



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

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “**Board**”) of LY Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its audited financial statements for the financial year ended 31 December 2024 (“**FY2024**”) set out in the Group’s Annual Report 2024 (the “**Audited Financial Statements**”) published today and the Company’s announcement on the unaudited financial statements for FY2024 released on 1 March 2025 (the “**Unaudited Financial Statements**”).

The Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, the external auditor has proposed certain adjustments and reclassifications following the finalisation of the audit for FY2024.

The material variances between the Group’s Audited Financial Statements and the Unaudited Financial Statements are set out below:

STATEMENTS OF FINANCIAL POSITION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Audited Financial Statements	Unaudited Financial Statements	Variance Increase/(Decrease)	
	Note	RM’000	RM’000	RM’000	%
NON-CURRENT ASSETS					
Intangible assets	1	10,504	9,815	689	7.0
CURRENT ASSETS					
Inventories	2	54,495	56,793	(2,298)	(4.0)
Trade and other receivables	3	25,889	27,588	(1,699)	(6.2)
Prepaid operating expense	2,4	2,413	2,390	23	1.0
Tax recoverable	5	1,381	1,460	(79)	(5.4)
Cash and cash equivalents	6	17,671	17,589	82	0.5
CURRENT LIABILITIES					
Trade and other payables	7	19,392	20,872	(1,480)	(7.1)
Contract liabilities	7,8	428	-	428	100.0
Accrued operating expenses	9	1,328	1,275	53	4.2
NON-CURRENT LIABILITIES					
Trade and other payables	7,10	1,000	-	1,000	100.0
Deferred tax liabilities	5	13,917	14,473	(556)	(3.8)
EQUITY					
Retained earnings	1,11	162,566	164,502	(1,936)	(1.2)
Non-controlling interest	1,12	(2,825)	(2,034)	791	38.9



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The variances were due to:

- (1) Provisional goodwill adjustment for the acquisition of LY Unity Sdn Bhd and its subsidiaries ("LYUG") of RM689,000
- (2) (i) reclassification of RM12,000 from prepaid operating expenses to inventories; and (ii) the higher allowance for inventories written down of RM2,310,000.
- (3) An adjustment of RM1,699,000 made on identifiable assets and liabilities acquired in relation to the acquisition of LYUG
- (4) (i) reclassification of RM12,000 from prepaid operating expenses to inventories; and (ii) an adjustment of RM35,000 made on identifiable assets and liabilities acquired in relation to the acquisition of LYUG.
- (5) An adjustment on the reassessed deferred tax liabilities and income tax recoverable upon finalisation of all subsidiaries' financial results.
- (6) An adjustment of RM82,000 made on identifiable assets and liabilities acquired in relation to the acquisition of LYUG.
- (7) (i) reclassification of RM428,000 from trade and other payables to contract liabilities; (ii) reclassification of RM1,000,000, the non-current portion of the trade and other payables from current liabilities to non-current liabilities; and (iii) an adjustment of RM52,000 made on identifiable assets and liabilities acquired in relation to the acquisition of LYUG
- (8) Reclassification of RM428,000 from trade and other payables to contract liabilities.
- (9) An adjustment of RM53,000 made on identifiable assets and liabilities acquired in relation to the acquisition of LYUG.
- (10) Reclassification of RM1,000,000, the non-current portion of the trade and other payables from current liabilities to non-current liabilities.
- (11) Net effect of adjustments to profit or loss on retained earnings as at 31 December 2024 of RM1,879,000 and provisional goodwill adjustment in relation to the acquisition of LYUG of RM57,000 attributable to owners of the Company.
- (12) Net effect of adjustments to profit or loss on retained earnings as at 31 December 2024 of RM130,000 and provisional goodwill adjustment in relation to the acquisition of LYUG of RM661,000 attributable to non-controlling interest.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Audited Financial Statements	Unaudited Financial Statements	Variance Increase/(Decrease)	
	Note	RM'000	RM'000	RM'000	%
Cost of sales	13	(208,957)	(206,647)	2,310	1.1
Interest income from short-term deposits	14	1,097	1,096	1	0.1
Finance costs	15	(2,248)	(2,071)	177	8.5
Loss before tax	16	(5,494)	(3,008)	2,486	82.6
Income tax credit	17	(257)	(734)	(477)	(65.0)
Loss for the year, representing total comprehensive loss for the year	18	(5,751)	(3,742)	2,009	53.7



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	Note	Audited Financial Statements	Unaudited Financial Statements	Variance Increase/(Decrease)	
Loss for the year, representing total comprehensive loss for the year attributable to:					
- Owners of the Company	18	(6,953)	(5,074)	1,879	37.0
- Non-controlling interest	18	1,202	1,332	130	(9.8)
Loss per share attributable to owners of the Company (sen per share)					
Basic and diluted	18	(1.42)	(1.04)	0.38	36.5

These adjustments resulted in a net increase of RM2,009,000 in loss for the year. The variances were due to:

- (13) The adjustment on allowance for inventories written down value of RM2,310,000.
- (14) The adjustment on interest income from fixed deposit of RM1,000.
- (15) The adjustment on hire purchase and term loan interest expense of RM177,000.
- (16) The net effect on loss for the year upon finalisation of the Group's financial results after adjusting items 13-15 above.
- (17) The adjustment on the reassessed deferred tax liabilities and income tax recoverable upon finalisation of all subsidiaries' financial results.
- (18) Increase in loss for the year due to higher cost of sales (see Note 13), higher finance cost (see Note 15) and lesser income tax credit (see Note 17).

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Audited Financial Statements	Unaudited Financial Statements	Variance Increase/(Decrease)	
		RM'000	RM'000	RM'000	%
Net cash flows used in operating activities	19	(21,648)	(20,416)	1,232	6.0
Net cash flows used in investing activities	20	(9,950)	(13,900)	(3,950)	(28.4)
Net cash flows used in financing activities	21	(5,460)	(2,824)	2,636	93.3
Net decrease in cash and cash equivalents	19-21	(37,058)	(37,140)	(82)	(0.2)



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These adjustments and re-classifications resulted in a net decrease of RM82,000 in the cashflow statements.

- (19) The variances were due to (i) the adjustment of RM258,000 made on identifiable assets and liabilities acquired in relation to the acquisition of LYUG (refer to Note 2, 3, 4, 7 and 9) and (ii) the adjustment of RM1,490,000 relates to identifiable assets and liabilities acquired in relation to the acquisition of LYUG not eliminated in the changes in working capital and is subsequently corrected in the audited statements.
- (20) The variances were due to (i) the reclassification of interest income from short-term deposits of RM1,000 from operating activities to investing activities upon finalisation of the Group's financial results (refer to Note 14) and (ii) the reclassification of RM1,490,000 and RM2,459,000 to operating and financing activities respectively relate to identifiable assets and liabilities acquired in relation to the acquisition of LYUG.
- (21) The variances were due to (i) the reclassification of finance expense of RM177,000 from operating activities to financing activities upon finalisation of the Group's financial results (refer to Note 15) and (ii) the adjustment of RM2,459,000 relates to identifiable liabilities assumes in relation to the acquisition of LYUG not disclosed in financing activities and is subsequently corrected in the audited statements.

BY ORDER OF THE BOARD

Tan Yong Chuan
Executive Director and Chief Executive Officer
11 April 2025

*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 the compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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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