



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

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## INTERNAL RESTRUCTURING OF THE GROUP

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### 1. INTRODUCTION

The Board of Directors of LY Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has undertaken an internal restructuring exercise involving the transfer of the entire share capital of Leyo Manufacturing Sdn Bhd (“**LEM**”) from Leyo Holdings Sdn Bhd (“**LEH**”, a 51%-owned subsidiary of the Company) to LY Furniture Sdn Bhd (“**LYFSB**”, a wholly-owned subsidiary of the Company) at a nominal consideration of RM1 (the “**Internal Restructuring**”).

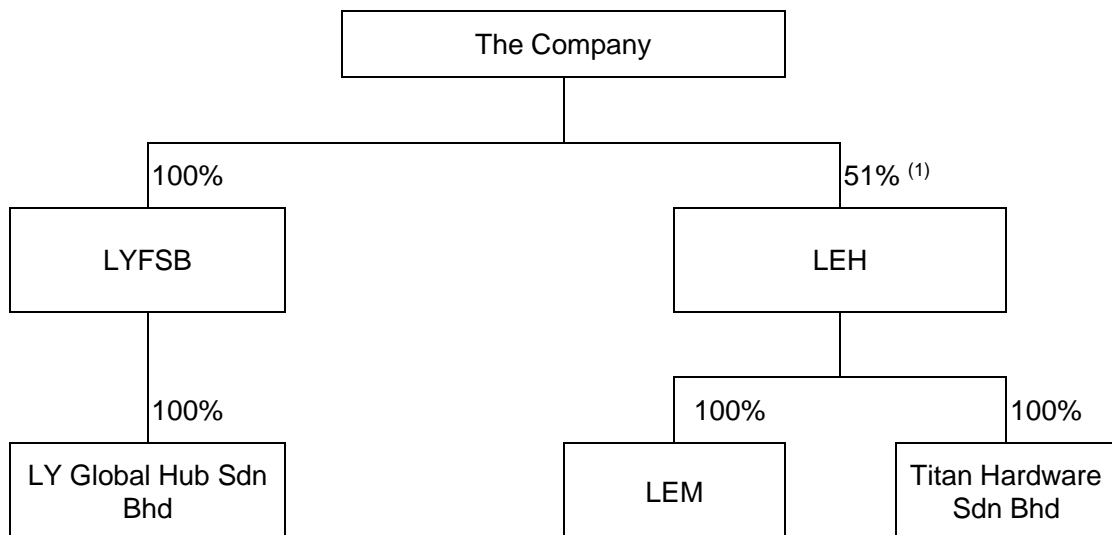
The details of the Internal Restructuring are provided in the ensuing sections.

### 2. DETAILS OF THE INTERNAL RESTRUCTURING

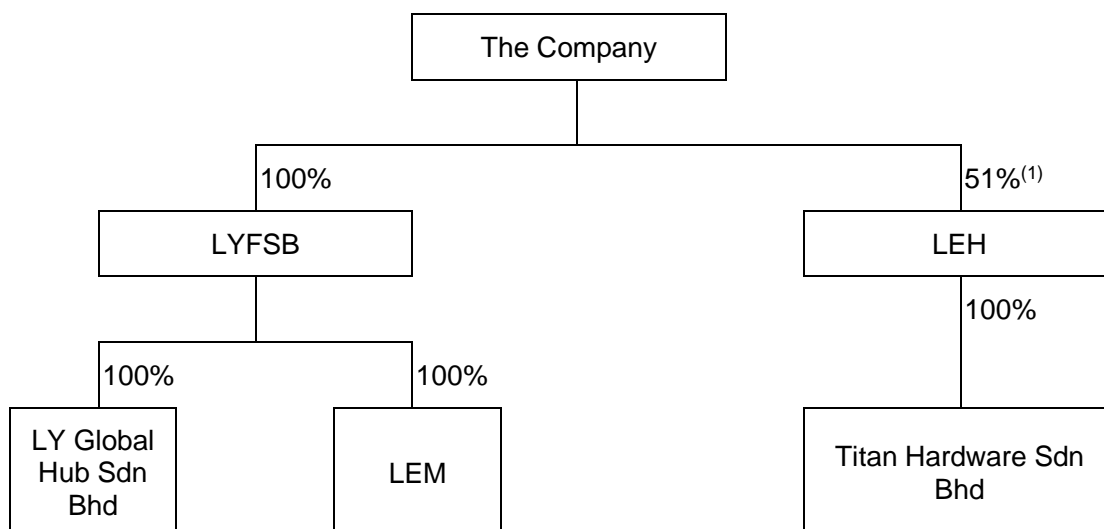
#### 2.1 ILLUSTRATIVE DIAGRAMS FOR THE INTERNAL RESTRUCTURING

The changes to the structure of the Group before and after the Internal Restructuring are as follows:

##### Current structure before the Internal Restructuring



## Structure after the Internal Restructuring



### **Note:**

(1) Remaining 49% of LEH held by unrelated third parties.

## **2.2 ABOUT LEM**

LEM was incorporated on 3 December 2018 and is principally engaged in the manufacture and trading of all kinds furniture and related products.

LEM reported losses of approximately RM2.3 million for the six months ended 30 June 2022 and has negative net asset of approximately RM3.1 million as at 30 June 2022.

## **2.3 RESTRUCTURING STEPS**

The Internal Restructuring was undertaken in the following manner:

### Step 1: Partial capitalisation of amount owing by LEM to LEH

As LEM had negative equity as at 30 June 2022, part of the amount owing by LEM to LEH will be capitalised as ordinary share capital of LEM.

LEM has total issued share capital of RM4,384,805 comprising 3,294,930 ordinary shares upon completion of the capitalisation.

### Step 2: Transfer of all the shares in the capital of LEM from LEH to LYFSB

With the partial capitalisation of the amount owing by LEM to LEH, LEM has positive net asset value of RM1 upon completion of the capitalisation.

Accordingly, LYFSB acquired all the 3,294,930 ordinary shares in the capital of LEM from LEH at the nominal consideration of RM1.00.

The purchase consideration for LEM has been arrived on a willing-seller and willing buyer basis after taking into consideration the net asset value of LEM after the capitalisation of the amount owing to LEH and the rationale as provided in Section 4 of this announcement.

### **3. RATIONALE OF THE INTERNAL RESTRUCTURING**

The Company is undertaking the Internal Restructuring to consolidate all the manufacturing activities under LYFSB so as to rationalise and streamline the Group's manufacturing operations. The management of the Group believes the Group will be able to better focus and capitalise on its strengths and improve efficiencies with the Internal Restructuring.

### **4. FINANCIAL EFFECTS**

The Internal Restructuring (including the capitalisation of the amount owing by LEM to LEH) is not expected to have any material impact on the consolidated net tangible asset per share and/or earnings per share of the Group for the financial year ending 31 December 2022.

### **5. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS OR CONTROLLING SHAREHOLDERS**

None of the Directors, substantial shareholders or controlling shareholders of the Company have any interest, direct or indirect (other than through their shareholding in the Company) in the Internal Restructuring.

### **6. COMPLETION**

The Internal Restructuring Exercise was deemed completed on 30 December 2022 and LEM is now a wholly-owned subsidiary of LYFSB on the same day.

### **BY ORDER OF THE BOARD**

Tan Yong Chuan  
Executive Director and Chief Executive Officer  
30 December 2022

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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").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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