



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

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

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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**

	Note	Group 6 months ended			Group 12 months ended		
		31 December 2024 RM'000	31 December 2023 RM'000	Increase/ (decrease) %	31 December 2024 RM'000	31 December 2023 RM'000	Increase/ (decrease) %
Revenue	N4.2	112,628	112,140	0.4	222,372	198,862	11.8
Cost of sales		(107,944)	(104,124)	3.7	(206,647)	(192,802)	7.2
<b>Gross profit</b>		<b>4,684</b>	<b>8,016</b>	<b>(41.6)</b>	<b>15,725</b>	<b>6,060</b>	<b>159.5</b>
<b>Other items of income</b>							
Interest income from short-term deposits		368	947	(61.1)	1,096	1,349	(18.8)
Distributions from short-term investment security		–	65	(100.0)	104	97	7.2
Other income		1,088	2,392	(54.5)	6,277	4,746	32.3
<b>Other items of expense</b>							
Selling and administrative expenses		(12,827)	(10,554)	21.5	(23,122)	(19,558)	18.2
Finance costs		(1,027)	(1,206)	(14.8)	(2,071)	(2,522)	(17.9)
Other expense		(593)	(709)	(16.4)	(1,017)	(1,099)	(7.5)
<b>Loss before tax</b>	N6	<b>(8,307)</b>	<b>(1,049)</b>	<b>691.9</b>	<b>(3,008)</b>	<b>(10,927)</b>	<b>(72.5)</b>
Income tax (expense)/credit	N7	(728)	2,720	(126.8)	(734)	2,715	(127.0)
<b>(Loss)/profit for the period/year, representing total comprehensive income for the period/year</b>		<b>(9,035)</b>	<b>1,671</b>	<b>(640.7)</b>	<b>(3,742)</b>	<b>(8,212)</b>	<b>(54.4)</b>
<b>(Loss)/profit for the period/year, representing total comprehensive income for the period/year attributable to:</b>							
Owners of the Company		(10,115)	1,477	(784.8)	(5,074)	(8,144)	(37.7)
Non-controlling interest		1,080	194	456.7	1,332	(68)	(2,058.8)
		<b>(9,035)</b>	<b>1,671</b>	<b>(640.7)</b>	<b>(3,742)</b>	<b>(8,212)</b>	<b>(54.4)</b>
<b>(Loss)/earnings per share attributable to owners of the Company (sen per share)</b>							
Basic and diluted		(2.07)	0.30		(1.04)	(1.67)	

## B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group As at 31 December 2024 RM'000	Group As at 31 December 2023 RM'000	Company As at 31 December 2024 RM'000	Company As at 31 December 2023 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	N11	139,663	143,875	–	–
Right-of-use assets		21,971	22,743	–	–
Intangible assets	N10	9,815	2,821	–	–
Investment in subsidiaries		–	–	54,247	47,612
Amount owing by a subsidiary		–	–	6,030	8,021
		<b>171,449</b>	<b>169,439</b>	<b>60,277</b>	<b>55,633</b>
<b>Current assets</b>					
Inventories		56,793	49,884	–	–
Trade and other receivables		27,588	19,892	8	7
Amount owing by subsidiaries		–	–	2,984	5,579
Prepaid operating expense		2,390	2,091	25	61
Tax recoverable		1,460	2,157	–	–
Deposit with bank		1,000	–	–	–
Cash and bank balances		17,589	54,215	1,851	4,290
Assets classified as held for sale		130	130	–	–
		<b>106,950</b>	<b>128,369</b>	<b>4,868</b>	<b>9,937</b>
<b>Total assets</b>		<b>278,399</b>	<b>297,808</b>	<b>65,145</b>	<b>65,570</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Loans and borrowings	N12	26,076	16,693	–	–
Trade and other payables		20,872	36,664	1,000	–
Lease liabilities		2,449	1,785	–	–
Accrued operating expenses		1,275	1,113	637	762
		<b>50,672</b>	<b>56,255</b>	<b>1,637</b>	<b>762</b>
<b>Net current assets</b>		<b>56,278</b>	<b>72,114</b>	<b>3,231</b>	<b>9,175</b>
<b>Non-current liabilities</b>					
Loans and borrowings	N12	718	9,541	–	–
Deferred tax liabilities		14,473	14,604	–	–
Lease liabilities		2,672	3,821	–	–
		<b>17,863</b>	<b>27,966</b>	<b>–</b>	<b>–</b>
<b>Total liabilities</b>		<b>68,535</b>	<b>84,221</b>	<b>1,637</b>	<b>762</b>
<b>Net assets</b>		<b>209,864</b>	<b>213,587</b>	<b>63,508</b>	<b>64,808</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	N13	66,135	66,135	66,135	66,135
Treasury shares	N13	(183)	(173)	(183)	(173)
Merger reserve		(15,234)	(15,234)	–	–
Other reserve		(3,322)	(3,322)	–	–
Retained earnings/(accumulated losses)		164,502	169,519	(2,444)	(1,154)
		211,898	216,925	63,508	64,808
Non-controlling interest		(2,034)	(3,338)	–	–
<b>Total equity</b>		<b>209,864</b>	<b>213,587</b>	<b>63,508</b>	<b>64,808</b>
<b>Total equity and liabilities</b>		<b>278,399</b>	<b>297,808</b>	<b>65,145</b>	<b>65,570</b>

**C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Note	Attributable to owners of the Company							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	Non-controlling interest RM'000	
<b>At 1 January 2024</b>	N13	<b>66,135</b>	<b>(173)</b>	<b>(15,234)</b>	<b>(3,322)</b>	<b>169,519</b>	<b>216,925</b>	<b>(3,338)</b>	<b>213,587</b>
(Loss)/profit for the year, representing total comprehensive income for the year		–	–	–	–	(5,074)	(5,074)	1,332	(3,742)
Purchase of treasury shares, representing total transactions with owners, recognised directly in equity		–	(10)	–	–	–	(10)	–	(10)
Pre-acquisition reserve from the acquisition new subsidiaries		–	–	–	–	57	57	(28)	29
<b>At 31 December 2024</b>		<b>66,135</b>	<b>(183)</b>	<b>(15,234)</b>	<b>(3,322)</b>	<b>164,502</b>	<b>211,898</b>	<b>(2,034)</b>	<b>209,864</b>
<b>(Audited)</b>									
<b>At 1 January 2023</b>	N13	<b>66,135</b>	<b>(173)</b>	<b>(15,234)</b>	<b>(3,322)</b>	<b>177,663</b>	<b>225,069</b>	<b>(3,270)</b>	<b>221,799</b>
Loss for the year, representing total comprehensive income for the year		–	–	–	–	(8,144)	(8,144)	(68)	(8,212)
<b>At 31 December 2023</b>		<b>66,135</b>	<b>(173)</b>	<b>(15,234)</b>	<b>(3,322)</b>	<b>169,519</b>	<b>216,925</b>	<b>(3,338)</b>	<b>213,587</b>

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

**Company**

	Note	Share capital RM'000	Treasury shares RM'000	(Accumulated losses)/ retained earnings RM'000	Total RM'000
<b>At 1 January 2024</b>	N13	<b>66,135</b>	<b>(173)</b>	<b>(1,154)</b>	<b>64,808</b>
Loss for the year, representing total comprehensive loss for the year		–	–	(1,290)	(1,290)
Purchase of treasury shares		–	(10)	–	(10)
<b>At 31 December 2024</b>		<b>66,135</b>	<b>(183)</b>	<b>(2,444)</b>	<b>63,508</b>
<b>(Audited)</b>					
<b>At 1 January 2023</b>	N13	<b>66,135</b>	<b>(173)</b>	<b>(2,129)</b>	<b>63,833</b>
Profit for the year, representing total comprehensive income for the year		–	–	975	975
<b>At 31 December 2023</b>		<b>66,135</b>	<b>(173)</b>	<b>(1,154)</b>	<b>64,808</b>

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group 12 months ended	
		31 December 2024 RM'000	31 December 2023 RM'000
<b>Operating activities</b>			
Loss before tax		(3,008)	(10,927)
<u>Adjustments for:</u>			
Loss on disposal of property, plant and equipment	N6.1	671	50
Gain on disposal of short-term investment security	N6.1	(76)	(49)
Interest income from short-term deposits		(1,096)	(1,349)
Distributions from short-term investment security		(104)	(97)
Interest expense	N6.1	2,071	2,522
Depreciation on right-of-use assets	N6.1	2,803	2,899
Adjustment on right-of-use assets		(228)	(204)
Amortisation of trademarks	N10	50	51
Depreciation of property, plant and equipment	N6.1	11,694	12,719
Property, plant and equipment written-off	N6.1	340	43
Allowance for deposits paid	N6.1	–	152
Trade bad debts written off	N6.1	25	–
Non-trade bad debts written off	N6.1	–	26
Allowance for slow moving inventories	N6.1	2,003	1,327
Unrealised exchange (gain)/loss		(3,458)	1,012
		<b>11,687</b>	<b>8,175</b>
<b>Operating profit before working capital changes</b>			
<u>Changes in working capital:</u>			
(Increase)/decrease in inventories		(8,912)	37,674
Increase in trade and other receivables		(6,160)	(1,862)
(Increase)/decrease in prepaid operating expense		(299)	142
(Decrease)/increase in trade and other payables		(16,726)	1,672
Increase/(decrease) in contract liabilities		–	(942)
Increase in accrued operating expenses		162	352
		<b>(20,248)</b>	<b>45,211</b>
<b>Cash flows (used in)/generated from operations</b>			
Net income taxes (paid)/refund		(168)	3,104
		<b>(20,416)</b>	<b>48,315</b>
<b>Net cash flows (used in)/generated from operating activities</b>			
<b>Investing activities</b>			
Interest income from short term deposits		1,096	1,349
Distributions from short-term investment security		104	97
Proceeds from disposal of short-term investment security		15,680	15,293
Placement of short-term investment security		(15,603)	(15,244)
Restricted bank deposit		(1,000)	–
Acquisition of subsidiaries, net of cash acquired	N2.2	(6,013)	–
Acquisition of trademark		(2)	–
Purchase of property, plant and equipment	A	(8,316)	(2,191)
Proceeds from disposal of property, plant and equipment		154	234
		<b>(13,900)</b>	<b>(462)</b>
<b>Net cash flows used in investing activities</b>			

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

	Note	Group	
		12 months ended	
		31 December 2024 RM'000	31 December 2023 RM'000
<b>Financing activities</b>			
Proceeds from loans and borrowings		50,272	23,010
Repayment under financing arrangements		(697)	(645)
Repayment of loans and borrowings		(48,030)	(36,845)
Principal repayment of lease liabilities		(2,288)	(2,414)
Interest paid		(2,071)	(2,522)
Purchase of treasury shares		(10)	-
<b>Net cash flows used in financing activities</b>		<b>(2,824)</b>	<b>(19,416)</b>
Net (decrease)/increase in cash and cash equivalents		(37,140)	28,437
Effect of exchange rate changes on cash and cash equivalent		514	16
Cash and cash equivalents at beginning of year		54,215	25,762
<b>Cash and cash equivalents at end of year</b>	<b>B</b>	<b>17,589</b>	<b>54,215</b>

**Notes to the consolidated statement of cash flows**

**A. Property, plant and equipment**

	Group	
	12 months ended	
	31 December 2024 RM'000	31 December 2023 RM'000
Current year additions to property, plant and equipment	8,646	2,417
Less: Obligation under financing arrangements	(330)	(226)
<b>Net cash outflow from purchase of property, plant and equipment</b>	<b>8,316</b>	<b>2,191</b>

**B. Cash and cash equivalents**

	Group	
	12 months ended	
	31 December 2024 RM'000	31 December 2023 RM'000
Cash and cash equivalents at the end of the financial year comprises:		
Cash and bank balances	17,589	54,215
Deposit with bank	1,000	-
	18,589	54,215
Less: Deposit with bank with restricted use	(1,000)	-
	<b>17,589</b>	<b>54,215</b>

## **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 31 December 2024 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 31 December 2024 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 year ended 31 December 2023.

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 2023.

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:

- Provisional price allocation

In August 2024, the Group acquired 51% interest in LY Unity Sdn Bhd. The Group performed a provisional price allocation exercise for the acquisition as follows:

	<b>RM'000</b>
Cash consideration	6,012
Contingent consideration	1,000
	<hr/>
	7,012
Fair value of net liabilities acquired	29
Provisional goodwill	<hr/>
	7,041

- 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 31 December 2024 were approximately RM9,652,000, RM139,663,000 and RM21,971,000 respectively (31 December 2023: RM2,639,000, RM143,875,000 and RM22,743,000 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 owing by subsidiaries as at 31 December 2024 were approximately RM54,247,000 and RM9,014,000 respectively (31 December 2023: RM47,612,000 and RM13,600,000 respectively). An impairment loss of RM378,000 was recognised for an investment in a subsidiary as at 31 December 2024 (31 December 2023: RM857,000).

**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, 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**

	<b>Furniture</b>	<b>Millwork</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>1 January 2024 to 31 December 2024</b>			
<b>Total segment revenue</b>			
Revenue	142,928	79,444	222,372
<b>Results</b>			
Segment loss	(1,960)	(1,043)	(3,003)
Interest income from short-term deposits			1,096
Distributions from short-term investment security			104
Other income			6,277
Finance cost			(2,071)
Unallocated expenses			(5,411)
Loss before tax			(3,008)
Income tax expense			(734)
Loss net of tax			(3,742)
<b>Other segment information</b>			
Depreciation and amortisation	11,621	2,926	14,547
Additions of non-current assets	7,154	1,063	8,217
Unallocated assets			429
Total additions of non-current assets			8,646
Non-cash (income)/expense other than depreciation	(2,631)	1,539	(1,092)
Unallocated expense			2
Total non-cash income other than depreciation			(1,090)

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

**N4.1. Reportable segments (cont'd)**

	<b>Furniture</b>	<b>Millwork</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>1 July 2024 to 31 December 2024</b>			
<b>Total segment revenue</b>			
Revenue	70,485	42,143	112,628
<b>Results</b>			
Segment (loss)/profit	(6,419)	507	(5,912)
Interest income from short-term deposits			368
Distributions from short-term investment security			–
Other income			1,088
Finance cost			(1,027)
Unallocated expenses			(2,824)
Loss before tax			(8,307)
Income tax expense			(728)
Loss net of tax			(9,035)
<b>Other segment information</b>			
Depreciation and amortisation	5,984	1,480	7,464
Additions of non-current assets	5,471	241	5,712
Unallocated assets			376
Total additions of non-current assets			6,088
Non-cash (income)/expense other than depreciation	(845)	(220)	(1,065)
Unallocated income			1
Total non-cash income other than depreciation			(1,064)

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

**N4.1. Reportable segments (cont'd)**

	<b>Furniture</b>	<b>Millwork</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>1 January 2023 to 31 December 2023</b>			
<b>Total segment revenue</b>			
Revenue	140,344	58,518	198,862
<b>Results</b>			
Segment loss	(7,990)	(1,724)	(9,714)
Interest income from short-term deposits			1,349
Distributions from short-term investment security			97
Other income			4,746
Finance cost			(2,522)
Unallocated expenses			(4,883)
Loss before tax			(10,927)
Income tax expense			2,715
Loss net of tax			(8,212)
<b>Other segment information</b>			
Depreciation and amortisation	12,964	2,705	15,669
Additions of non-current assets	1,258	914	2,172
Unallocated assets			245
Total additions of non-current assets			2,417
Non-cash expense other than depreciation	2,271	289	2,560
Unallocated income			(2)
Total non-cash expense other than depreciation			2,558

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

**N4.1. Reportable segments (cont'd)**

	<b>Furniture</b>	<b>Millwork</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>1 July 2023 to 31 December 2023</b>			
<b>Total segment revenue</b>			
Revenue	70,972	40,980	111,952
<b>Results</b>			
Segment (loss)/profit	(2,910)	2,388	(522)
Interest income from short-term deposits			947
Distributions from short-term investment security			65
Other income			2,580
Finance cost			(1,206)
Unallocated expenses			(2,913)
Loss before tax			(1,049)
Income tax credit			2,720
Loss net of tax			(1,671)
<b>Other segment information</b>			
Depreciation and amortisation	6,565	1,429	7,994
Additions of non-current assets	581	670	1,251
Unallocated assets			-
Total additions of non-current assets			1,251
Non-cash expense other than depreciation	1,280	365	1,645
Unallocated expense			2
Total non-cash expense other than depreciation			1,647

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

**N4.1. Reportable segments (cont'd)**

	<u>Furniture</u>	<u>Millwork</u>	<u>Total</u>
	RM'000	RM'000	RM'000
<b>As at 31 December 2024</b>			
<b>Assets</b>			
Segment assets	194,171	79,723	273,894
Unallocated assets			4,476
<b>Total assets</b>			<u>278,370</u>
<b>Liabilities</b>			
Segment liabilities	39,373	12,043	51,416
Unallocated liabilities			17,119
<b>Total liabilities</b>			<u>68,535</u>
 <b>As at 31 December 2023</b>			
<b>Assets</b>			
Segment assets	216,815	73,564	290,379
Unallocated assets			7,429
<b>Total assets</b>			<u>297,808</u>
<b>Liabilities</b>			
Segment liabilities	62,709	5,365	68,074
Unallocated liabilities			16,147
<b>Total liabilities</b>			<u>84,221</u>

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

**N4.2 Disaggregation of revenue**

	<b>12 months ended 31 December 2024</b>		
	<b>Furniture RM'000</b>	<b>Millwork RM'000</b>	<b>Total RM'000</b>
<b>Primary geographical markets</b>			
United States of America	95,490	19,585	115,075
Malaysia	43,170	907	44,077
United Arab Emirates	2,813	–	2,813
Hong Kong	–	58,952	58,952
Others	1,455	–	1,455
	<b>142,928</b>	<b>79,444</b>	<b>222,372</b>
<b>Major product or service lines</b>			
- Sale of goods	139,572	79,444	219,016
- Others	3,356	–	3,356
	<b>142,928</b>	<b>79,444</b>	<b>222,372</b>
<b>Timing of transfer of goods or services</b>			
At that point in time	133,202	79,444	212,646
Over time	9,726	–	9,726
	<b>142,928</b>	<b>79,444</b>	<b>222,372</b>
	<b>6 months ended 31 December 2024</b>		
	<b>Furniture RM'000</b>	<b>Millwork RM'000</b>	<b>Total RM'000</b>
<b>Primary geographical markets</b>			
United States of America	47,507	12,263	59,770
Malaysia	21,800	907	22,707
United Arab Emirates	813	–	813
Hong Kong	–	28,973	28,973
Others	365	–	365
	<b>70,485</b>	<b>42,143</b>	<b>112,628</b>
<b>Major product or service lines</b>			
- Sale of goods	68,218	42,143	110,361
- Others	2,267	–	2,267
	<b>70,485</b>	<b>42,143</b>	<b>112,628</b>
<b>Timing of transfer of goods or services</b>			
At that point in time	60,759	42,143	102,902
Over time	9,726	–	9,726
	<b>70,485</b>	<b>42,143</b>	<b>112,628</b>

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

**N4.2 Disaggregation of revenue (cont'd)**

	<b>12 months ended 31 December 2023</b>		
	<b>Furniture RM'000</b>	<b>Millwork RM'000</b>	<b>Total RM'000</b>
<b>Primary geographical markets</b>			
United States of America	96,192	22,000	118,192
Malaysia	31,869	463	32,332
Republic of China	2,705	–	2,705
United Arab Emirates	2,422	–	2,422
Hong Kong	1	34,808	34,809
Japan	2,944	–	2,944
Others	4,211	1,247	5,458
	<b>140,344</b>	<b>58,518</b>	<b>198,862</b>
<b>Major product or service lines</b>			
- Sale of goods	139,437	58,518	197,955
- Others	907	–	907
	<b>140,344</b>	<b>58,518</b>	<b>198,862</b>
<b>Timing of transfer of goods or services</b>			
At that point in time	140,344	58,518	198,862
	<b>140,344</b>	<b>58,518</b>	<b>198,862</b>
	<b>6 months ended 31 December 2023</b>		
	<b>Furniture RM'000</b>	<b>Millwork RM'000</b>	<b>Total RM'000</b>
<b>Primary geographical markets</b>			
United States of America	50,649	15,001	65,650
Malaysia	16,474	320	16,794
Republic of China	1,307	–	1,307
United Arab Emirates	760	–	760
Hong Kong	–	25,133	25,133
Japan	1,087	–	1,087
Others	695	714	1,409
	<b>70,972</b>	<b>41,168</b>	<b>112,140</b>
<b>Major product or service lines</b>			
- Sale of goods	70,340	41,168	111,508
- Others	632	–	632
	<b>70,972</b>	<b>41,168</b>	<b>112,140</b>

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)**

**N4.2 Disaggregation of revenue (cont'd)**

A breakdown of sales as follows:

	<b>Group FY2024 RM'000</b>	<b>Group FY2023 RM'000</b>	<b>Increase/ (decrease) %</b>
a) Sales reported for first half year	109,744	86,722	26.5
b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half	5,293	(9,883)	(153.6)
c) Sales reported for second half year	112,628	112,140	0.4
d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(9,035)	1,671	(640.7)

**N5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 31 December 2023:

	<b>Group</b>	
	<b>31 December 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>Financial assets</b>		
<b>At amortised cost</b>		
Trade and other receivables	27,588	19,892
Cash and cash equivalents	18,589	54,215
	<hr/> 46,177	<hr/> 74,107
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Trade and other payables	20,872	36,664
Accrued operating expenses	1,275	1,113
Loans and borrowings	26,794	26,234
Lease liabilities	5,121	5,606
	<hr/> 54,062	<hr/> 69,617
Total undiscounted financial (liabilities)/assets, net	<hr/> (7,885)	<hr/> 4,490

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

**N5. Financial assets and financial liabilities (cont'd)**

	<b>Company</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>		
Trade and other receivables	8	7
Cash and cash equivalents	1,851	4,290
Amount due from subsidiaries	9,014	13,600
	10,873	17,897
<b>Financial liabilities</b>		
Trade and other payables	1,000	–
Accrued expenses	637	762
	1,637	762
Total undiscounted financial assets, net	9,236	17,135

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

**N6. Loss before taxation**

**N6.1 Significant items**

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

	Group 6 months ended		Group 12 months ended	
	31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
<b>Income</b>				
Rental income	593	863	1,640	1,570
Gain on disposal of short-term investment	–	39	76	49
Reversal of allowance for slow moving inventories	175	–	–	–
Net foreign exchange gain	–	–	1,831	–
<b>Expenses</b>				
Finance expenses:				
- financing arrangements	(47)	(63)	(100)	(137)
- bank loans	(803)	(1,024)	(1,667)	(2,100)
- lease liabilities	(177)	(119)	(304)	(285)
	(1,027)	(1,206)	(2,071)	(2,522)
Depreciation expenses:				
- property, plant and equipment	(5,910)	(6,714)	(11,694)	(12,719)
- rights-of-use assets	(1,529)	(1,254)	(2,803)	(2,899)
	(7,439)	(7,968)	(14,497)	(15,618)
Amortisation of trademarks	(25)	(26)	(50)	(51)
Allowance for slow moving inventories	–	(1,355)	(2,003)	(1,327)
Inventories written off	(1,493)	(31)	(2,388)	(689)
Property plant and equipment written-off	(321)	(14)	(340)	(43)
Loss on disposal of property, plant and equipment	(265)	(40)	(671)	(50)
Net foreign exchange loss	(392)	(656)	–	(1,006)
Allowance for deposits paid	–	(152)	–	(152)
Non-trade bad debts written off	–	(26)	–	(26)
Trade bad debts written off	(23)	–	(25)	–

**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:

	<b>Group</b>			
	<b>6 months ended 31 December 2024 RM'000</b>	<b>6 months ended 31 December 2023 RM'000</b>	<b>12 months ended 31 December 2024 RM'000</b>	<b>12 months ended 31 December 2023 RM'000</b>
<b>Director-related companies:</b>				
Rental received	–	113	–	190
Rental paid	(276)	(150)	(526)	(300)
Purchase of property, plant and equipment	–	–	(16)	–
Sub-contractor costs, net	(2,592)	(3,827)	(6,178)	(6,607)
Rental paid to a director of the Company	(16)	(15)	(31)	(29)

**N7. Taxation**

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:

	<b>6 months ended 31 December 2024 RM'000</b>	<b>6 months ended 31 December 2023 RM'000</b>	<b>12 months ended 31 December 2024 RM'000</b>	<b>12 months ended 31 December 2023 RM'000</b>
Current income tax				
- Current income taxation	941	332	942	332
- Over provision in respect of previous years	(125)	(285)	(125)	(280)
- Under provision in respect of previous years	8	–	8	–
- Withholding tax expense	36	48	41	48
Deferred income tax				
- Origination and reversal of temporary difference	(454)	(1,056)	(454)	(1,056)
-(Over)/under provision in respect of previous years	322	(1,759)	322	(1,759)
Income tax expense/(credit) recognised in profit or loss	728	(2,720)	734	(2,715)

**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.

**N8.1 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

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 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Net asset value ("NAV") (RM'000)	209,864	213,587	63,508	64,808
Number of ordinary shares in issue ( '000)	488,812	488,834	488,812	488,834
NAV per ordinary share (RM)	0.43	0.44	0.13	0.13

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

**N10. Intangible assets**

<b>Group</b>	<b>Goodwill RM'000</b>	<b>Trademarks RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 31 December 2023 and 1 January 2024	2,639	432	3,071
Addition	7,042	2	7,044
At 31 December 2024	9,681	434	10,115
<b>Accumulated amortisation</b>			
At 1 January 2023	–	199	199
Amortisation	–	51	51
At 31 December 2023 and 1 January 2024	–	250	250
Amortisation	–	50	50
At 31 December 2024	–	300	300
<b>Net carrying amount</b>			
At 31 December 2023	2,639	182	2,821
At 31 December 2024	9,681	134	9,815

**N11. Property, plant and equipment**

During the year, the Group acquired assets amounting to RM8,646,000 (31 December 2023: RM2,191,000), disposed of assets at net book value of RM825,000 (31 December 2023: RM284,000).

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

**N12. Loans and borrowings**

	<b>Group</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current:</b>		
Bankers' acceptances	12,692	1,786
Financing arrangements	756	680
Term loan	12,628	14,227
	26,076	16,693
<b>Non-current:</b>		
Financing arrangements	718	1,161
Term loan	–	8,380
	718	9,541
Total loans and borrowings	26,794	26,234

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. 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.

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

	<b>Group</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current:</b>		
United States Dollar	11,251	12,910
<b>Non-current:</b>		
United States Dollar	–	7,003

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

**N13. Share capital**

	31 December 2024		31 December 2023	
	No. of shares	RM'000	No. of shares	RM'000
<b>Issued and fully paid ordinary shares</b>				
At 1 January and 31 December	489,144,200	66,135	489,144,200	66,135
<hr/>				
<b>Treasury shares</b>				
At 1 January	310,400	173	310,400	173
Shares buy-back held as treasury shares	34,600	10	–	–
At 31 December	345,000	183	310,400	173
<hr/>				
<b>Issued and fully paid ordinary shares excluding treasury shares</b>	<b>488,799,200</b>	<b>65,952</b>	<b>488,833,800</b>	<b>65,962</b>
<hr/>				

The Company did not have any outstanding convertibles as at 31 December 2024 and 31 December 2023.

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.

No provision has been made for the above contingent liability in the financial year reported on.

**N15. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.



## 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 31 December 2024		As at 31 December 2023	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
26,076	–	16,693	–

### Amount repayable by the Group after one year

As at 31 December 2024		As at 31 December 2023	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
718	–	9,541	–

### 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 31 December 2024 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)/earnings 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		Group 12 months ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
(Loss)/profit attributable to owners of the Company (RM'000)	(10,115)	1,477	(5,074)	(8,144)
Weighted average number of ordinary shares ('000)	488,799	488,834	488,812	488,834
Basic and diluted (loss)/earnings per share <sup>(1)</sup> (sen)	(2.07)	0.30	(1.04)	(1.67)

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 31 December 2024 and 31 December 2023.

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 31 December 2024 ("2H2024") as compared to the 6 months ended 31 December 2023 ("2H2023")***

Revenue

The Group's revenue increased by approximately RM0.5 million, or 0.4% mainly due to the revenue contributed from the new subsidiaries acquired on 1 August 2024 of approximately RM9.7 million in 2H2024.

Excluding the above revenue contributed from the new subsidiaries, the Group's revenue decreased by approximately RM9.2 million or 8.2%. This was mainly attributable to the decrease in the average selling price per 40-ft container which decreased from RM89,000 in 2H2023 to RM83,000 in 2H2024 as a result of lower exchange rate for USD in 2H2024 as compared to 2H2023 whereby the selling price are primarily denominated in USD. As a reference, the closing exchange rate of US\$1 against the Malaysian Ringgit was RM4.5925 as at 31 December 2023 and depreciated to RM4.46507 as at 31 December 2024.\* The number of 40-ft containers sold also decreased from 1,260 40-ft containers in 2H2023 to 1,210 40-ft containers in 2H2024.

Note: \* Source: [www.oanda.com](http://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 RM3.8 million, or 3.7%, mainly due to cost of sales incurred by the new subsidiaries of approximately RM4.9 million and increase in inventories written off of approximately RM1.5 million in 2H2024 as the Group discontinued some of its product models. However, the increase was partially offset by a decrease in material used (due to different product mix) and decrease in labour cost of the existing business in line with decrease in revenue of the existing business.

The Group's gross profit decreased by approximately RM3.3 million, or 41.6%. As a result of the decrease in revenue and a higher cost of sales, the Group recorded a lower gross profit margin of 4.2% in 2H2024 compared to 7.1% in 2H2023.

Interest income

Interest income decreased by approximately RM0.6 million, or 61.1%, mainly due to lower cash placements in short term fixed deposits in the bank account maintained in Malaysia in 2H2024.

Distributions from short-term investment security

Distributions from short-term investment security comprised income received for funds placed with Money Market Funds during 2H2023.

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 RM1.3 million, or 54.5%, mainly due to net foreign exchange loss of RM0.4 million in 2H2024 as the Group incurred foreign exchange loss from USD cash and cash equivalents, trade and other receivables, USD loans as well as trade and other payables and decrease in charge back to tenants. However, this was partially offset by increase in government rebates.

#### Selling and administrative expenses

Selling and administrative expenses increased by approximately RM2.3 million, or 21.5%, mainly due to the increase in professional fee and expenses incurred by new subsidiaries of approximately RM3.3 million in 2H2024. However, the increase was partially offset by the decrease in depreciation expenses and provision for bonus.

#### Depreciation expenses

Depreciation expenses decreased by approximately RM0.5 million, or 6.6% mainly due to the decrease in depreciation expenses for office computer equipment and computer software as some of these assets were fully depreciated with a higher rate of depreciation (from 10% to 20%) on such assets with effect from the third quarter of FY2023.

#### Finance costs

Finance costs decreased by approximately RM0.2 million, or 14.9% mainly due to decrease in term loans balances. However, the decrease was partially offset by an increase in bankers' acceptances' charges in 2H2024.

#### Other expense

Other expense decreased by approximately RM0.1 million, or 16.4% mainly due to the decrease in net foreign exchange loss from RM0.7 million in 2H2023 to RM0.4 million in 2H2024. However, the decrease was partially offset by an increase in loss on disposal of property, plant and equipment as well as property, plant and equipment written off in 2H2024.

#### Income tax (expense)/credit

The Group incurred income tax expense of approximately 0.7 million in 2H2024 compared to income tax credit of approximately of RM2.7 million in 2H2023. This was due to the provision of current income tax in 2H2024 and underprovision of deferred tax in respect of previous years. As a result, income tax expense for 2H2024 increased by RM3.4 million, or 126.8%.

#### 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 RM9.0 million in 2H2024 as compared to a net profit of RM1.7 million in 2H2023.

### ***Review of Group's performance for FY2024 as compared to FY2023***

#### Revenue

The Group's revenue increased by approximately RM23.5 million, or 11.8% partly due to the finalisation of a variation claim with a customer in FY2024. 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.

Excluding the above variation claim, the Group's revenue increased by approximately RM13.0 million, or 6.6%. This was mainly attributable to the slightly increase in the average selling price per 40-ft container which increased from RM84,760 in FY2023 to RM85,200 in FY2024. The

increase was also due to contribution from the new subsidiaries of approximately RM9.7 million in FY2024.

However, the increase was partially offset by a decrease in the number of 40-ft containers sold which decreased from 2,346 40-ft containers in FY2023 to 2,333 40-ft containers in FY2024.

#### Cost of sales and gross profit

Cost of sales increased by approximately RM13.8 million, or 7.2%, mainly due to the increase in labour cost, subcontractors' cost and freight and handling charges in line with increase in sales volume as well as increase in allowance for slow moving inventories as the Group discontinued some of its product models.

The increase also due to cost of sales incurred by the new subsidiaries of approximately RM4.9 million in FY2024.

As a result of the increase in sales, the Group's gross profit increased by approximately RM9.7 million or 159.5%. The Group's gross profit margin increased from 3.0% in FY2023 to 7.1% in FY2024.

#### Interest income

Interest income decreased by approximately RM0.3 million, or 18.8%, mainly due to lower cash placements in short term fixed deposits in the bank account maintained in Malaysia in FY2024.

#### Distributions from short-term investment security

Distributions from short-term investment security comprised income received for funds placed with Money Market Funds during FY2023.

#### Other income

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

Other income increased by approximately RM1.5 million, or 32.3%, mainly due to increase in government rebates as well as net foreign exchange gain.

The Group registered net foreign exchange gain of RM1.8 million in FY2024 as compared to net foreign exchange loss of RM1.0 million in FY2023 due to decrease in USD-denominated other payables as well as USD-denominated loans and borrowings.

#### Selling and administrative expenses

Selling and administrative expenses increased by approximately RM3.6 million, or 18.2%, mainly due to the increase in professional fees and upkeep expenses. The increased was also due to expenses incurred by new subsidiaries of approximately RM3.3 million in FY2024. However, this was partially offset by a decrease in depreciation expenses in FY2024.

#### Depreciation expenses

Depreciation expenses decreased by approximately RM1.1 million, or 7.2% mainly due to the decrease in depreciation expenses for office computer equipment and computer software as a result of the change in the depreciation rate in FY2023 whereby the rate increased from 10% to 20%. However, this was partially offset by depreciation expenses incurred by the new subsidiaries of approximately RM0.3 million in FY2024.

### Finance costs

Finance costs decreased by approximately RM0.5 million, or 17.9% mainly due to decrease in term loans balances. However, the decrease was partially offset by an increase in bankers' acceptances' charges in FY2024.

### Other expense

Other expense decreased by approximately RM82,000, or 7.5% mainly due to the Group incurred net foreign exchange loss of RM1.0 million in FY2023 as compared to net foreign exchange gain of RM1.8 million in FY2024 as explained above. However, the decrease was partially offset by an increase in loss on disposal of property, plant and equipment as well as property, plant and equipment written off in FY2024.

### Income tax (expense)/credit

The Group incurred income tax expense of approximately 0.7 million in FY2024 compared to income tax credit of approximately of RM2.7 million in FY2023. This was due to the provision of current income tax in 2H2024 and underprovision of deferred tax in respect of previous years. As a result, income tax expense for 2H2024 increased by RM3.4 million, or 127.0%.

### Loss for the year

As a result of a higher costs and expenses though there was an increase in revenue, the Group recorded a lower net loss in FY2024 of approximately RM3.7 million as compared to FY2023.

### Review of changes in turnover and earnings by business and geographical segments

#### (a) By Business Segment

The Group's revenue increased by approximately RM23.5 million in FY2024 as compared to FY2023 mainly due to the increase in the Millwork segment.

The Group recorded loss before interest and tax of RM2.0 million in FY2024 and RM9.8 million in FY2023 mainly due to the loss recorded from both the Furniture and Millwork segments.

#### (b) By Geographical Segment

The Group recorded higher sales to Malaysia and Hong Kong. However, this was partially offset by a decrease in sales to United States of America, Republic of China, Japan and Korea.

## **CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

### ***Review of the Group's financial position as at 31 December 2024 as compared to 31 December 2023***

#### Non-current assets

Property, plant and equipment decreased by approximately RM4.2 million, or 2.9%, mainly due to depreciation charged in FY2024. However, this was partially offset by assets acquired in FY2024 amounting to RM8.6 million.

Right-of-use assets of approximately RM22.0 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 RM0.8 million, or 3.4%, mainly due to amortisation charged in FY2024 and derecognition of extension options for 3 leases as the Group has no intention to exercise the option to renew, which was previously recognised as lease liabilities. However, the decrease was partially offset by a new tenancy agreement entered in FY2024 as well as right-of-use assets recorded by new subsidiaries of approximately RM1.0 million in FY2024.

Intangible assets of approximately RM9.8 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 increased by approximately RM6.9 million, or 13.9%, mainly due to increase in purchase of raw materials in FY2024 to fulfil future orders.

Trade and other receivables of approximately RM27.6 million comprised trade receivables, deposits and other receivables. The increase in trade and other receivables by approximately RM7.7 million, or 38.7% was mainly due to increase in trade receivables in line with higher sales towards the financial year ended 31 December 2024. The increase also due to trade and other receivables of approximately RM2.9 million recorded by new subsidiaries as at 31 December 2024.

Prepaid operating expense of approximately RM2.4 million comprised mainly expenses paid in advance as at 31 December 2024.

Tax recoverable, being prepaid current income tax of approximately RM1.5 million comprised tax paid in advance by the Malaysian subsidiaries for the Year of Assessment 2020, 2021, 2022, 2023 and 2024.

#### Current liabilities and non-current liabilities

Loans and borrowings comprised bankers' acceptance, financing arrangements and long-term loans. The increase in loans and borrowings by approximately RM0.6 million, or 2.1% was mainly due to the net increase in the usage of bankers' acceptances of approximately RM10.9 million. However, the increase was offset by the scheduled repayment of loans and borrowings.

Trade and other payables of approximately RM20.9 million comprised trade payables and other payables. The decrease in trade and other payables of RM15.8 million, or 43.1%, was mainly due to the decrease in credit purchase of raw materials and decrease in other payables due to the finalisation of the variation claim with a customer in FY2024.

Lease liabilities of approximately RM5.1 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 RM0.5 million, or 8.6%, was mainly due to repayment of lease liabilities during the year and derecognition of extension options for 3 leases as the Group has no intention to exercise the option to renew, which was previously recognised as lease liabilities. However, the decrease was partially offset by a new tenancy agreement entered in FY2024 as well as lease liabilities recorded by new subsidiaries of approximately RM1.0 million in FY2024.

Accrued operating expenses of approximately RM1.3 million comprised accrued operating expenses.

#### Non-controlling interest

Non-controlling interest decreased due to profit contributed by LY Unity Sdn Bhd which is a 51%-owned subsidiary of the Group acquired in August 2024.

### **CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS** ***Review of the Group's cash flow statement for FY2024***

The Group recorded net cash flows used in operating activities of approximately RM20.4 million in FY2024 as the Group increase its purchases of raw materials and had a higher level of inventories as at 31 December 2024 as explained above.



The Group recorded net cash flows used in investing activities of approximately RM13.9 million in FY2024 mainly due to acquisition of subsidiaries and purchase of property, plant and equipment.

The Group recorded net cash flows used in financing activities of approximately RM2.8 million mainly due to the repayment of loans and borrowings in FY2024. However, it was partially offset by the proceed from loans and borrowings in FY2024.

**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. Therefore, changes to the current policies such as trade tariffs, immigration controls, regulatory easing and tax cuts are expected. It is clear that Trump's intention to raise tariffs on imported goods would likely have an inflationary impact in the US in the short term.

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

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) Effective from 1 February 2025, the minimum wage has increased from RM1,500 per month to RM1,700 per month in Malaysia. This is expected to result in an increase in our Group's labour costs. Similarly, the cost of production and delivery for our supply chain will also continue to increase. The result will be higher cost of production to the Group and therefore reduced profit margins unless such costs can be passed on to our customers which is still uncertain at this point.

**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/recommendeded for FY2024 as the Group would prefer to conserve the cash for any unforeseen circumstances and to reinvest back into its businesses.

In addition, the Company has also used up its cash for the acquisition of 510,000 ordinary shares, representing 51% equity interest in LY Unity Sdn Bhd which was announced on 23 July 2024. 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.

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 2024. Please refer to the Company's appendix to the annual report dated 8 April 2024 for further details.

The aggregate value of all interested person transactions during the FY2024 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)	- <sup>(4)</sup>	42,906
Leatherworld Upholstery Sdn Bhd	(2)	- <sup>(4)</sup>	2,784
Lian Yu Asset Management Sdn Bhd	(3)	849	-
Lian Yu Furniture Industries Sdn Bhd	(3)	1,364	-

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) *Lian Yu Asset Management Sdn Bhd and Lian Yu Furniture Industries Sdn Bhd are wholly-owned subsidiaries of LYFC which is owned by Tan Kwee Chai and his associates.*
- (4) *Excludes transactions which are less than S\$100,000.*

14. **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.

15. **Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A.**

On 1 August 2024, the Company completed the acquisition of 510,000 ordinary shares, representing 51% equity interest in LY Unity Sdn Bhd for RM7,012,500. The consideration was arrived at on a willing-buyer willing-seller basis and on arm's length commercial terms, taking into account the total profit guarantee of RM5 million over two (2) years' period provided by the vendors, the viability of the business and the future prospects of LY Unity Sdn Bhd. LY Unity Sdn Bhd had a provisional net liabilities as at the date of acquisition.

16. **A breakdown of sales as follows:**

Please refer to N4.2.

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Please refer to N8.1.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any directors and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Mr Tan Kwee Lim	66	Brother of Mr Tan Kwee Chai, uncle of Ms Tan Ai Luang and Mr Tan Yong Chuan	Chief Operating Officer Year: 2012	Nil
Mr Boo Ngek Hee	64	Uncle of Ms Tan Ai Luang	Chief Quality Controller Year: 2012	Nil
Mr Tan Yong Siang	35	Son of Mr Tan Kwee Chai, brother of Mr Tan Yong Chuan, cousin of Ms Tan Ai Luang and nephew of Mr Tan Kwee Lim	Director of LY Furniture Sdn Bhd Year: 2017	Nil

**BY ORDER OF THE BOARD**

Tan Yong Chuan  
Executive Director and Chief Executive Officer  
1 March 2025