



LY CORPORATION  
LIMITED

# ANNUAL GENERAL MEETING

28 April 2023

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# AGENDA

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**01 FINANCIAL HIGHLIGHTS**

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**02 BUSINESS UPDATES**

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**03 GROWTH STRATEGY**

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# FINANCIAL HIGHLIGHTS



# FINANCIAL HIGHLIGHTS

| <b>(RM'000)</b>                                  | <b>FY2022</b> | <b>FY2021</b> | <b>% Change</b> |
|--|---------------|---------------|-----------------|
| Revenue  | 234,521       | 189,222       | 23.9            |
| Gross Profit / (Loss)                            | 30,990        | (3,488)       | 988.5           |
| Profit / (Loss) Before Tax                       | 12,952        | (13,209)      | 198.1           |
| Profit / (Loss) After Tax                        | 8,234         | (6,862)       | (220.0)         |
| Net Profit / (Loss) Attributable to Shareholders | 12,351        | (7,191)       | 271.8           |
| <b>Gross Profit / (Loss) Margin</b>              | <b>13.2%</b>  | <b>(1.8%)</b> |                 |
| <b>Net Profit / (Loss) Margin</b>                | <b>3.5%</b>   | <b>(3.6%)</b> |                 |
| <b>Earnings / (Loss) Per Share (sen)</b>         | <b>2.53</b>   | <b>(1.47)</b> |                 |



# REVENUE

Revenue increased mainly due to higher average selling price and sales volume of products

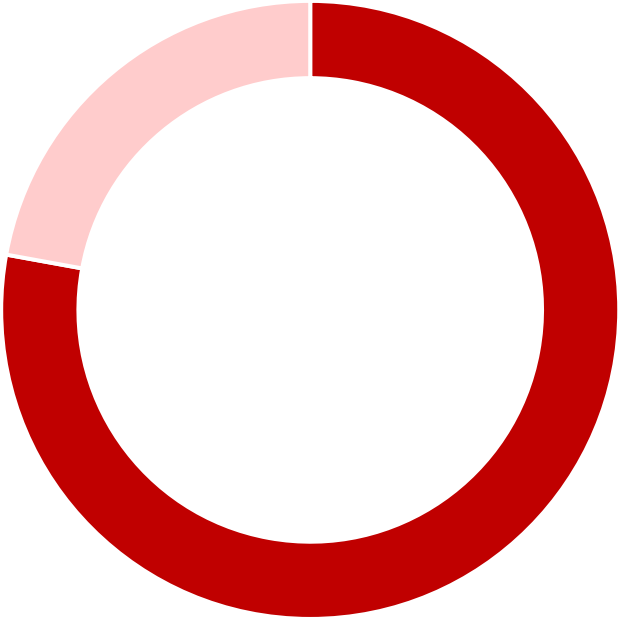
|   | FY2022   | FY2021   | % Change |
|---|----------|----------|----------|
| Number of 40-ft containers sold (“Container”) | 3,220    | 3,207    | 0.4      |
| Average Selling Price per Container           | RM73,000 | RM59,000 | 23.7     |

- The rise in the Average Selling Price per Container was due to different product mix sold and strengthening of USD to RM
- The average movement of USD against RM has strengthened by approximately 6.1% in FY2022 as compared to FY2021



# REVENUE BY BUSINESS SEGMENT

Revenue by Business Segment  
FY2022



■ Furniture 77.9%   ■ Millwork 22.1%

| Business Segment | FY2022        | FY2021        |
|------------------|---------------|---------------|
| Furniture        | 77.9%         | 81.7%         |
| Millwork         | 22.1%         | 18.3%         |
| <b>Total</b>     | <b>100.0%</b> | <b>100.0%</b> |

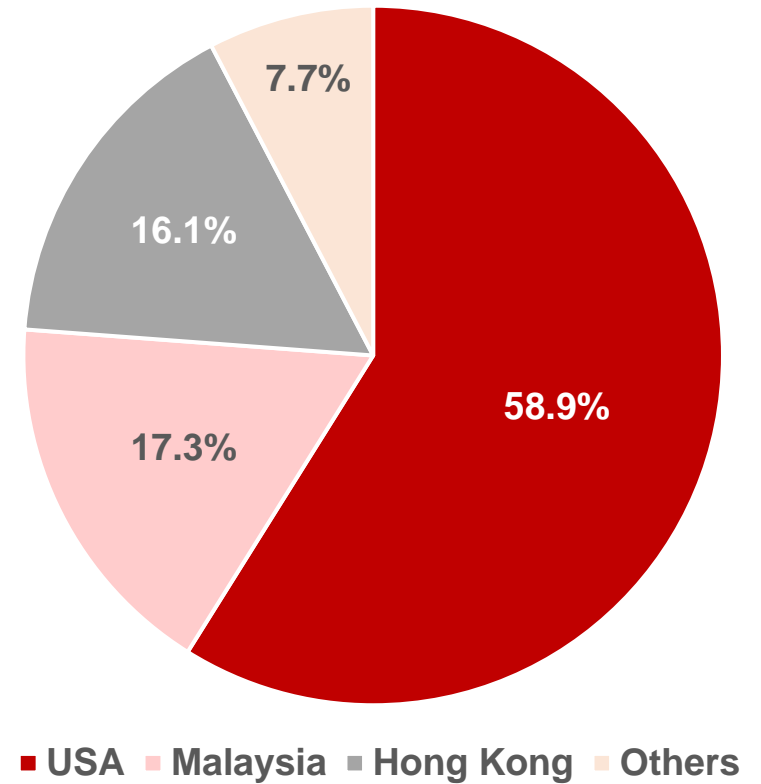


# REVENUE BY GEOGRAPHY

| Country      | FY2022        | FY2021        |
|--------------|---------------|---------------|
| USA          | 58.9%         | 51.5%         |
| Malaysia     | 17.3%         | 11.3%         |
| Hong Kong    | 16.1%         | 25.2%         |
| Others       | 7.7%          | 12.0%         |
| <b>Total</b> | <b>100.0%</b> | <b>100.0%</b> |

USA continued to be our largest market at 58.9%

Revenue by Geography  
FY2022





# GROSS PROFITS

| (RM'000)                   | FY2022       | FY2021        | % Change |
|----------------------------|--------------|---------------|----------|
| Gross Profit               | 30,990       | (3,488)       | 988.5    |
| <b>Gross Profit Margin</b> | <b>13.2%</b> | <b>(1.8%)</b> |          |

- As a result of lower rate of percentage increase in cost of sales as compared to revenue, the Group registered a gross profit of RM31.0 million compared to a gross loss of RM3.5 million in the previous year
- Gross profit margin was 13.2% as compared to a gross loss margin of 1.8% in FY2021



# BALANCE SHEET POSITION

| (RM'000)                                     | As at 31 Dec 2022 | As at 31 Dec 2021 |
|--|-------------------|-------------------|
| Non-current assets                           | 186,559           | 188,495           |
| Current assets                               | 140,513           | 147,548           |
| <i>Cash and cash equivalents</i>             | 25,762            | 30,919            |
| <b>Total Assets</b>                          | <b>327,072</b>    | <b>336,043</b>    |
| Current liabilities                          | 55,978            | 85,869            |
| <i>Loan and borrowings</i>                   | 16,854            | 36,689            |
| Non-current liabilities                      | 49,295            | 36,609            |
| <i>Loan and borrowings</i>                   | 23,463            | 18,091            |
| <b>Total Liabilities</b>                     | <b>105,273</b>    | <b>122,478</b>    |
| <b>Total Equity</b>                          | <b>221,799</b>    | <b>213,565</b>    |
| <b>Debt-to-Equity <sup>(1)</sup> (times)</b> | <b>0.2</b>        | <b>0.3</b>        |
| <b>Net Asset Value Per Share</b>             | <b>RM0.45</b>     | <b>RM0.44</b>     |

Note: (1) Debt-to-Equity ratio is calculated based on total borrowings divided by equity.



# LIQUIDITY AND CAPITAL RESOURCES

| <b>(RM'000)</b>  | <b>As at 31 Dec 2022</b> | <b>As at 31 Dec 2021</b> |
|--|--------------------------|--------------------------|
| Net cash generated from operating activities                 | 22,568                   | 6,040                    |
| Net cash used in investing activities                        | (5,551)                  | (17,970)                 |
| Net cash (used in) / from financing activities               | (21,986)                 | 5,451                    |
| <b>Net decrease in cash and cash equivalents</b>             | <b>(4,969)</b>           | <b>(6,479)</b>           |
| Effect of exchange rate changes on cash and cash equivalents | (188)                    | 4                        |
| Cash and cash equivalents at beginning of period             | 30,919                   | 37,394                   |
| <b>Cash and cash equivalents at end of period</b>            | <b>25,762</b>            | <b>30,919</b>            |



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# BUSINESS UPDATES



# BUSINESS UPDATES



## FURNITURE

### Internal Restructuring

- In Dec 2022, completed internal restructuring to rationalise and streamline manufacturing operations by consolidating all the manufacturing activities under LY Furniture Sdn Bhd (“**LYFSB**”)
- Internal restructuring involved the transfer of the entire share capital of Leyo Manufacturing Sdn Bhd from Leyo Holdings Sdn Bhd, a 51%-owned subsidiary, to LYFSB at RM1
- Allow the Group to better focus and capitalize on our strengths to increase operational efficiencies

### Kitchen Cabinet

- Sub-contracting arrangement to supply main framework of kitchen cabinets to a local furniture manufacturer
- Started manufacturing and exporting kitchen cabinets directly to an overseas customer
- Well-positioned to grow this new product line in the USA market by tapping into our wide network to promote and distribute this product

## MILLWORK

- Grown steadily over the years as we stepped up marketing efforts and gained new customers during the year

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# GROWTH STRATEGY



# GROWTH STRATEGY

Global economy is expected to slow further as the Russia-Ukraine war continues to spur inflationary pressures and tightening in global financing conditions  
- weakening confidence and household purchasing power

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## **Strengthening our business by adapting swiftly to capture new opportunities**

- Continuously sharpening our competitive edge by building new capabilities, broadening our product range, and innovating to create new designs and concepts to meet changing trends

2

## **Expand into new geographical markets to gain new prospective customers**

- Intensify marketing efforts by participating in local and international trades and exhibitions fairs to increase the awareness of our products in our current and potential new markets and to keep abreast with market trends and development





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**THANK YOU**