETS					
Non-current assets					
Property, plant and equipment	N11	136,375	139,663	—	—
Right-of-use assets		19,812	21,971	—	—
Intangible assets	N10	10,478	10,504	—	—
Investment in subsidiaries		—	—	54,247	54,247
Amount due from a subsidiary		—	—	6,030	6,030
		166,665	172,138	60,277	60,277
Current assets					
Inventories		50,982	54,495	—	—
Trade and other receivables		17,944	25,889	—	8
Amount due from subsidiaries		—	—	4,302	2,984
Prepaid operating expense		1,677	2,413	44	25
Tax recoverable		1,436	1,381	—	—
Deposit with bank		1,000	1,000	1,000	1,000
Cash and cash equivalents		17,905	17,671	356	851
Assets classified as held for sale		130	130	—	—
		91,074	102,979	5,702	4,868
Total assets		257,739	275,117	65,979	65,145
LIABILITIES					
Current liabilities					
Loans and borrowings	N12	22,010	26,076	—	—
Trade and other payables		20,714	19,392	—	—
Amount due to subsidiaries		—	—	2,218	—
Contract liabilities		416	428	—	—
Lease liabilities		1,815	2,449	—	—
Accrued operating expenses		1,179	1,328	221	637
		46,134	49,673	2,439	637
Net current assets		44,940	53,306	3,263	4,231
Non-current liabilities					
Trade and other payables		1,000	1,000	1,000	1,000
Loans and borrowings	N12	3,659	718	—	—
Deferred tax liabilities		13,917	13,917	—	—
Lease liabilities		1,329	2,672	—	—
		19,905	18,307	1,000	1,000
Total liabilities		66,039	67,980	3,439	1,637
Net assets		191,700	207,137	62,540	63,508
Equity attributable to owners of the Company					
Share capital	N13	66,135	66,135	66,135	66,135
Treasury shares	N13	(183)	(183)	(183)	(183)
Merger reserve		(15,234)	(15,234)	—	—
Other reserve		(3,322)	(3,322)	—	—
Retained earnings/(accumulated losses)		147,970	162,566	(3,412)	(2,444)
		195,366	209,962	62,540	63,508
Non-controlling interest		(3,666)	(2,825)	—	—
Total equity		191,700	207,137	62,540	63,508
Total equity and liabilities		257,739	275,117	65,979	65,145

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Group

	Note	← Attributable to owners of the Company →					Non-controlling interest RM'000	Total equity RM'000
		Share capital RM'000	Treasury share RM'000	Merger reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Equity attributable to owner RM'000	
At 1 January 2025	N13	66,135	(183)	(15,234)	(3,322)	162,566	209,962	207,137
Loss for the period, representing total comprehensive loss for the period		–	–	–	–	(14,596)	(14,596)	(15,437)
At 30 June 2025		66,135	(183)	(15,234)	(3,322)	147,970	195,366	191,700
At 1 January 2024	N13	66,135	(173)	(15,234)	(3,322)	169,519	216,925	213,587
Profit for the period, representing total comprehensive income for the period		–	–	–	–	5,041	5,041	5,293
Purchase of treasury shares		–	(10)	–	–	–	(10)	(10)
At 30 June 2024		66,135	(183)	(15,234)	(3,322)	174,560	221,956	218,870

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company

	Note	Share capital RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2025	N13	66,135	(183)	(2,444)	63,508
Loss for the period, representing total comprehensive loss for the period		—	—	(968)	(968)
At 30 June 2025		66,135	(183)	(3,412)	62,540
At 1 January 2024	N13	66,135	(173)	(1,154)	64,808
Loss for the period, representing total comprehensive loss for the period		—	—	(836)	(836)
Purchase of treasury shares		—	(10)	—	(10)
At 30 June 2024		66,135	(183)	(1,990)	63,962

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group 6 months ended	
		30 June 2025 RM'000	30 June 2024 RM'000
Operating activities			
(Loss)/profit before tax		(15,256)	5,299
<u>Adjustments for:</u>			
Loss on disposal of property, plant and equipment		47	406
Gain on disposal of short-term investment security		–	(76)
Interest income from short-term deposits		(214)	(728)
Distributions from short-term investment security		–	(104)
Interest expense	N6.1	743	1,044
Depreciation on right-of-use assets		1,543	1,274
Adjustment on right-of-use assets		(64)	(61)
Amortisation of trademarks	N10	26	25
Depreciation of property, plant and equipment		5,666	5,784
Property, plant and equipment written-off		1	19
(Reversal of)/allowance for slow moving inventories		(1,486)	2,178
Allowance for inventories written down		15	924
Unrealised exchange gain		(712)	(2,225)
Non-trade bad debts written off		12	–
Trade bad debts written off		–	2
Trade payable written off		(147)	–
Operating (loss)/profit before working capital changes		(9,826)	13,761
<u>Changes in working capital:</u>			
Decrease/(increase) in inventories		4,984	(19,967)
Decrease in trade and other receivables		7,956	1,299
Decrease in prepaid operating expense		736	220
Increase/(decrease) in trade and other payables		1,477	(14,972)
Decrease in contract liabilities		(12)	–
Decrease in accrued operating expenses		(149)	(747)
Cash flows generated from/(used in) operations		5,166	(20,406)
Net income taxes paid		(236)	(6)
Net cash flows generated from/(used in) operating activities		4,930	(20,412)
Investing activities			
Interest income from short term deposits		214	728
Distributions from short-term investment security		–	104
Proceeds from disposal of short-term investment security		–	15,679
Placement of short-term investment security		–	(15,603)
Purchase of property, plant and equipment	N11	(2,541)	(2,558)
Proceeds from disposal of property, plant and equipment		115	76
Net cash flows used in investing activities		(2,212)	(1,574)

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

		Group	
		6 months ended	
	Note	30 June 2025 RM'000	30 June 2024 RM'000
Financing activities			
Proceeds from loans and borrowings		47,837	11,457
Repayment under financing arrangements		(388)	(335)
Repayment of loans and borrowings		(47,848)	(13,924)
Principal repayment of lease liabilities		(1,411)	(1,173)
Interest paid		(629)	(917)
Purchase of treasury shares		—	(10)
Net cash flows used in financing activities		(2,439)	(4,902)
Net increase/(decrease) in cash and cash equivalents		279	(26,888)
Effect of exchange rate changes on cash and cash equivalent		(45)	472
Cash and cash equivalents at beginning of period		17,671	54,215
Cash and cash equivalents at end of period		17,905	27,799

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

N1. Corporate information

LY Corporation Limited (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of SGX-ST. The immediate and ultimate holding company is Lian Yu Holdings Pte. Ltd., which is incorporated in Singapore.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is that of investment holding.

The principal activities of the Group are:

- (a) Manufacturing of all kinds of furniture;
- (b) Manufacturing of any type of woodwork or building product;
- (c) Conducting research in designing any furniture under the subsidiary’s patents; and
- (d) Trading, retail sale and installation of all kinds of furniture.

N2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in N2.1.

The condensed interim financial statements are presented in Ringgit Malaysia (“**RM**”) which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (RM’000), except when otherwise indicated.

N2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

N2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N2.2. Use of judgements and estimates (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- *Impairment assessment of goodwill, property, plant and equipment, right-of-use assets and the Company's investment in subsidiaries*

Goodwill is assessed for impairment on an annual basis. In performing the impairment assessment of the carrying amount of goodwill, the recoverable amounts of the cash-generating units ("**CGUs**") in which goodwill is attributable to, are determined using value-in-use ("**VIU**") calculation.

The Group reviews property, plant and equipment, goodwill, right-of-use assets and the Company's investment in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets exceed their recoverable amounts. The recoverable amounts of the CGU (or group of CGUs) are also determined using VIU calculation.

In deriving the VIU, significant judgements are used to estimate the budgeted gross margin, pre-tax discount rates and terminal growth rates applied in computing the recoverable amounts of different CGUs. In making these estimates, management has relied on past performance, its expectations of market developments in the United States of America and the industry trends for wooden furniture.

The carrying amounts of the Group's goodwill, property, plant and equipment and right-of-use assets as at 30 June 2025 were approximately RM10,370,000, RM136,375,000 and RM19,812,000 respectively (31 December 2024: RM10,370,000, RM139,663,000 and RM21,971,000 respectively).

The results of the impairment assessment performed by the Group on goodwill, property, plant and equipment, and right-of-use assets as at 31 December 2024 indicated that no impairment charge was necessary.

The carrying amount of the Company's investment in subsidiaries and amount due from subsidiaries as at 30 June 2025 were approximately RM54,247,000 and RM10,332,000 respectively (31 December 2024: RM54,247,000 and RM9,014,000 respectively). An impairment loss of RM378,000 was recognised for an investment in a subsidiary as at 31 December 2024.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N3. Seasonal operations

Generally, the Group's businesses are not subject to any significant seasonal fluctuations that will affect the business and operations except that the revenue is generally higher in the second half of the year due to festive seasons in the United States of America, bearing the challenges that the Group may face in the next 12 months as commented in Section 10, of Part F below.

N4. Segment and revenue information

The Group is organised into the following operating segments:

- (a) Segment 1: Manufacturing and retailing of all kinds of furniture ("**Furniture**")
- (b) Segment 2: Manufacturing of any type of woodwork or building product ("**Millwork**")

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who are responsible for allocating resources and assessing performance of the operating segments.

N4.1 Reportable segments

	Furniture	Millwork	Total
	RM'000	RM'000	RM'000
1 January 2025 to 30 June 2025			
Total segment revenue			
Revenue	60,760	41,435	102,195
Results			
Segment loss	(12,251)	(1,907)	(14,158)
Interest income from short-term deposits			214
Other income			1,979
Finance costs			(743)
Unallocated expenses			(2,548)
Loss before tax			(15,256)
Income tax expense			(181)
Loss net of tax			(15,437)
Other segment information			
Depreciation and amortisation	5,767	1,468	7,235
Additions of non-current assets	2,115	426	2,541
Unallocated assets			—
Total additions of non-current assets			2,541
Non-cash income other than depreciation	(1,056)	(1,257)	(2,313)
Unallocated income			(4)
Total non-cash income other than depreciation			(2,317)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N4.1. Reportable segments (cont'd)

	Furniture	Millwork	Total
	RM'000	RM'000	RM'000
1 January 2025 to 30 June 2025			
Other segment information			
Inventories recognised as an expense in cost of sales	30,541	31,970	62,511
Employee benefits expense	16,622	4,703	21,325
Unallocated expenses			1,694
Total employee benefits expense			23,019
	Furniture	Millwork	Total
	RM'000	RM'000	RM'000
1 January 2024 to 30 June 2024			
Total segment revenue			
Revenue	72,443	37,301	109,744
Results			
Segment profit/(loss)	4,459	(1,550)	2,909
Interest income from short-term deposits			728
Distributions from short-term investment security			104
Other income			5,189
Finance costs			(1,044)
Unallocated expenses			(2,587)
Profit before tax			5,299
Income tax expense			(6)
Profit net of tax			5,293
Other segment information			
Depreciation and amortisation	5,637	1,446	7,083
Additions of non-current assets	1,683	822	2,505
Unallocated assets			53
Total additions of non-current assets			2,558
Non-cash (income)/expense other than depreciation	(862)	1,759	897
Unallocated income			1
Total non-cash expense other than depreciation			898
Inventories recognised as an expense in cost of sales	31,255	26,968	58,223
Employee benefits expense	13,852	5,180	19,032
Unallocated expenses			1,971
Total employee benefits expense			21,003

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N4.1. Reportable segments (cont'd)

	Furniture	Millwork	Total
	RM'000	RM'000	RM'000
As at 30 June 2025			
Assets			
Segment assets	175,069	80,000	255,069
Unallocated assets			2,670
Total assets			<u>257,739</u>
Liabilities			
Segment liabilities	36,940	13,710	50,650
Unallocated liabilities			15,389
Total liabilities			<u>66,039</u>
As at 31 December 2024			
Assets			
Segment assets	193,782	77,937	271,719
Unallocated assets			3,398
Total assets			<u>275,117</u>
Liabilities			
Segment liabilities	40,373	12,043	52,416
Unallocated liabilities			15,564
Total liabilities			<u>67,980</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N4.2 Disaggregation of revenue

	6 months ended 30 June 2025		
	Furniture RM'000	Millwork RM'000	Total RM'000
Primary geographical markets			
United States of America	38,015	11,775	49,790
Malaysia	21,877	6	21,883
United Arab Emirates	868	—	868
Hong Kong	—	29,654	29,654
	60,760	41,435	102,195
Major product or service lines			
- Sale of goods	60,353	41,435	101,788
- Others	407	—	407
	60,760	41,435	102,195
Timing of transfer of goods or services			
At that point in time	52,358	41,435	93,793
Over time	8,402	—	8,402
	60,760	41,435	102,195
	6 months ended 30 June 2024		
	Furniture RM'000	Millwork RM'000	Total RM'000
Primary geographical markets			
United States of America	47,983	7,322	55,305
Malaysia	21,370	—	21,370
United Arab Emirates	2,000	—	2,000
Hong Kong	—	29,979	29,979
Others	1,090	—	1,090
	72,443	37,301	109,744
Major product or service lines			
- Sale of goods	71,354	37,301	108,655
- Others	1,089	—	1,089
	72,443	37,301	109,744
Timing of transfer of goods or services			
At that point in time	72,443	37,301	109,744

Note: The above geographical segmentation information is based on the geographical location of customers.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024:

	Group	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Financial assets		
At amortised cost		
Trade and other receivables	17,944	25,889
Deposit with bank	1,000	1,000
Cash and cash equivalents	17,905	17,671
	36,849	44,560
Financial liabilities		
At amortised cost		
Trade and other payables	21,714	20,392
Accrued operating expenses	1,179	1,328
Loans and borrowings	25,669	26,794
Lease liabilities	3,144	5,121
	51,706	53,635
Total undiscounted financial liabilities, net	(14,857)	(9,075)

	Company	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Financial assets		
Trade and other receivables	–	8
Amount due from subsidiaries	10,332	9,014
Deposit with bank	1,000	1,000
Cash and cash equivalents	356	851
	11,688	10,873
Financial liabilities		
Trade and other payables	1,000	1,000
Amount due to subsidiaries	2,218	–
Accrued expenses	221	637
	3,439	1,637
Total undiscounted financial assets, net	8,249	9,236

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N6. (Loss)/profit before tax

N6.1 Significant items

(Loss)/profit before tax for the period include the following (charges)/credits:

	Group	
	6 months ended	
	30 June	30 June
	2025	2024
	RM'000	RM'000
Income		
Rental income	903	1,047
Reversal of allowance for slow moving inventories	1,486	—
Gain on disposal of short-term investment	—	76
Net foreign exchange gain	—	2,223
Trade payable written off	147	—
Expenses		
Finance expenses:		
- financing arrangements	(38)	(53)
- bank loans	(591)	(864)
- lease liabilities	(114)	(127)
	(743)	(1,044)
Depreciation expenses:		
- property, plant and equipment	(5,666)	(5,784)
- rights-of-use assets	(1,543)	(1,274)
	(7,209)	(7,058)
Amortisation of trademarks	(26)	(25)
Allowance for slow moving inventories	—	(2,178)
Inventories written off	(15)	(924)
Loss on disposal of property, plant and equipment	(47)	(406)
Property, plant and equipment written-off	(1)	(19)
Net foreign exchange loss	(822)	—
Non-trade bad debts written off	(12)	—
Trade bad debts written off	—	(2)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N6.2 Related parties transactions

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group	
	6 months ended	6 months ended
	30 June 2025	30 June 2024
	RM'000	RM'000
Director-related companies:		
Rental received	4	4
Rental paid	(366)	(250)
Purchase of property, plant and equipment	—	(16)
Sub-contractor costs, net	(2,202)	(3,367)
Rental paid to a director of the Company	(16)	(15)

N7. Income tax expense

The Group calculates the period income tax expense using the applicable corporate tax rate. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended	6 months ended
	30 June 2025	30 June 2024
	RM'000	RM'000
Current income tax		
- Current income taxation	181	1
- Withholding tax expense	—	5
Income tax expense recognised in profit or loss	181	6

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N8. Dividends

If a decision regarding dividend has been made:

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) The date the dividend is payable.

Not applicable.

(d) The date on which Registrable Transfer receive by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

N9. Net assets value

Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group		Company	
	As at 30 June 2025	As at 31 December 2024	As at 30 June 2025	As at 31 December 2024
Net asset value ("NAV") (RM'000)	191,700	207,137	62,540	63,508
Number of ordinary shares in issue ('000)	488,799	488,799	488,799	488,799
NAV per ordinary share (RM)	0.39	0.42	0.13	0.13

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N10. Intangible assets

	Goodwill RM'000	Trademarks RM'000	Total RM'000
Group			
Cost			
At 31 December 2024, 1 January 2025 and 30 June 2025	10,370	434	10,804
Accumulated amortisation			
At 1 January 2024	—	250	250
Amortisation	—	50	50
At 31 December 2024 and 1 January 2025	—	300	300
Amortisation	—	26	26
At 30 June 2025	—	326	326
Net carrying amount			
At 31 December 2024	10,370	134	10,504
At 30 June 2025	10,370	108	10,478

N11. Property, plant and equipment

During the financial period, the Group acquired assets amounting to RM2,541,000 (31 December 2024: RM6,437,000), disposed of assets at net book value of RM162,000 (31 December 2024: RM825,000).

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N12. Loans and borrowings

	Group	
	30	31
	June	December
	2025	2024
	RM'000	RM'000
Current:		
Bankers' acceptances	14,203	12,692
Financing arrangements	576	756
Term loan	7,231	12,628
	22,010	26,076
Non-current:		
Financing arrangements	510	718
Term loan	3,149	–
	3,659	718
Total loans and borrowings	25,669	26,794

The bankers' acceptance and short-term financing are secured by corporate guarantee provided by the Company. The term loans are secured by mortgage over certain buildings, leasehold land, assets and corporate guarantee provided by the Company. The financing arrangements are secured by a charge over the respective assets.

As at 31 December 2024, one of the subsidiaries breached its covenants with banks that granted short term financing and term loans to the said subsidiary. The subsidiary has subsequently obtained waivers from the banks. Nevertheless, as required under SFRS(I) 1-1 *Presentation of Financial Statements*, in the event of a breach of loan covenant on or before the end of reporting date, an entity is required to classify a liability as current as it no longer has the unconditional right to defer its settlement for at least twelve months after that date. Accordingly, the non-current portion of the term loan amounting to RM3.2 million has been reclassified as current liabilities as at 31 December 2024 to comply with SFRS(I) 1-1. The non-current portion has been reclassified to non-current liabilities as at 30 June 2025.

Loans and borrowings denominated in currency other than functional currency are as follows:

	Group	
	30	31
	June	December
	2025	2024
	RM'000	RM'000
Current:		
United States Dollar	5,519	11,251
	5,519	11,251
Non-current:		
United States Dollar	1,333	–
	1,333	–

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

N13. Share capital

	30 June 2025		31 December 2024	
	No. of shares	RM'000	No. of shares	RM'000
Issued and fully paid ordinary shares				
At 1 January and 30 June	489,144,200	66,135	489,144,200	66,135
Treasury shares				
At 1 January	345,000	183	310,400	173
Shares buy-back held as treasury shares	—	—	34,600	10
At 30 June	345,000	183	345,000	183
Issued and fully paid ordinary shares excluding treasury shares	488,799,200	65,952	488,799,200	65,952

The Company did not have any outstanding convertibles as at 30 June 2025 and 31 December 2024.

The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

No treasury share was sold, transferred, cancelled or used for the financial period reported on.

N14. Contingent liability

The Company's 51%-owned subsidiary, Leyo Holdings Sdn Bhd ("**LEH**"), had on 13 November 2024, received a letter of demand from the solicitors representing Synergy House Furniture Sdn Bhd ("**Synergy**") in relation to the royalty payment made to LEH by Synergy up to the date of the letter, amounted to RM823,395.61.

The Company's subsidiary, LY Furniture Sdn Bhd ("**LYFSB**"), has initiated a claim against Xin Hwa Trading & Transport Sdn Bhd ("**Xin Hwa**") ("**Claim by LYFSB**") for a sum of USD78,889.53 comprises the value of missing inventories that were stored in one of the warehouses of Xin Hwa. In response to the Claim by LYFSB, Xin Hwa has filed a counter claim against LYFSB for an amount of RM311,501.12 in relation to the outstanding fees for warehousing services provided by Xin Hwa to LYFSB.

The Directors had sought legal advice in respect of the claims and based on the legal advice obtained, the Group has not made any provision in respect of the above claims as at the end of the financial period reported on.

F. INFORMATION REQUIRED UNDER APPENDIX 7C OF THE CATALIST RULES

1. (a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph A.

- (a)(ii) **Significant items**

Please refer to N6.1.

- (b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Please refer to paragraph B.

- (b)(ii) **Aggregate amount of group's borrowings and debt securities.
Amount repayable by the Group in one year or less, or on demand**

As at 30 June 2025		As at 31 December 2024	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
22,010	—	26,076	—

Amount repayable by the Group after one year

As at 30 June 2025		As at 31 December 2024	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
3,659	—	718	—

Details of collateral

The Group's borrowings consist of bankers' acceptance, short term financing, financing arrangements, and term loans.

The bankers' acceptance, short term financing and term loans are secured by mortgage over certain buildings, leasehold land, assets and corporate guarantee from the Company.

The financing arrangements are secured by a charge over the respective leased motor vehicles and machineries.

Please also refer to further details of the Group's loans and borrowings in N12.

- (c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph D.

- (d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to paragraph C.

- (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to N13.

- (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to N13.

- (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Please refer to N13. No treasury share was sold, transferred, cancelled or used for the financial period reported on.

- (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Please refer to N13. There is no subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of LY Corporation Limited and its subsidiaries as at 30 June 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to N2.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to N2.

6. (Loss)/profit per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group 6 months ended	
	30 June 2025	30 June 2024
(Loss)/profit attributable to owners of the Company (RM'000)	(14,596)	5,041
Weighted average number of ordinary shares ('000)	488,799	488,825
Basic and diluted (loss)/earnings per share ⁽¹⁾ (sen)	(2.99)	1.03

Note:

- (1) The basic and fully diluted (loss)/earnings per share were the same as there were no dilutive ordinary shares in issue as at 30 June 2025 and 30 June 2024.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
 (a) current financial period reported on; and
 (b) immediately preceding financial year.

Please refer to N9.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Review of Group's performance for the 6 months ended 30 June 2025 ("1H2025") as compared to the 6 months ended 30 June 2024 ("1H2024")

Revenue

The Group's revenue decreased by approximately RM7.5 million, or 6.9%. This was mainly due to the following:

- (a) Decrease in the number of 40-ft containers sold from 1,122 40-ft containers in 1H2024 to 1,117 40-ft containers in 1H2025;
- (b) Decrease also due to the lower average selling price per 40-ft container from RM87,000 in 1H2024 to RM84,000 in 1H2025 as a result of lower exchange rate for USD in 1H2025 as compared to 1H2024 given that the Group's revenue are primarily denominated in USD. As a reference, the closing exchange rate of USD1 against the Malaysian Ringgit was RM4.715 as at 30 June 2024 and was RM4.226 as at 30 June 2025.*; and
- (c) Non-recurring revenue arising from the finalisation of a variation claim with a customer which was recognised in 1H2024. The variation claim was in relation to containers which had undergone re-work as a result of shipment delays caused by the COVID-19 lockdown.

However, the decrease was partially offset by revenue contributed from the new subsidiaries acquired on 1 August 2024 of approximately RM8.4 million in 1H2025.

Excluding the above variation claim, the Group's revenue increased by approximately RM2.9 million, or 2.9% mainly contributed from the new subsidiaries.

Note: * Source: www.oanda.com. OANDA Corporation has not consented to the inclusion of the information in this announcement.

Cost of sales and gross profit

Cost of sales increased by approximately RM5.3 million, or 5.4%, mainly due to cost of sales incurred by the new subsidiaries of approximately RM5.2 million as well as an increase in sub-contractor cost and material used (due to different product mix). However, the increase was partially offset by the reversal of allowance for slow moving inventories of approximately RM1.5 million in 1H2025.

The Group's gross profit decreased by approximately RM12.9 million, or 116.7%. As a result of higher percentage increase in cost of sales compared to our revenue, the Group recorded a gross loss margin of 1.8% in 1H2025 compared to gross profit margin of 10.1% in 1H2024.

Interest income

Interest income decreased by approximately RM0.5 million, or 70.6%, mainly due to lower cash placements in short term fixed deposits in the bank account maintained in Malaysia in 1H2025.

Distributions from short-term investment security

Distributions from short-term investment security comprised income received for funds placed with Money Market Funds during 1H2024 which were liquidated in 1H2024.

Other income

Other income comprised mainly government grants, rental income, scrap as well as charges for services provided such as transportation.

Other income decreased by approximately RM3.2 million, or 61.9%, mainly due to decrease in government rebates and the absence of a net foreign exchange gain of RM2.2 million recorded in 1H2024, compared to a net foreign exchange loss of RM0.8 million incurred in 1H2025, which has been presented under "Other expenses".

Selling and administrative expenses

Selling and administrative expenses increased by approximately RM3.7 million, or 35.9%, mainly due to the expenses incurred by new subsidiaries of approximately RM4.7 million in 1H2025. However, the increase was partially offset by the decrease in staffs' and directors' cost.

Depreciation expenses

Depreciation expenses increased by approximately RM0.2 million, or 2.1% mainly due to the expenses incurred by new subsidiaries of approximately RM0.4 million in 1H2025. However, the increase was partially offset by the decrease in amortisation expense due to derecognition of extension of options for some leases as the Group does not intend to exercise the options to renew.

Finance costs

Finance costs decreased by approximately RM0.3 million, or 28.8% mainly due to decrease in term loans' balances. However, the decrease was partially offset by an increase in bankers' acceptances' charges in 1H2025.

Other expenses

Other expenses increased by approximately RM0.4 million, or 105.2% mainly due to the net foreign exchange loss of RM0.8 million incurred in 1H2025 as the Group incurred foreign exchange loss from USD cash and cash equivalents, trade and other receivables as well as trade and other payables. However, the increase was partially offset by a decrease in loss on disposal of plant and equipment in 1H2025.

Income tax expense

Income tax expense increased by approximately RM0.2 million or 2,916.7% mainly due to provision of current income tax incurred by new subsidiaries of approximately RM0.2 million in 1H2025.

Loss for the period

As a result of the increase in cost of sales is higher than revenue, the Group incurred net loss of approximately RM15.4 million in 1H2025 as compared to a net profit of RM5.3 million in 1H2024.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Review of the Group's financial position as at 30 June 2025 as compared to 31 December 2024

Non-current assets

Property, plant and equipment decreased by approximately RM3.3 million, or 2.4%, mainly due to depreciation charged in 1H2025. However, this was partially offset by assets acquired in 1H2025 amounting to RM2.5 million.

Right-of-use assets of approximately RM19.8 million comprised the right to use the properties and land use rights of the Group over the respective lease period. The decrease in right-of-use assets of approximately RM2.2 million, or 9.8%, mainly due to amortisation charged in 1H2025 and derecognition of extension of options for some leases as the Group does not intend to exercise the options to renew, which was previously recognised as lease liabilities.

Intangible assets of approximately RM10.5 million consists of trademarks and goodwill (including provisional goodwill from the acquisition of new subsidiaries) arising from a business combination as announced on 28 January 2019 and acquisition of new subsidiaries as announced on 23 July 2024.

Current assets

Inventories decreased by approximately RM3.5 million or 6.4%, mainly due to sales of completed goods. However, the decrease was partially offset by reversal of allowance for slow moving inventories of approximately RM1.5 million in 1H2025.

Trade and other receivables of approximately RM17.9 million comprised trade receivables, deposits and other receivables. The decrease in trade and other receivables by approximately RM7.9 million, or 30.7% was mainly due to decrease advance payment paid to suppliers for purchase of raw materials as well as decrease in trade receivables in line with decrease in sales.

Prepaid operating expense of approximately RM1.7 million comprised mainly expenses paid in advance as at 30 June 2025.

Tax recoverable, being prepaid current income tax of approximately RM1.4 million comprised tax paid in advance by the Malaysian subsidiaries for the Year of Assessment 2020, 2021, 2022, 2023, 2024 and 2025.

Current liabilities and non-current liabilities

Loans and borrowings comprised bankers' acceptance, financing arrangements and long-term loans. The decrease in loans and borrowings by approximately RM1.1 million, or 4.2% was mainly due to the scheduled repayment of loans and borrowings. However, the increase was offset by the net increase in the usage of bankers' acceptances of approximately RM1.5 million and a new term loan obtained in 1H2025 of approximately RM2.8 million.

Trade and other payables of approximately RM21.7 million comprised trade payables and other payables. The increase in trade and other payables of RM1.3 million, or 6.5%, was mainly due to the increase in credit purchase of raw materials and increase in provision for bonus.

Lease liabilities of approximately RM3.1 million comprised the liabilities that the Group has to pay over the respective lease period for the use of the properties. The decrease in the lease liabilities of RM2.0 million, or 38.6%, was mainly due to repayment of lease liabilities during the financial period as well as derecognition of extension of options as explained above.

Accrued operating expenses of approximately RM1.2 million comprised accrued operating expenses.

Contract liabilities of approximately RM0.4 million primarily relate to advances received from customers and the Group's obligation to transfer the goods that are delivered to the specific location for which the Group has billed for receivables ahead of completion of the performance obligation.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Review of the Group's cash flow statement for 1H2025

The Group recorded net cash flows generated from operating activities of approximately RM4.9 million in 1H2025 due mainly from the decrease in advance payment paid to suppliers for purchase of raw materials as well as lower trade receivables as explained above.

The Group recorded net cash flows used in investing activities of approximately RM2.2 million in 1H2025 mainly due to purchase of property, plant and equipment.

The Group recorded net cash flows used in financing activities of approximately RM2.4 million mainly due to the repayment of loans and borrowings in 1H2025. However, it was partially offset by the proceed from loans and borrowings in 1H2025.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or a prospect statement was disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

- (a) The principal market of the Group's products is the United States of America (the US). In the 2024 US presidential election, Donald Trump secured a return to the White House initiating changes to the current policies such as trade tariffs, immigration controls, regulatory easing and tax cuts. The recent imposition of a 19% tariff on imports from Malaysia effective 1 August 2025, while it is among the lowest in the Association of Southeast Asian Nations (ASEAN), may lead to lower demand for goods from Malaysia, increased costs and pricing pressure. Nonetheless, the Malaysian government is currently engaging in trade negotiations with the US to explore potential relief for its export sectors.

In addition, the Federal Reserve Bank in the US may adjust interest rates in 2025. This will have an uncertain effect on the exchange rate between the US dollar versus the Malaysian Ringgit which will therefore affect the prices of our products sold in the US and eventually the demand for our products and our revenue.

The Company believes that the above will continue to lead to a lower demand for the Furniture segment whereby the consumers in the US will be more selective and careful in their purchases of customer products, at least in the short term.

- (b) In addition, the imposition of the sales & services tax beginning 1 July 2025, the effects of the 2% mandatory contribution to the Employees Provident Funds for the foreign workers by employers expected in 2025, the changes in electricity tariffs on 1 July 2025 and the potential removal of petrol subsidies in the second half of 2025 in Malaysia will affect discretionary spending of consumer (resulting in lower revenue for the Group, in particular the retail cabinet furniture sector in Malaysia) and/or increase the Group's cost of operations.

11. Dividend

Please refer to N8.

12. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision.

No dividend has been declared/recommended for 1H2025 as the Group would prefer to conserve the cash for any unforeseen circumstances and to reinvest back into its businesses.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group had renewed its general mandate for IPTs at the annual general meeting held on 29 April 2025. Please refer to the Company's appendix to the annual report dated 14 April 2025 for further details.

The aggregate value of all interested person transactions during the 1H2025 is as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	Notes	RM'000	RM'000
Lean Shern Furniture Sdn Bhd	(1)	-(3)	20,860
Leatherworld Upholstery Sdn Bhd	(2)	-(3)	1,074

Notes:

- (1) Lean Shern Furniture Sdn Bhd's shareholders are Tan Kwee Ming and Tan Kwee Song, who are brothers of the Company's Executive Director, Tan Kwee Chai.
- (2) Leatherworld Upholstery Sdn Bhd is a 51%-owned subsidiary of Lian Yu Furniture Corporation Sdn Bhd ("LYFC") which is owned by Tan Kwee Chai and his associates.
- (3) Excludes transactions which are less than S\$100,000.

14. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

We, Tan Kwee Chai and Tan Yong Chuan, being two directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited consolidated financial statements of the Group for the 1H2025 to be false or misleading in any material aspect.

Tan Kwee Chai
Executive Director

Tan Yong Chuan
Executive Director and Chief Executive Officer

15. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company hereby confirms that it has already procured undertakings from all of its Directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

16. Disclosure of acquisition (including incorporations) and sale of shares under Catalyst Rule 706A.

On 17 January 2025, the Company announced the proposed disposal of 210,000 ordinary shares in LEH representing 21% of the total issued share capital of LEH for a nominal cash consideration of RM1.00 in accordance with the terms and conditions as stipulated in the share sale agreement. The proposed disposal will be undertaken in two (2) tranches pending fulfilment of certain conditions. As at the date of this announcement, the first tranche of the proposed disposal has not been completed. Further details of the proposed disposal can be found in the announcement dated 17 January 2025 on SGXNET. The Company will make the relevant announcement to update the shareholders on any material development on the proposed disposal as necessary.

BY ORDER OF THE BOARD

Tan Yong Chuan
Executive Director and Chief Executive Officer
12 August 2025