



**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 2026**

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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<br>6 months ended   |                                         |                              |
|---------------------------------------------------------------------------------------------------------------------|------|---------------------------|-----------------------------------------|------------------------------|
|                                                                                                                     | Note | 30 June<br>2026<br>RM'000 | 30 June<br>2025<br>RM'000<br>(Restated) | Increase/<br>(decrease)<br>% |
| Revenue                                                                                                             |      | 78,409                    | 102,195                                 | (23.3)                       |
| Cost of sales                                                                                                       |      | (76,609)                  | (104,034)                               | (26.4)                       |
| <b>Gross profit/(loss)</b>                                                                                          |      | <b>1,800</b>              | <b>(1,839)</b>                          | <b>(197.9)</b>               |
| <b>Other losses – net</b>                                                                                           |      | <b>(808)</b>              | <b>(735)</b>                            | <b>9.9</b>                   |
| <b>Other items of income</b>                                                                                        |      |                           |                                         |                              |
| - Interest income from short-term deposits                                                                          |      | 68                        | 214                                     | (68.2)                       |
| - Other income                                                                                                      |      | 1,321                     | 1,832                                   | (27.9)                       |
|                                                                                                                     |      | 1,389                     | 2,046                                   | (32.1)                       |
| <b>Other items of expense</b>                                                                                       |      |                           |                                         |                              |
| - Selling and administrative                                                                                        |      | (13,920)                  | (14,080)                                | (1.1)                        |
| - Finance                                                                                                           |      | (425)                     | (743)                                   | (42.8)                       |
| <b>Loss before tax</b>                                                                                              | N6   | <b>(11,964)</b>           | <b>(15,351)</b>                         | <b>(22.1)</b>                |
| Income tax expense                                                                                                  | N7   | (244)                     | (181)                                   | 34.8                         |
| <b>Loss for the period, representing total comprehensive loss for the period</b>                                    |      | <b>(12,208)</b>           | <b>(15,532)</b>                         | <b>(21.4)</b>                |
| <b>(Loss)/profit for the period, representing total comprehensive (loss)/income for the period attributable to:</b> |      |                           |                                         |                              |
| - Owners of the Company                                                                                             |      | (13,301)                  | (14,644)                                | (9.2)                        |
| - Non-controlling interest                                                                                          |      | 1,093                     | (888)                                   | (223.1)                      |
|                                                                                                                     |      | <b>(12,208)</b>           | <b>(15,532)</b>                         | <b>(21.4)</b>                |
| <b>Loss per share attributable to owners of the Company (sen per share)</b>                                         |      |                           |                                         |                              |
| - Basic and diluted                                                                                                 |      | (2.72)                    | (3.00)                                  |                              |

## B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|                                                     |      | Group<br>As at 30<br>June<br>2026<br>RM'000 | Group<br>As at 31<br>December<br>2025<br>RM'000 | Company<br>As at 30<br>June<br>2026<br>RM'000 | Company<br>As at 31<br>December<br>2025<br>RM'000 |
|-----------------------------------------------------|------|---------------------------------------------|-------------------------------------------------|-----------------------------------------------|---------------------------------------------------|
|                                                     | Note |                                             |                                                 |                                               |                                                   |
| <b>ASSETS</b>                                       |      |                                             |                                                 |                                               |                                                   |
| <b>Non-current assets</b>                           |      |                                             |                                                 |                                               |                                                   |
| Property, plant and equipment                       | N11  | 128,196                                     | 133,126                                         | —                                             | —                                                 |
| Right-of-use assets                                 |      | 18,451                                      | 19,044                                          | —                                             | —                                                 |
| Intangible assets                                   | N10  | 10,273                                      | 10,371                                          | —                                             | —                                                 |
| Investment in subsidiaries                          |      | —                                           | —                                               | 54,247                                        | 54,247                                            |
| Amount due from a subsidiary                        |      | —                                           | —                                               | 4,675                                         | 4,430                                             |
|                                                     |      | <b>156,920</b>                              | <b>162,541</b>                                  | <b>58,922</b>                                 | <b>58,677</b>                                     |
| <b>Current assets</b>                               |      |                                             |                                                 |                                               |                                                   |
| Inventories                                         |      | 32,160                                      | 34,901                                          | —                                             | —                                                 |
| Trade and other receivables                         |      | 14,375                                      | 15,617                                          | —                                             | 8                                                 |
| Amount due from subsidiaries                        |      | —                                           | —                                               | 4,342                                         | 4,342                                             |
| Prepaid operating expense                           |      | 1,404                                       | 2,049                                           | 35                                            | 15                                                |
| Tax recoverable                                     |      | 218                                         | 1,667                                           | —                                             | —                                                 |
| Deposit with bank                                   |      | 1,045                                       | 1,033                                           | 1,045                                         | 1,033                                             |
| Cash and cash equivalents                           |      | 7,951                                       | 13,212                                          | 160                                           | 376                                               |
|                                                     |      | <b>57,153</b>                               | <b>68,479</b>                                   | <b>5,582</b>                                  | <b>5,774</b>                                      |
| Assets classified as held for sale                  |      | —                                           | 130                                             | —                                             | —                                                 |
|                                                     |      | <b>57,153</b>                               | <b>68,609</b>                                   | <b>5,582</b>                                  | <b>5,774</b>                                      |
| <b>Total assets</b>                                 |      | <b>214,073</b>                              | <b>231,150</b>                                  | <b>64,504</b>                                 | <b>64,451</b>                                     |
| <b>LIABILITIES</b>                                  |      |                                             |                                                 |                                               |                                                   |
| <b>Current liabilities</b>                          |      |                                             |                                                 |                                               |                                                   |
| Loans and borrowings                                | N12  | 10,484                                      | 12,401                                          | —                                             | —                                                 |
| Trade and other payables                            |      | 14,940                                      | 14,814                                          | 1,045                                         | —                                                 |
| Amount due to subsidiaries                          |      | —                                           | —                                               | 5,015                                         | 3,600                                             |
| Contract liabilities                                |      | 524                                         | 1,059                                           | —                                             | —                                                 |
| Lease liabilities                                   |      | 1,048                                       | 1,528                                           | —                                             | —                                                 |
| Accrued operating expenses                          |      | 1,055                                       | 1,902                                           | 149                                           | 799                                               |
| Provision                                           | N13  | 471                                         | —                                               | —                                             | —                                                 |
|                                                     |      | <b>28,522</b>                               | <b>31,704</b>                                   | <b>6,209</b>                                  | <b>4,399</b>                                      |
| <b>Net current assets/(liabilities)</b>             |      | <b>28,631</b>                               | <b>36,905</b>                                   | <b>(627)</b>                                  | <b>1,375</b>                                      |
| <b>Non-current liabilities</b>                      |      |                                             |                                                 |                                               |                                                   |
| Trade and other payables                            |      | —                                           | 1,040                                           | —                                             | 1,040                                             |
| Loans and borrowings                                | N12  | 3,292                                       | 3,877                                           | —                                             | —                                                 |
| Deferred tax liabilities                            |      | 4,863                                       | 4,863                                           | —                                             | —                                                 |
| Lease liabilities                                   |      | 841                                         | 903                                             | —                                             | —                                                 |
|                                                     |      | <b>8,996</b>                                | <b>10,683</b>                                   | <b>—</b>                                      | <b>1,040</b>                                      |
| <b>Total liabilities</b>                            |      | <b>37,518</b>                               | <b>42,387</b>                                   | <b>6,209</b>                                  | <b>5,439</b>                                      |
| <b>Net assets</b>                                   |      | <b>176,555</b>                              | <b>188,763</b>                                  | <b>58,295</b>                                 | <b>59,012</b>                                     |
| <b>Equity attributable to owners of the Company</b> |      |                                             |                                                 |                                               |                                                   |
| Share capital                                       | N14  | 66,135                                      | 66,135                                          | 66,135                                        | 66,135                                            |
| Treasury shares                                     | N14  | (183)                                       | (183)                                           | (183)                                         | (183)                                             |
| Merger reserve                                      |      | (15,234)                                    | (15,234)                                        | —                                             | —                                                 |
| Other reserve                                       |      | (3,322)                                     | (3,322)                                         | —                                             | —                                                 |
| Retained earnings/(accumulated losses)              |      | 130,572                                     | 143,873                                         | (7,657)                                       | (6,940)                                           |
|                                                     |      | <b>177,968</b>                              | <b>191,269</b>                                  | <b>58,295</b>                                 | <b>59,012</b>                                     |
| Non-controlling interest                            |      | (1,413)                                     | (2,506)                                         | —                                             | —                                                 |
| <b>Total equity</b>                                 |      | <b>176,555</b>                              | <b>188,763</b>                                  | <b>58,295</b>                                 | <b>59,012</b>                                     |
| <b>Total equity and liabilities</b>                 |      | <b>214,073</b>                              | <b>231,150</b>                                  | <b>64,504</b>                                 | <b>64,451</b>                                     |

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

**Group**

|                                                                                             | Note | ← Attributable to owners of the Company → |                          |                          |                         |                             | Non-controlling interest<br>RM'000 | Total equity<br>RM'000 |
|---------------------------------------------------------------------------------------------|------|-------------------------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|------------------------------------|------------------------|
|                                                                                             |      | Share capital<br>RM'000                   | Treasury share<br>RM'000 | Merger reserve<br>RM'000 | Other reserve<br>RM'000 | Retained Earnings<br>RM'000 |                                    |                        |
| <b>At 1 January 2026</b>                                                                    | N14  | 66,135                                    | (183)                    | (15,234)                 | (3,322)                 | 143,873                     | 191,269                            | 188,763                |
| (Loss)/profit for the period, representing total comprehensive (loss)/income for the period |      | —                                         | —                        | —                        | —                       | (13,301)                    | 1,093                              | (12,208)               |
| <b>At 30 June 2026</b>                                                                      |      | 66,135                                    | (183)                    | (15,234)                 | (3,322)                 | 130,572                     | (1,413)                            | 176,555                |
| <b>At 1 January 2025</b>                                                                    | N14  | 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)                    | (841)                              | (15,437)               |
| - As previously reported                                                                    |      | —                                         | —                        | —                        | —                       | (48)                        | (47)                               | (95)                   |
| - Prior year adjustments                                                                    |      | —                                         | —                        | —                        | —                       | (48)                        | (47)                               | (95)                   |
| Loss for the period, representing total comprehensive loss for the period (as restated)     |      | —                                         | —                        | —                        | —                       | (14,644)                    | (888)                              | (15,532)               |
| <b>At 30 June 2025</b>                                                                      |      | 66,135                                    | (183)                    | (15,234)                 | (3,322)                 | 147,922                     | (3,713)                            | 191,605                |

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

**Company**

|                                                                                    | <b>Note</b> | <b>Share<br/>capital<br/>RM'000</b> | <b>Treasury<br/>shares<br/>RM'000</b> | <b>Accumulated<br/>losses<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------------------------------------------------------------------|-------------|-------------------------------------|---------------------------------------|------------------------------------------|-------------------------|
| <b>At 1 January 2026</b>                                                           | N14         | <b>66,135</b>                       | <b>(183)</b>                          | <b>(6,940)</b>                           | <b>59,012</b>           |
| Loss for the period,<br>representing total<br>comprehensive loss for the<br>period |             | —                                   | —                                     | (717)                                    | (717)                   |
| <b>At 30 June 2026</b>                                                             |             | <b>66,135</b>                       | <b>(183)</b>                          | <b>(7,657)</b>                           | <b>58,295</b>           |
| <b>At 1 January 2025</b>                                                           | N14         | <b>66,135</b>                       | <b>(183)</b>                          | <b>(2,444)</b>                           | <b>63,508</b>           |
| Loss for the period,<br>representing total<br>comprehensive loss for the<br>period |             | —                                   | —                                     | (968)                                    | (968)                   |
| <b>At 30 June 2025</b>                                                             |             | <b>66,135</b>                       | <b>(183)</b>                          | <b>(3,412)</b>                           | <b>62,540</b>           |

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

|                                                                     |             | <b>Group</b>          |                   |
|---------------------------------------------------------------------|-------------|-----------------------|-------------------|
|                                                                     |             | <b>6 months ended</b> |                   |
|                                                                     |             | <b>30 June</b>        | <b>30 June</b>    |
|                                                                     |             | <b>2026</b>           | <b>2025</b>       |
|                                                                     |             |                       | <b>(Restated)</b> |
|                                                                     | <b>Note</b> | <b>RM'000</b>         | <b>RM'000</b>     |
| <b>Operating activities</b>                                         |             |                       |                   |
| Loss before tax                                                     |             | (11,964)              | (15,351)          |
| <u>Adjustments for:</u>                                             |             |                       |                   |
| Amortisation of trademarks                                          | N6.1        | 99                    | 100               |
| Adjustment on termination of right-of-use assets                    |             | (38)                  | (64)              |
| Loss on forfeiture of deposits                                      | N6.1        | 54                    | -                 |
| Depreciation of property, plant and equipment                       | N6.1        | 5,576                 | 5,687             |
| Depreciation of right-of-use assets                                 | N6.1        | 1,156                 | 1,543             |
| Finance expense                                                     | N6.1        | 425                   | 743               |
| Interest income from short-term deposits                            |             | (68)                  | (214)             |
| Loss on disposal of property, plant and equipment                   | N6.1        | 189                   | 47                |
| Non-trade receivables written off                                   | N6.1        | -                     | 12                |
| Allowance for inventories written down                              | N6.1        | 705                   | 15                |
| Reversal for slow moving inventories                                | N6.1        | (187)                 | (1,486)           |
| Trade payables written off                                          | N6.1        | -                     | (147)             |
| Unrealised exchange gain                                            |             | (185)                 | (712)             |
| Fair value decrease in assets classified as held for sale           | N6.1        | 130                   | -                 |
| Write-off of property, plant and equipment                          | N6.1        | 115                   | 1                 |
| <b>Operating loss before working capital changes</b>                |             | <b>(3,993)</b>        | <b>(9,826)</b>    |
| <u>Changes in working capital:</u>                                  |             |                       |                   |
| Inventories                                                         |             | 2,223                 | 4,984             |
| Trade and other receivables                                         |             | 1,366                 | 7,956             |
| Prepaid operating expense                                           |             | 645                   | 736               |
| Trade and other payables                                            |             | (978)                 | 1,477             |
| Contract liabilities                                                |             | (535)                 | (12)              |
| Accrued operating expenses                                          |             | (847)                 | (149)             |
| Provision                                                           |             | 471                   | -                 |
| <b>Cash flows used in operations</b>                                |             | <b>(1,648)</b>        | <b>5,166</b>      |
| Net income taxes refund/(paid)                                      |             | 1,205                 | (236)             |
| <b>Net cash flows (used in)/generated from operating activities</b> |             | <b>(443)</b>          | <b>4,930</b>      |
| <b>Investing activities</b>                                         |             |                       |                   |
| Acquisition of trademark                                            |             | (1)                   | -                 |
| Interest income from short term deposits                            |             | 68                    | 214               |
| Purchase of property, plant and equipment                           | N11         | (1,272)               | (2,541)           |
| Proceeds from disposal of property, plant and equipment             |             | 322                   | 115               |
| Restricted bank deposit                                             |             | (12)                  | -                 |
| <b>Net cash flows used in investing activities</b>                  |             | <b>(895)</b>          | <b>(2,212)</b>    |
| <b>Financing activities</b>                                         |             |                       |                   |
| Prepayment of right-of-use asset                                    |             | (170)                 | -                 |
| Proceeds from loans and borrowings                                  |             | 24,901                | 47,837            |
| Repayment under financing arrangements                              |             | (208)                 | (388)             |
| Repayment of loans and borrowings                                   |             | (27,223)              | (47,848)          |
| Principal repayment of lease liabilities                            |             | (968)                 | (1,411)           |
| Interest paid                                                       |             | (354)                 | (629)             |
| <b>Net cash flows used in financing activities</b>                  |             | <b>(4,022)</b>        | <b>(2,439)</b>    |

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

|                                                             | Note | Group<br>6 months ended |                               |
|-------------------------------------------------------------|------|-------------------------|-------------------------------|
|                                                             |      | 30 June<br>2026         | 30 June<br>2025<br>(Restated) |
|                                                             |      | RM'000                  | RM'000                        |
| Net (decrease)/increase in cash and cash equivalents        |      | (5,360)                 | 279                           |
| Effect of exchange rate changes on cash and cash equivalent |      | 99                      | (45)                          |
| Cash and cash equivalents at beginning of year              |      | 13,212                  | 17,671                        |
| <b>Cash and cash equivalents at end of year</b>             |      | <b>7,951</b>            | <b>17,905</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 30 June 2026 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) Designing, trading, retailing and installation of furniture and customised cabinet solutions, including kitchen cabinets, wardrobes and other built-in furniture.

### **N2. Basis of preparation**

The condensed interim consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the ACRA Accounting Standards Committee. 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 2025.

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 2025.

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 non-financial assets of the Group*

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 goodwill, trademarks, property, plant and equipment and right-of-use assets 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 and the anticipated future demands for exploitation of its trademarks, furniture installation and wooden furniture.

The carrying amounts of the Group's goodwill, property, plant and equipment and right-of-use assets as at 30 June 2026 were approximately RM8,285,000, RM128,196,000 and RM18,451,000 respectively (31 December 2025: RM8,285,000, RM133,126,000 and RM19,044,000 respectively). An impairment loss of RM943,000 was recognised on goodwill by the Group pursuant to the impairment assessment performed on the Group's goodwill for the financial year ended 31 December 2025.

- *Valuation of the Company's investments in subsidiaries*

The Company has investments in three subsidiaries, namely LY Furniture Sdn. Bhd. ("**LYFSB**"), Leyo Holdings Sdn. Bhd. ("**LEHSB**") and LY Unity Sdn. Bhd. ("**LYUG**"), which amounts to a total of RM54,247,000 (31 December 2025: RM54,247,000).

In assessing the recoverability of the Company's investments in subsidiaries, management evaluates whether any indicators of impairment exist. Indicators of impairment would include, but not limited to, the profitability of the subsidiary and/or the loss of major customers among others. Based on management's assessment, no indicators of impairment were noted in the investments, save for the Company's investments in LYFSB and LEHSB.

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

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

- *Valuation of the Company's investments in subsidiaries (cont'd)*

#### LYFSB

Impairment assessment was performed on the Company's investment in LYFSB in accordance with SFRS(I) 1-36 *Impairment of Assets* as at 31 December 2025. In assessing the recoverability of the Company's investment in LYFSB, management has considered the VIU calculations prepared at the CGU level of LYFSB.

Based on this impairment assessment of the Company's investment in LYFSB, no impairment loss was recognised and management is of the view that no reasonably possible changes in any of the key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

#### LEHSB

The Company's investment in LEHSB was fully impaired since the previous financial year ended 31 December 2024.

As at 31 December 2025, management has assessed whether there is any indication that the accumulated impairment losses recognised in prior financial years may no longer exist or may have decreased. Based on this assessment, management concluded that there were no changes in circumstances that would warrant a reversal of the impairment losses previously recognised.

- *Expected credit loss ("ECL") on trade and other receivables*

ECL on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group had used simplified approach (lifetime expected credit loss) for its trade receivables and general approach (12 months expected credit losses or lifetime expected credit loss) for its other receivables.

In determining the ECL, the Group uses the relevant historical information to determine the probability of default of the instruments and incorporated forward-looking information. Notwithstanding the above, the Group evaluates the ECL on trade and other receivables in financial difficulties separately.

- *Net realisable value ("NRV") of inventories*

Inventories are stated at lower of cost and NRV. The NRV of the Group's inventories is assessed based on the best available facts and circumstances at the end of each reporting period, including but not limited to, the inventories' own physical conditions at year end and the age of the respective inventory. There is estimation uncertainty involved in the determination of the net realisable value as the saleability is affected by factors such as changing consumer demand and economic uncertainties. The value is re-evaluated, and a write-down might be recorded, if additional information received affects the amount initially assessed.

**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**

As at 31 December 2025, the Group was organised into two (2) reportable segments, namely manufacturing and retailing of all kinds of furniture and manufacturing of any type of woodwork or building product.

Following a review of the Group's internal organisation, management structure and the manner in which operating results are reported to the Chief Executive Officer for the purposes of resource allocation and performance assessment, management has determined that, as at and for the six months ended 30 June 2026, the Group is organised into four (4) reportable segments. This change reflects the way in which the Group's operations are currently managed and monitored by the Chief Executive Officer.

The Group's four reportable segments are as follows:

- (a) Segment 1: Manufacturing all kinds of furniture and any type of woodwork or building product ("**Manufacturing**")
- (b) Segment 2: Designing, manufacturing and retailing of customised cabinet ("**Design and retail of customised cabinet**")
- (c) Segment 3: Buying and selling of all kinds of furniture ("**Trading**")
- (d) Segment 4: Consists of companies which are of non-core business or for investment holding purposes as well as dormant companies ("**Others**")

Comparative segment information has been re-presented, where applicable, to conform to the current period's reportable segment presentation.

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

**N4.1 Reportable segments**

|                                          | <b>Manufacturing</b> | <b>Design and retail<br/>of customised<br/>cabinet</b> | <b>Trading</b> | <b>Others</b> | <b>Elimination</b> | <b>Total</b>  |
|------------------------------------------|----------------------|--------------------------------------------------------|----------------|---------------|--------------------|---------------|
|                                          | <b>RM'000</b>        | <b>RM'000</b>                                          | <b>RM'000</b>  | <b>RM'000</b> | <b>RM'000</b>      | <b>RM'000</b> |
| <b>1 January 2026 to 30 June 2026</b>    |                      |                                                        |                |               |                    |               |
| <b>Total segment revenue</b>             |                      |                                                        |                |               |                    |               |
| External customers                       | 62,464               | 14,752                                                 | 11             | 1,182         | -                  | 78,409        |
| Inter-segment                            | 14,409               | 3,274                                                  | -              | -             | (17,683)           | -             |
| Total revenue                            | 76,873               | 18,026                                                 | 11             | 1,182         | (17,683)           | 78,409        |
| <b>Results</b>                           |                      |                                                        |                |               |                    |               |
| Segment loss                             | (13,277)             | 1,896                                                  | (208)          | (2,278)       | 939                | (12,928)      |
| Interest income from short-term deposits | 59                   | 5                                                      | -              | 4             | -                  | 68            |
| Other income                             | 1,744                | 253                                                    | -              | 468           | (1,144)            | 1,321         |
| Finance costs                            | (372)                | (40)                                                   | (5)            | (8)           | -                  | (425)         |
| Loss before tax                          | (11,846)             | 2,114                                                  | (213)          | (1,814)       | (205)              | (11,964)      |
| Income tax expense                       |                      |                                                        |                |               |                    | (244)         |
| Loss net of tax                          |                      |                                                        |                |               |                    | (12,208)      |

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

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

|                                                       | <b>Manufacturing</b> | <b>Design and retail<br/>of customised<br/>cabinet</b> | <b>Trading</b> | <b>Others</b> | <b>Elimination</b> | <b>Total</b>  |
|-------------------------------------------------------|----------------------|--------------------------------------------------------|----------------|---------------|--------------------|---------------|
|                                                       | <b>RM'000</b>        | <b>RM'000</b>                                          | <b>RM'000</b>  | <b>RM'000</b> | <b>RM'000</b>      | <b>RM'000</b> |
| <b>1 January 2026 to 30 June 2026</b>                 |                      |                                                        |                |               |                    |               |
| <b>Other items of expenses</b>                        |                      |                                                        |                |               |                    |               |
| Depreciation and amortisation                         | 5,758                | 682                                                    | 35             | 337           | -                  | 6,812         |
| Unallocated expenses                                  |                      |                                                        |                |               |                    | 19            |
| Total depreciation and amortisation                   |                      |                                                        |                |               |                    | <u>6,831</u>  |
| Inventories recognised as an expense in cost of sales | 50,190               | 7,744                                                  | 6              | 411           | (17,683)           | 40,668        |
| Employee benefits expense                             | 14,263               | 4,982                                                  | 2              | 1,517         | (54)               | 20,710        |
| <b>Other segment information</b>                      |                      |                                                        |                |               |                    |               |
| Additions of non-current assets                       | 419                  | 475                                                    | -              | -             | -                  | 894           |
| Unallocated assets                                    |                      |                                                        |                |               |                    | 378           |
| Total additions of non-current assets                 |                      |                                                        |                |               |                    | <u>1,272</u>  |

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

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

|                                               | <b>Manufacturing</b> | <b>Design and retail<br/>of customised<br/>cabinet</b> | <b>Trading</b> | <b>Others</b> | <b>Elimination</b> | <b>Total</b>  |
|-----------------------------------------------|----------------------|--------------------------------------------------------|----------------|---------------|--------------------|---------------|
|                                               | <b>RM'000</b>        | <b>RM'000</b>                                          | <b>RM'000</b>  | <b>RM'000</b> | <b>RM'000</b>      | <b>RM'000</b> |
| <b>1 January 2026 to 30 June 2026</b>         |                      |                                                        |                |               |                    |               |
| <b>Other segment information<br/>(cont'd)</b> |                      |                                                        |                |               |                    |               |
| Non-cash income other than<br>depreciation    | 680                  | -                                                      | -              | (49)          | -                  | 631           |

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

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

|                                          | <b>Manufacturing</b> | <b>Design and retail<br/>of customised<br/>cabinet</b> | <b>Trading</b> | <b>Others</b> | <b>Elimination</b> | <b>Total</b>  |
|------------------------------------------|----------------------|--------------------------------------------------------|----------------|---------------|--------------------|---------------|
|                                          | <b>RM'000</b>        | <b>RM'000</b>                                          | <b>RM'000</b>  | <b>RM'000</b> | <b>RM'000</b>      | <b>RM'000</b> |
| <b>1 January 2025 to 30 June 2025</b>    |                      |                                                        |                |               |                    |               |
| <b>Total segment revenue</b>             |                      |                                                        |                |               |                    |               |
| External customers                       | 93,081               | 8,402                                                  | -              | 712           | -                  | 102,195       |
| Inter-segment                            | 16,523               | 2,427                                                  | -              | -             | (18,950)           | -             |
| Total revenue                            | 109,604              | 10,829                                                 | -              | 712           | (18,950)           | 102,195       |
| <b>Results</b>                           |                      |                                                        |                |               |                    |               |
| Segment loss                             | (12,244)             | (1,460)                                                | -              | (3,712)       | 762                | (16,654)      |
| Interest income from short-term deposits | 418                  | -                                                      | -              | 218           | (422)              | 214           |
| Other income                             | 1,651                | 309                                                    | -              | 729           | (857)              | 1,832         |
| Finance costs                            | (693)                | (71)                                                   | -              | (401)         | 422                | (743)         |
| Loss before tax                          | (10,868)             | (1,222)                                                | -              | (3,166)       | (95)               | (15,351)      |
| Income tax expense                       |                      |                                                        |                |               |                    | (181)         |
| Loss net of tax                          |                      |                                                        |                |               |                    | (15,532)      |

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

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

|                                                       | <b>Manufacturing</b> | <b>Design and retail<br/>of customised<br/>cabinet</b> | <b>Trading</b> | <b>Others</b> | <b>Elimination</b> | <b>Total</b>   |
|-------------------------------------------------------|----------------------|--------------------------------------------------------|----------------|---------------|--------------------|----------------|
|                                                       | <b>RM'000</b>        | <b>RM'000</b>                                          | <b>RM'000</b>  | <b>RM'000</b> | <b>RM'000</b>      | <b>RM'000</b>  |
| <b>1 January 2025 to 30 June 2025</b>                 |                      |                                                        |                |               |                    |                |
| <b>Other items of expenses</b>                        |                      |                                                        |                |               |                    |                |
| Depreciation and amortisation                         | 6,233                | 522                                                    | -              | 549           | -                  | 7,304          |
| Unallocated expenses                                  |                      |                                                        |                |               |                    | 26             |
| Total depreciation and amortisation                   |                      |                                                        |                |               |                    | <u>7,330</u>   |
| Inventories recognised as an expense in cost of sales | <u>75,825</u>        | <u>5,036</u>                                           | <u>-</u>       | <u>600</u>    | <u>(18,950)</u>    | <u>62,511</u>  |
| Employee benefits expense                             | <u>17,709</u>        | <u>4,407</u>                                           | <u>-</u>       | <u>1,526</u>  | <u>-</u>           | <u>23,642</u>  |
| <b>Other segment information</b>                      |                      |                                                        |                |               |                    |                |
| Additions of non-current assets                       | <u>2,233</u>         | <u>209</u>                                             | <u>-</u>       | <u>99</u>     | <u>-</u>           | <u>2,541</u>   |
| Non-cash income other than depreciation               | <u>(2,227)</u>       | <u>-</u>                                               | <u>-</u>       | <u>(90)</u>   | <u>-</u>           | <u>(2,317)</u> |

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

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

|                               | <b>Manufacturing</b> | <b>Design and retail<br/>of customised<br/>cabinet</b> | <b>Trading</b> | <b>Others</b> | <b>Total</b>   |
|-------------------------------|----------------------|--------------------------------------------------------|----------------|---------------|----------------|
|                               | <b>RM'000</b>        | <b>RM'000</b>                                          | <b>RM'000</b>  | <b>RM'000</b> | <b>RM'000</b>  |
| <b>As at 30 June 2026</b>     |                      |                                                        |                |               |                |
| Assets                        |                      |                                                        |                |               |                |
| Segment assets                | 182,178              | 13,510                                                 | 173            | 15,760        | 211,621        |
| Unallocated assets            |                      |                                                        |                |               | 2,452          |
| Total assets                  |                      |                                                        |                |               | <u>214,073</u> |
| Liabilities                   |                      |                                                        |                |               |                |
| Segment liabilities           | 29,816               | 5,473                                                  | 186            | 2,043         | <u>37,518</u>  |
| <b>As at 31 December 2025</b> |                      |                                                        |                |               |                |
| Assets                        |                      |                                                        |                |               |                |
| Segment assets                | 201,929              | 12,272                                                 | 194            | 14,817        | 229,212        |
| Unallocated assets            |                      |                                                        |                |               | 1,938          |
| Total assets                  |                      |                                                        |                |               | <u>231,150</u> |
| Liabilities                   |                      |                                                        |                |               |                |
| Segment liabilities           | <u>33,482</u>        | <u>5,958</u>                                           | <u>57</u>      | <u>2,890</u>  | <u>42,387</u>  |

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

**N4.2 Disaggregation of revenue**

|                                                                                 | 6 months ended 30 June 2026 |                                                         |                   |                  |                 |
|---------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------|-------------------|------------------|-----------------|
|                                                                                 | Manufacturing<br>RM'000     | Design and retail<br>of customised<br>cabinet<br>RM'000 | Trading<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
| <b>Primary geographical markets based on geographical location of customers</b> |                             |                                                         |                   |                  |                 |
| United States of America                                                        | 37,273                      | –                                                       | –                 | 363              | 37,636          |
| Malaysia                                                                        | 6,324                       | 14,752                                                  | 11                | 819              | 21,906          |
| People's Republic of China                                                      | 106                         | –                                                       | –                 | –                | 106             |
| Hong Kong                                                                       | 18,761                      | –                                                       | –                 | –                | 18,761          |
|                                                                                 | 62,464                      | 14,752                                                  | 11                | 1,182            | 78,409          |
| <b>Major product or service lines</b>                                           |                             |                                                         |                   |                  |                 |
| - Sale of goods                                                                 | 62,464                      | 14,752                                                  | 11                | 903              | 78,130          |
| - Others                                                                        | –                           | –                                                       | –                 | 279              | 279             |
|                                                                                 | 62,464                      | 14,752                                                  | 11                | 1,182            | 78,409          |
| <b>Timing of transfer of goods or services</b>                                  |                             |                                                         |                   |                  |                 |
| At that point in time                                                           | 62,464                      | 1                                                       | 11                | 1,182            | 63,658          |
| Over time                                                                       | –                           | 14,751                                                  | –                 | –                | 14,751          |
|                                                                                 | 62,464                      | 14,752                                                  | 11                | 1,182            | 78,409          |

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

**N4.2 Disaggregation of revenue**

| 6 months ended 30 June 2025                                                     |                         |                                                         |                   |                  |                 |
|---------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------|-------------------|------------------|-----------------|
|                                                                                 | Manufacturing<br>RM'000 | Design and retail<br>of customised<br>cabinet<br>RM'000 | Trading<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
| <b>Primary geographical markets based on geographical location of customers</b> |                         |                                                         |                   |                  |                 |
| United States of America                                                        | 49,790                  | –                                                       | –                 | –                | 49,790          |
| Malaysia                                                                        | 12,769                  | 8,402                                                   | –                 | 712              | 21,883          |
| United Arab Emirates                                                            | 868                     | –                                                       | –                 | –                | 868             |
| Hong Kong                                                                       | 29,654                  | –                                                       | –                 | –                | 29,654          |
|                                                                                 | 93,081                  | 8,402                                                   | –                 | 712              | 102,195         |
| <b>Major product or service lines</b>                                           |                         |                                                         |                   |                  |                 |
| - Sale of goods                                                                 | 93,081                  | 8,402                                                   | –                 | 305              | 101,788         |
| - Others                                                                        | –                       | –                                                       | –                 | 407              | 407             |
|                                                                                 | 93,081                  | 8,402                                                   | –                 | 712              | 102,195         |
| <b>Timing of transfer of goods or services</b>                                  |                         |                                                         |                   |                  |                 |
| At that point in time                                                           | 93,081                  | –                                                       | –                 | 712              | 93,793          |
| Over time                                                                       | –                       | 8,402                                                   | –                 | –                | 8,402           |
|                                                                                 | 93,081                  | 8,402                                                   | –                 | 712              | 102,195         |

**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 2026 and 31 December 2025:

|                                 | <b>Group</b>   |                    |
|---------------------------------|----------------|--------------------|
|                                 | <b>30 June</b> | <b>31 December</b> |
|                                 | <b>2026</b>    | <b>2025</b>        |
|                                 | <b>RM'000</b>  | <b>RM'000</b>      |
| <b>Financial assets</b>         |                |                    |
| <b>At amortised cost</b>        |                |                    |
| Trade and other receivables     | 14,375         | 15,617             |
| Deposit with bank               | 1,045          | 1,033              |
| Cash and cash equivalents       | 7,951          | 13,212             |
|                                 | <hr/> 23,371   | <hr/> 29,862       |
| <b>Financial liabilities</b>    |                |                    |
| <b>At amortised cost</b>        |                |                    |
| Trade and other payables        | 14,940         | 15,854             |
| Accrued operating expenses      | 1,055          | 1,902              |
| Loans and borrowings            | 13,776         | 16,278             |
| Lease liabilities               | 1,889          | 2,431              |
| Provision                       | 471            | -                  |
|                                 | <hr/> 32,131   | <hr/> 36,465       |
| Total net financial liabilities | <hr/> (8,760)  | <hr/> (6,603)      |

|                              | <b>Company</b> |                    |
|------------------------------|----------------|--------------------|
|                              | <b>30 June</b> | <b>31 December</b> |
|                              | <b>2026</b>    | <b>2025</b>        |
|                              | <b>RM'000</b>  | <b>RM'000</b>      |
| <b>Financial assets</b>      |                |                    |
| Trade and other receivables  | -              | 8                  |
| Amount due from subsidiaries | 9,017          | 8,772              |
| Deposit with bank            | 1,045          | 1,033              |
| Cash and cash equivalents    | 160            | 376                |
|                              | <hr/> 10,222   | <hr/> 10,189       |
| <b>Financial liabilities</b> |                |                    |
| Trade and other payables     | 1,045          | 1,040              |
| Amount due to subsidiaries   | 5,015          | 3,600              |
| Accrued expenses             | 149            | 799                |
|                              | <hr/> 6,209    | <hr/> 5,439        |
| Total net financial assets   | <hr/> 4,013    | <hr/> 4,750        |

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

**N6. Loss before tax**

**N6.1 Significant items**

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

|                                                           | <b>Group</b>          |                |
|-----------------------------------------------------------|-----------------------|----------------|
|                                                           | <b>6 months ended</b> |                |
|                                                           | <b>30 June</b>        | <b>30 June</b> |
|                                                           | <b>2026</b>           | <b>2025</b>    |
|                                                           | <b>RM'000</b>         | <b>RM'000</b>  |
| <b>Income and revenue</b>                                 |                       |                |
| Rental income                                             | 578                   | 903            |
| Reversal of allowance for slow moving inventories         | 187                   | 1,486          |
| <b>Other (losses)/gains - net</b>                         |                       |                |
| Fair value decrease in assets classified as held for sale | (130)                 | -              |
| Loss on forfeiture of deposits                            | (54)                  | -              |
| Loss on disposal of property, plant and equipment         | (189)                 | (47)           |
| Net foreign exchange loss                                 | (320)                 | (822)          |
| Non-trade bad debts written off                           | -                     | (12)           |
| Property, plant and equipment written-off                 | (115)                 | (1)            |
| Trade payable written off                                 | -                     | 147            |
| <b>Expenses</b>                                           |                       |                |
| Finance expenses:                                         |                       |                |
| - financing arrangements                                  | (17)                  | (38)           |
| - bank loans                                              | (337)                 | (591)          |
| - lease liabilities                                       | (71)                  | (114)          |
|                                                           | (425)                 | (743)          |
| Depreciation expenses:                                    |                       |                |
| - property, plant and equipment                           | (5,576)               | (5,687)        |
| - rights-of-use assets                                    | (1,156)               | (1,543)        |
|                                                           | (6,732)               | (7,230)        |
| Allowance for inventories written down                    | (705)                 | (15)           |
| Amortisation of trademarks                                | (99)                  | (100)          |

**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 30 June 2026</b> | <b>6 months ended 30 June 2025</b> |
|                                                  | <b>RM'000</b>                      | <b>RM'000</b>                      |
| <b>Related companies via common directors:</b>   |                                    |                                    |
| Rental received                                  | —                                  | 4                                  |
| Rental paid                                      | (296)                              | (366)                              |
| Sub-contractor costs, net                        | (2,154)                            | (2,202)                            |
| <b>Related party of a corporate shareholder:</b> |                                    |                                    |
| Purchase of finished goods                       | (73)                               | —                                  |
| Miscellaneous expenses                           | (2)                                | —                                  |
| <b>Director of the Company:</b>                  |                                    |                                    |
| Rental paid                                      | (16)                               | (16)                               |

**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:

|                                                 | <b>6 months ended 30 June 2026</b> | <b>6 months ended 30 June 2025</b> |
|-------------------------------------------------|------------------------------------|------------------------------------|
|                                                 | <b>RM'000</b>                      | <b>RM'000</b>                      |
| Current income tax                              |                                    |                                    |
| - Current income taxation                       | 238                                | 181                                |
| - Real property gains tax expense               | 8                                  | —                                  |
| - Withholding tax credit                        | (2)                                | —                                  |
| Income tax expense recognised in profit or loss | 244                                | 181                                |

**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.

|                                              | <b>Group</b>                      |                                           | <b>Company</b>                    |                                           |
|----------------------------------------------|-----------------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------|
|                                              | <b>As at<br/>30 June<br/>2026</b> | <b>As at<br/>31<br/>December<br/>2025</b> | <b>As at<br/>30 June<br/>2026</b> | <b>As at<br/>31<br/>December<br/>2025</b> |
| Net asset value ("NAV")<br>(RM'000)          | 176,555                           | 188,763                                   | 58,295                            | 59,012                                    |
| Number of ordinary shares<br>in issue ('000) | 488,799                           | 488,799                                   | 488,799                           | 488,799                                   |
| NAV per ordinary share<br>(RM)               | 0.36                              | 0.39                                      | 0.12                              | 0.12                                      |

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

**N10. Intangible assets**

| <b>Group</b>                                           | <b>Goodwill<br/>RM'000</b> | <b>Trademarks<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--------------------------------------------------------|----------------------------|------------------------------|-------------------------|
| <b>Cost</b>                                            |                            |                              |                         |
| At 1 January 2025, 31 December 2025 and 1 January 2026 | 9,228                      | 2,647                        | 11,875                  |
| Addition                                               | –                          | 1                            | 1                       |
| At 30 June 2026                                        | 9,228                      | 2,648                        | 11,876                  |
| <b>Accumulated amortisation</b>                        |                            |                              |                         |
| At 1 January 2025                                      | –                          | 361                          | 361                     |
| Amortisation                                           | –                          | 200                          | 200                     |
| At 31 December 2025 and 1 January 2026                 | –                          | 561                          | 561                     |
| Amortisation                                           | –                          | 99                           | 99                      |
| At 30 June 2026                                        | –                          | 660                          | 660                     |
| <b>Accumulated impairment</b>                          |                            |                              |                         |
| At 1 January 2025                                      | –                          | –                            | –                       |
| Impairment                                             | 943                        | –                            | 943                     |
| At 31 December 2025, 1 January 2026 and 30 June 2026   | 943                        | –                            | 943                     |
| <b>Net carrying amount</b>                             |                            |                              |                         |
| At 31 December 2025                                    | 8,285                      | 2,086                        | 10,371                  |
| At 30 June 2026                                        | 8,285                      | 1,988                        | 10,273                  |

**N11. Property, plant and equipment**

During the financial period, the Group acquired assets amounting to RM1,272,000 (31 December 2025: RM4,584,000), disposed of assets at net book value of RM511,000 (31 December 2025: RM303,000).

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

**N12. Loans and borrowings**

|                                   | <b>Group</b>        |                     |
|-----------------------------------|---------------------|---------------------|
|                                   | <b>30</b>           | <b>31</b>           |
|                                   | <b>June</b>         | <b>December</b>     |
|                                   | <b>2026</b>         | <b>2025</b>         |
|                                   | <b>RM'000</b>       | <b>RM'000</b>       |
| <b>Current:</b>                   |                     |                     |
| Bankers' acceptances              | 7,922               | 8,123               |
| Financing arrangements            | 317                 | 421                 |
| Term loan                         | 2,245               | 3,857               |
|                                   | <hr/> 10,484        | <hr/> 12,401        |
| <b>Non-current:</b>               |                     |                     |
| Financing arrangements            | 193                 | 296                 |
| Term loan                         | 3,099               | 3,581               |
|                                   | <hr/> 3,292         | <hr/> 3,877         |
| <b>Total loans and borrowings</b> | <hr/> <b>13,776</b> | <hr/> <b>16,278</b> |

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.

The Group complied with all the loan covenants for the 6 months period ended 30 June 2026 and financial year ended 31 December 2025 respectively.

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

|                      | <b>Group</b>  |                 |
|----------------------|---------------|-----------------|
|                      | <b>30</b>     | <b>31</b>       |
|                      | <b>June</b>   | <b>December</b> |
|                      | <b>2026</b>   | <b>2025</b>     |
|                      | <b>RM'000</b> | <b>RM'000</b>   |
| <b>Current:</b>      |               |                 |
| United States Dollar | 1,277         | 2,908           |

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

**N13. Provision**

|                                        | Group<br>30<br>June<br>2026<br>RM'000 | 31<br>December<br>2025<br>RM'000 |
|----------------------------------------|---------------------------------------|----------------------------------|
| Provision made/End of financial period | 471                                   | -                                |

The Group'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 USD78,890 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 in relation to the outstanding fees for warehousing services provided by Xin Hwa to LYFSB.

On 5 June 2026, the Sessions Court of Johor Bahru delivered its judgment, whereby:

- (i) LYFSB's claim was partially allowed, with Xin Hwa ordered to pay RM100,000, together with interest at 5% per annum from the date of judgment until full settlement, and costs of RM7,000; and
- (ii) Xin Hwa's counterclaim was allowed, with LYFSB ordered to pay RM311,501, together with interest at 1.5% per month from 1 February 2023 until full settlement, and costs of RM12,000.

As at 30 June 2026, a provision has been recognised in respect of the judgment delivered by the Sessions Court of Johor Bahru relating to Xin Hwa's counterclaim. The provision represents management's estimate of the Group's exposure arising from the judgment, taking into account the amounts awarded, related interest and costs. The Group has also recognised a receivable amounting to RM107,356 in respect of the amount awarded under the partial allowance of LYFSB's claim against Xin Hwa.

On 15 June 2026, LYFSB filed a Notice of Appeal to the High Court against the judgment. Based on legal advice obtained, management is of the opinion that the Group has reasonable grounds for appeal and favourable prospects of success in the appeal proceedings. As at the date of this result announcement, the appeal proceedings remain ongoing, and the outcome cannot be determined with certainty.

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

**N14. Share capital**

|                                                                        | <b>30 June 2026</b>  |               | <b>31 December 2025</b> |               |
|------------------------------------------------------------------------|----------------------|---------------|-------------------------|---------------|
|                                                                        | <b>No. of shares</b> | <b>RM'000</b> | <b>No. of shares</b>    | <b>RM'000</b> |
| <b>Issued and fully paid ordinary shares</b>                           |                      |               |                         |               |
| At 31 December 2025, 1 January 2026 and 30 June 2026                   | 489,144,200          | 66,135        | 489,144,200             | 66,135        |
| <b>Treasury shares</b>                                                 |                      |               |                         |               |
| At 31 December 2025, 1 January 2026 and 30 June 2026                   | 345,000              | 183           | 345,000                 | 183           |
| <b>Issued and fully paid ordinary shares excluding treasury shares</b> | <b>488,799,200</b>   | <b>65,952</b> | <b>488,799,200</b>      | <b>65,952</b> |

The Company did not have any outstanding convertibles as at 30 June 2026 and 31 December 2025.

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.

**N15. Contingent liability**

The Group's 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 RM823,396. An announcement was made on 13 October 2025 whereby LEH had commenced legal proceedings against Synergy and its manufacturers/contractors, namely Piau Chez Sdn Bhd ("**PCSB**") and Thong Ler Trading Sdn Bhd ("**TLSB**") at the Kuala Lumpur High Court for the breach of respective agreements entered into by LEH with Synergy, PCSB and TLSB, and for intellectual property right infringement ("**Lawsuit**"). In the Lawsuit, LEH is also seeking full repayment of outstanding royalty fees which, based on available information, amount to approximately RM2.9 million.

No provision has been recognised in respect of the Lawsuit as at 30 June 2026 and 31 December 2025, as the directors are of the opinion, based on legal advice obtained, that the Group has reasonable grounds to defend the claims.

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

**N16. Comparative figures**

Certain comparative figures have been adjusted retrospectively as a result of the following events:

- a) Completion of purchase price allocation ("PPA") exercise during the financial year ended 31 December 2025 in respect of the acquisition of LY Unity Sdn. Bhd. and its subsidiaries, which was completed in the financial year ended 31 December 2024. The restatement reflects the finalised fair values of identifiable assets and liabilities as at acquisition date.
- b) Reclassification for certain class of transactions to conform to current period's presentation. The reclassification has no impact on the Group's net profit or net assets for the financial period.

The effects of the adjustments are as follows:

|                                                                                 | As<br>previously<br>reported<br>RM'000 | (a)<br>Prior year<br>adjustments<br>RM'000 | (b)<br>Reclassification<br>RM'000 | As<br>restated<br>RM'000 |
|---------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------|-----------------------------------|--------------------------|
| <b>Consolidated statement of<br/><u>comprehensive income</u></b>                |                                        |                                            |                                   |                          |
| <b>6 months ended 30 June 2025</b>                                              |                                        |                                            |                                   |                          |
| <b>Other (losses)/gains - net</b>                                               | —                                      | —                                          | (735)                             | (735)                    |
| <b>Other items of income</b>                                                    |                                        |                                            |                                   |                          |
| Other income                                                                    | 1,979                                  | —                                          | (147)                             | 1,832                    |
| <b>Other items of expense</b>                                                   |                                        |                                            |                                   |                          |
| Selling and administrative<br>expenses                                          | (13,997)                               | (95)                                       | 12                                | (14,080)                 |
| Other expense                                                                   | (870)                                  | —                                          | 870                               | —                        |
| Loss before tax                                                                 | (15,256)                               | (95)                                       | —                                 | (15,351)                 |
| Loss for the period, representing<br>total comprehensive loss for<br>the period | (15,437)                               | (95)                                       | —                                 | (15,532)                 |
| <b>Consolidated statement of<br/><u>cash flows</u></b>                          |                                        |                                            |                                   |                          |
| <b>6 months ended 30 June 2025</b>                                              |                                        |                                            |                                   |                          |
| <b>OPERATING ACTIVITIES</b>                                                     |                                        |                                            |                                   |                          |
| Loss before tax                                                                 | (15,256)                               | (95)                                       | —                                 | (15,351)                 |
| Amortisation of trademarks                                                      | 26                                     | 74                                         | —                                 | 100                      |
| Depreciation of property, plant<br>and equipment                                | 5,666                                  | 21                                         | —                                 | 5,687                    |

**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 2026 |           | As at 31 December 2025 |           |
|--------------------|-----------|------------------------|-----------|
| Secured            | Unsecured | Secured                | Unsecured |
| RM'000             | RM'000    | RM'000                 | RM'000    |
| 10,484             | —         | 12,401                 | —         |

**Amount repayable by the Group after one year**

| As at 30 June 2026 |           | As at 31 December 2025 |           |
|--------------------|-----------|------------------------|-----------|
| Secured            | Unsecured | Secured                | Unsecured |
| RM'000             | RM'000    | RM'000                 | RM'000    |
| 3,292              | —         | 3,877                  | —         |

**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 N14.

- (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 N14.

- (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 N14. 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 N14. 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 2026 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 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 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<br>6 months ended |              |
|-------------------------------------------------------|-------------------------|--------------|
|                                                       | 30 June 2026            | 30 June 2025 |
| Loss attributable to owners of the Company (RM'000)   | (13,301)                | (14,644)     |
| Weighted average number of ordinary shares ('000)     | 488,799                 | 488,799      |
| Basic and diluted loss per share <sup>(1)</sup> (sen) | (2.72)                  | (3.00)       |

Note:

(1) The basic and fully diluted loss per share were the same as there were no dilutive ordinary shares in issue as at 30 June 2026 and 30 June 2025.

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 2026 ("1H2026") as compared to the 6 months ended 30 June 2025 ("1H2025")***

##### Revenue

The Group's revenue decreased by approximately RM23.8 million, or 23.3%. This was mainly due to the decrease in revenue contributed from the manufacturing segment as a result of the following:

- (a) Decrease in the number of 40-ft containers from 1,117 40-ft containers in 1H2025 to 900 40-ft containers in 1H2026 due to lower demand from the United States of America ("US");
- (b) Decrease in average selling price per 40-ft container from RM83,000 in 1H2025 to RM69,000 in 1H2026; and
- (c) Weaker USD/RM rate in 1H2026 as compared to 1H2025 given that the Group's billing currency are primarily denominated in USD for export sales. As a reference, the closing exchange rate of USD1 against the Malaysian Ringgit was RM4.226 as at 30 June 2025 and depreciated to RM4.06709 as at 30 June 2026.\*

However, the decrease was partially offset by an increase in revenue contributed from design and retail of customised cabinet segment by approximately RM6.4 million in 1H2026 compared to 1H2025. The increase consists of sales from end consumers increased by approximately RM4.6 million and sales from developer project increased by approximately RM1.8 million.

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 (loss)/profit

Cost of sales decreased by approximately RM27.4 million, or 26.4%, mainly due to decrease in material used, labour cost and factory overhead in line with decrease in sales volume.

However, the decrease was partially offset by decrease in reversal of slow moving inventories by approximately RM1.3 million as well as increase in provision for inventories written down by approximately RM0.7 million in 1H2026 as compared to 1H2025.

Due to the higher percentage decrease in cost of sales when compared to the percentage decrease in revenue, the Group recorded a gross profit of RM1.8 million in 1H2026 as compared to a gross loss of RM1.8 million in 1H2025. The Group recorded a gross profit margin of 2.3% in 1H2026 compared to gross loss margin of 1.8% in 1H2025.

##### Other losses – net

Other losses increased by approximately RM73,000, or 9.9% mainly due to increase in loss on disposal of plant and equipment, plant and equipment written off as well as fair value decrease in assets classified as held for sale in 1H2026. Other losses increased also due to trade payable written off in 1H2025. However, the increase was partially offset by a decrease in foreign exchange loss due to decrease in net assets denominated in USD balances and lower percentage of fluctuations when USD depreciate in 1H2026 compared to 1H2025.

#### Interest income

Interest income decreased by approximately RM146,000, or 68.2%, mainly due to lower cash placements in short term fixed deposits in the bank account maintained in Malaysia in 1H2026.

#### Other income

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

Other income decreased by approximately RM0.5 million, or 27.9%, mainly due to the decrease in scrap sales and rental income.

#### Selling and administrative expenses

Selling and administrative expenses decreased by approximately RM0.2 million, or 1.1%, mainly due to decrease in commission expense, upkeep expense, insurance expenses as well as legal and professional expense in 1H2026. However, the decrease was partially offset by increase in staff costs in 1H2026.

#### Depreciation expenses

Depreciation expenses decreased by approximately RM0.5 million, or 6.9% mainly due to decrease in depreciation expenses in line with early termination of certain leases as well as expiration of existing lease.

#### Finance costs

Finance costs decreased by approximately RM0.3 million, or 42.8% mainly due to decrease in term loans' balances and bankers' acceptances as well as decrease in interest rate charged.

#### Income tax expense

Income tax expense increased by approximately RM63,000, or 34.8% mainly due to provision for current income taxation.

#### Loss for the period

As a result of the decrease in cost of sales is higher than revenue, the Group incurred lower net loss of approximately RM12.2 million in 1H2026 as compared to a net loss of RM15.5 million in 1H2025.

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

***Review of the Group's financial position as at 30 June 2026 as compared to 31 December 2025***

#### Non-current assets

Property, plant and equipment decreased by approximately RM4.9 million, or 3.7%, mainly due to depreciation charged in 1H2026.

Right-of-use assets of approximately RM18.5 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 RM0.6 million, or 3.1%, mainly due to early termination of certain leases, expiration of existing lease as well as depreciation charged in 1H2026.

Intangible assets of approximately RM10.3 million consists of trademarks and goodwill arising from a business combination as announced on 28 January 2019 and acquisition of new

subsidiaries as announced on 23 July 2024. The decrease in intangible assets of approximately RM98,000, or 0.9%, mainly due to amortisation charged in 1H2026.

#### Current assets

Inventories decreased by approximately RM2.7 million or 7.9%, mainly due to sales of completed goods as well as provision for inventories written down.

Trade and other receivables of approximately RM14.4 million comprised trade receivables, deposits and other receivables. The decrease in trade and other receivables by approximately RM1.2 million, or 7.9% was mainly due to decrease in trade receivables in line with decrease in sales. However, the decrease was offset by an increase in advance payment paid to suppliers for purchase of raw materials.

Prepaid operating expense of approximately RM1.4 million comprised mainly of expenses paid in advance as at 30 June 2026.

Tax recoverable, being prepaid current income tax of approximately RM0.2 million comprised tax paid in advance by the Malaysian subsidiaries for the Year of Assessment 2024 and 2025. It is partially offset by tax payable for the Year of Assessment 2026.

#### 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 RM2.5 million, or 15.4% was mainly due to the scheduled repayment of loans and borrowings in 1H2026.

Trade and other payables of approximately RM14.9 million comprised trade payables and other payables. The decrease in trade and other payables of RM0.9 million, or 5.8%, was mainly due to the decrease in other creditors and salary payables.

Contract liabilities of approximately RM0.5 million primarily relate to advances received from customers for goods that has yet to be delivered.

Lease liabilities of approximately RM1.9 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 22.3%, was mainly due to early termination of certain leases, expiration of existing lease as well as repayment of lease liabilities during 1H2026.

Accrued operating expenses of approximately RM1.1 million comprised accrued operating expenses.

Provision of approximately RM0.5 million being provision for legal claim brought against the Group's subsidiary, LYFSB, by a forwarding company. Please refer to N13 for further details.

#### Non-controlling interest

Non-controlling interest improved mainly due to profit contributed by Leyo Holdings Sdn Bhd and Unity Kitchen (KL) Sdn. Bhd. which are 51%-owned subsidiaries of the Group.

### **CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS** ***Review of the Group's cash flow statement for 1H2026***

The Group recorded net cash flows used in operating activities of approximately RM0.4 million in 1H2026 due mainly from the decrease in sales as explained above. It was partially offset by cash flows from income tax refund.

The Group recorded net cash flows used in investing activities of approximately RM0.9 million in 1H2026 mainly due to purchase of property, plant and equipment.

The Group recorded net cash flows used in financing activities of approximately RM4.0 million mainly due to the repayment of loans and borrowings in 1H2026. However, it was partially offset by the proceeds from loans and borrowings in 1H2026.

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

The Company has released a profit guidance announcement on 4 August 2026. The Group's financial performance was in line with the above announcement.

**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) In February 2026, the US Supreme Court ruled that certain tariffs imposed under the International Emergency Economic Powers Act are unconstitutional. Following this development, the US authorities introduced a temporary tariff of 10% on most imports pursuant to Section 122 of the Trade Act of 1974. Public statements by the US authorities have indicated that the tariff rate may be increased to 15% or higher for certain trading partners. The scope, applicability and duration of these measures remain subject to further developments. Nevertheless, the US trade court has also in May 2026 gave the judgement that the US authorities cannot impose such tariffs.

In July 2026, the US has imposed an additional 10% tariff on Malaysian exports under its Section 301 forced labour enforcement measures, citing concerns over the effectiveness of forced labour import prohibitions. Although Malaysia received one of the lowest tariff rates among affected countries relating to this Section 301 forced labour enforcement, the measure is expected to increase export costs, exert pressure on margins, and heighten the importance of supply chain transparency and compliance for Malaysian furniture exporters serving the US market.

Due to the significant uncertainty surrounding these developments, the Group is currently unable to reliably estimate the financial impact on its business, results of operations and cash flows for the financial year ending 31 December 2026.

The Group will continue to monitor the situation closely and remain prudent in managing its expenditure and cash flow. The Group is also maintaining ongoing communication with its trading partners to support continuity of operations and supply chains.

- (b) Geopolitical tensions and conflict in the Middle East remain elevated, with on-going and/or periodic military escalation contributing to volatility in global energy prices, financial markets, and international shipping routes, particularly through the Strait of Hormuz and the Red Sea. These developments may adversely affect global trade, supply chains, freight costs and input prices if disruptions persist.

The Group has no direct operations or material exposure in the affected region. The Group's operations and supply chains have not been materially impacted. Nevertheless, management will continue to closely monitor developments and assess any potential indirect effects on the Group's operations, financial performance and financial position. At this stage, it is not practicable to reliably estimate the financial impact, if any, arising from the evolving geopolitical situation.

- (c) The Group expects the Malaysian market to remain generally resilient, supported by stable domestic consumption, ongoing residential and commercial property developments, and demand for renovation and home improvement projects. As the Group also operates in the design and retail of customised cabinet products, including kitchen cabinets and built-in furniture, demand is expected to be underpinned by new property handovers and renovation activities. Nevertheless, the business may continue to face challenges from cautious consumer spending, rising labour and operating costs, and intense competition within the home furnishing and interior fit-out industry.

Management will continue to focus on product innovation, customer service and operational efficiency to maintain its competitiveness and profitability. In addition, the customised cabinet segment remains sensitive to the pace of residential property transactions and consumer confidence. Delays in property completions, weaker discretionary spending, or prolonged softness in the housing market could affect demand for renovation and built-in furnishing projects.

**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 1H2026 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 2026. Please refer to the Company's appendix to the annual report dated 14 April 2026 for further details.

The aggregate value of all interested person transactions during the financial period under review 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)                                                                                                                                                                                                                  | 1,263                                                                                                                                                         |
| Leatherworld Upholstery Sdn Bhd | (2)                    | -(3)                                                                                                                                                                                                                  | 928                                                                                                                                                           |

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 1H2026 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 Catalist Rule 706A.**

Not applicable. The Company did not acquire and dispose shares in any companies during 1H2026.

**BY ORDER OF THE BOARD**

Tan Yong Chuan  
Executive Director and Chief Executive Officer  
12 August 2026