

**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 full-year net loss as revenue dips 20.7% from production shutdowns and supply chain disruptions during pandemic

RM'000	2H2021	2H2020	Change %	FY2021	FY2020	Change %
Revenue	93,475	131,263	(28.8)	189,222	238,604	(20.7)
Gross (loss)/profit	(9,004)	11,161	(180.7)	(3,488)	20,864	(116.7)
(Loss)/profit before tax	(10,806)	3,660	(395.2)	(13,209)	6,046	(318.5)
(Loss)/profit after tax	(4,421)	2,140	(306.6)	(6,862)	3,448	(299.0)
Net (loss)/profit attributable to shareholders	(4,926)	2,850	(272.8)	(7,191)	4,826	(249.0)

SINGAPORE, 28 February 2022 – 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, today reported a net loss attributable to shareholders of RM7.2 million for the full year ended 31 December 2021 (“**FY2021**”).

The Group’s revenue dropped by 20.7% to RM189.2 million mainly due to a decrease in the number of 40-ft containers (“**container**”) sold, from 4,298 in FY2020 to 3,207 in FY2021. The lower volume of containers sold during the period was mainly caused by the temporary closure of 13 of the Group’s factories and warehouses for two weeks in January 2021 due to an outbreak of COVID-19 amongst foreign workers, which resulted in the majority of workers being placed under quarantine, as well as the temporary closure of the Group’s operations from 1 June 2021 to 26 August 2021 to comply with the Full Movement Control Order imposed by the Malaysian Government, as part of efforts to contain the spread of COVID-19. The



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Malaysian government had also imposed various operating restrictions and limitations on workforce and capacity, which led to production cuts and operational inefficiencies during the year. Additionally, the global supply chain disruption has also impeded the delivery of finished goods to the Group's customers.

However, this was partially offset by a rise in average selling price per container, from approximately RM56,000 in FY2020 to approximately RM59,000 in FY2021, due to a different product mix sold during the year.

During the year, the Group recorded a gross loss and gross loss margin of RM3.5 million and 1.8% respectively as a result of a lower percentage decrease in the cost of sales as compared to revenue.

Mr Tan Yong Chuan, Chief Executive Officer and Executive Director of LY Corporation said, ***“Despite multiple disruptions during the year, we have remained resilient, swiftly responding to the COVID-19 pandemic and global supply chain disruptions to minimise the impact on the Group’s business. We remained committed to doing our best and will continue to seek opportunities to drive the business forward with our diversified range of products.”***

Financial Position

As at 31 December 2021, the Group had net asset value of RM213.6 million, which translates into a net asset value per share of RM0.44. Cash and cash equivalents stood at RM30.9 million as at year end.

Dividend

After taking into consideration the losses incurred, the Board will not be recommending any final dividend for FY2021. In such a challenging operating environment, the Board is of the view that it would be prudent to conserve cash to support working capital requirements until the COVID-19 situation improves.

- End -

This press release is to be read in conjunction with the Company’s announcement posted on the SGX website on 28 February 2022.



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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.

The Group operates from 26 factories and warehouses, occupying a combined built-up area of approximately 1.9 million sq ft. Its 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:

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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 Catalyst.

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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