



LY CORPORATION
LIMITED

ANNUAL GENERAL MEETING

28 April 2023

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AGENDA

01 FINANCIAL HIGHLIGHTS

02 BUSINESS UPDATES

03 GROWTH STRATEGY

FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

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



REVENUE

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

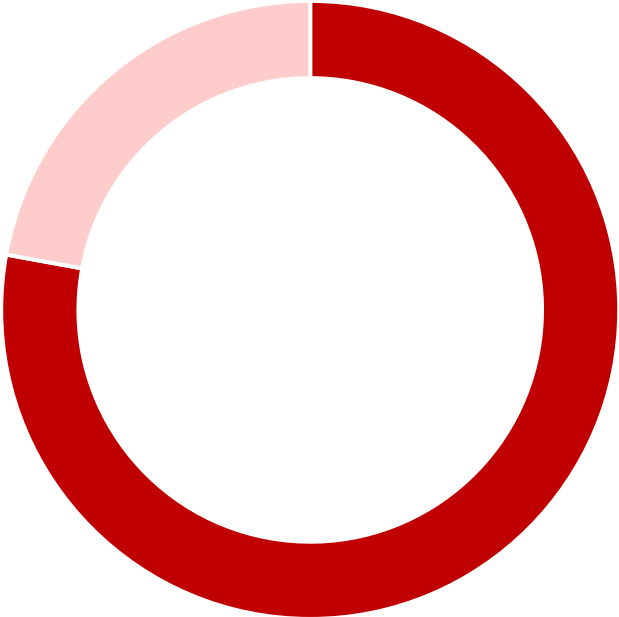
	FY2022	FY2021	% Change
Number of 40-ft containers sold (“Container”)	3,220	3,207	0.4
Average Selling Price per Container	RM73,000	RM59,000	23.7

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



REVENUE BY BUSINESS SEGMENT

Revenue by Business Segment
FY2022



■ Furniture 77.9% ■ Millwork 22.1%

Business Segment	FY2022	FY2021
Furniture	77.9%	81.7%
Millwork	22.1%	18.3%
Total	100.0%	100.0%

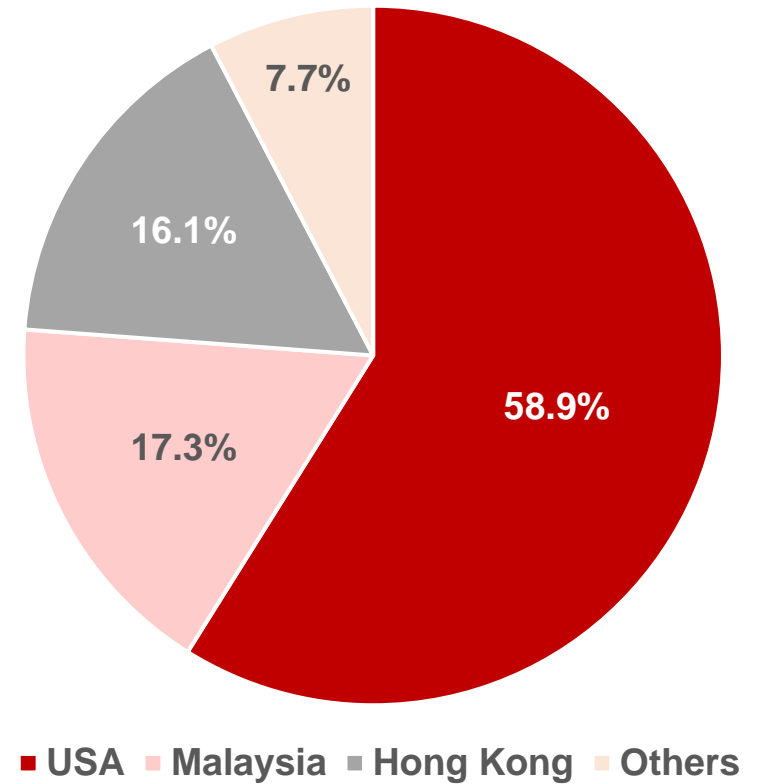


REVENUE BY GEOGRAPHY

Country	FY2022	FY2021
USA	58.9%	51.5%
Malaysia	17.3%	11.3%
Hong Kong	16.1%	25.2%
Others	7.7%	12.0%
Total	100.0%	100.0%

USA continued to be our largest market at 58.9%

Revenue by Geography
FY2022



GROSS PROFITS

(RM'000)	FY2022	FY2021	% Change
Gross Profit	30,990	(3,488)	988.5
Gross Profit Margin	13.2%	(1.8%)	

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



BALANCE SHEET POSITION

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

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



LIQUIDITY AND CAPITAL RESOURCES

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



BUSINESS UPDATES



BUSINESS UPDATES



FURNITURE

Internal Restructuring

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

Kitchen Cabinet

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

MILLWORK

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

GROWTH STRATEGY



GROWTH STRATEGY

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

1

Strengthening our business by adapting swiftly to capture new opportunities

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

2

Expand into new geographical markets to gain new prospective customers

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





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THANK YOU