LMS COMPLIANCE LTD.
(Company Registration No. 202225544C)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF 75% OF THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF ANCHOR TECHNOLOGY HOLDINGS CO., LIMITED FOR AN AGGREGATE CONSIDERATION OF US$4,511,867 PAYABLE IN CASH AND NEW SHARES IN LMS COMPLIANCE LTD. (WITH THE ISSUE PRICE PER CONSIDERATION SHARE REPRESENTING A PREMIUM OF 15% OVER THE SIX-MONTH VWAP PER SHARE TRADED ON THE SGX-ST PRIOR TO COMPLETION DATE)

- ENTRY INTO LOAN AGREEMENT WITH ANCHOR TECHNOLOGY HOLDINGS CO., LIMITED

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1. INTRODUCTION

1.1. The board of directors (the "**Board**" or "**Directors**") of LMS Compliance Ltd. (the "**Company**") refers to the Company's announcements dated 27 January 2025, 2 May 2025, 11 July 2025 and 26 March 2026 (collectively, the "**Announcements**" and each an "**Announcement**") in relation to the Proposed Acquisition.

1.2. Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the Announcements.

2. ENTRY INTO LOAN AGREEMENT WITH ANCHOR TECHNOLOGY HOLDINDGS CO., LIMITED

2.1. As set out in paragraph 3.7 of the Announcement dated 27 January 2025, Anchor Technology Holdings Co., Limited ("**ACC HK**"), a 75%-owned indirect subsidiary of the Company, and LMS Compliance International Pte. Ltd. ("**LMSCI**"), a wholly-owned subsidiary of the Company, the following conditions subsequent were to be undertaken after Completion:

(a) an aggregate amount of RMB1,639,236 to be provided by LMSCI in favour of ACC HK by way of an interest-free convertible loan with no fixed terms of repayment ("**Convertible Loan**");

(b) an aggregate amount of RMB1,000,000, or such other amount as necessary, to be provided by ACC HK in favour of ACC Hainan as contribution to its paid-up capital such that the registered capital of ACC Hainan becomes fully paid-up; and

(c) an aggregate amount of RMB389,236, or such other amount as necessary, to be provided by ACC HK in favour of ACC Shanghai as contribution to its paid-up capital such that the registered capital of ACC Shanghai becomes fully paid-up.

2.2. In this regard, the Board wishes to update Shareholders that the ACC Group had completed an internal corporate restructuring whereby the entire equity interest of ACC Hainan held by ACC HK was transferred to ACC Shanghai in accordance with the law of the People's Republic of China, and ACC Hainan became a wholly-owned subsidiary of ACC Shanghai instead. In addition, ACC Shanghai has completed the contribution of RMB1,000,000 to ACC Hainan's paid-up capital and, accordingly, the condition subsequent as set out in paragraph 2.1(b) above has been fulfilled.

2.3. The Board also wishes to announce that notwithstanding paragraphs 3.7(a) and 3.8 of the Announcement dated 27 January 2025, LMSCI (the “**Lender**”) has entered into a loan agreement with ACC HK (the “**Borrower**”) on 28 August 2026 (the “**Loan Agreement**”) instead of a convertible loan agreement as initially contemplated. Pursuant to the Loan Agreement, the Lender and the Borrower have agreed that the Lender shall provide and extend to the Borrower a loan in an amount not exceeding in the aggregate RMB639,236 (the “**Loan**”) (utilising internal resources of the Group) on the terms and subject to the conditions therein contained.

2.4. The purpose of the Convertible Loan initially contemplated the contribution of RMB1,000,000 to ACC Hainan’s paid-up capital, amongst others. Given that the said contribution had been completed, the parties mutually agreed to reduce the loan amount from RMB1,639,236 to RMB639,236. Consequently, the parties entered into the Loan Agreement instead of a convertible loan agreement for the following reasons:

(a) avoid dilution of Splendor Certification Inc’s shareholding interest in ACC HK; and

(b) minimise administrative costs which may be incurred by the Company in respect of the Convertible Loan.

2.5. For further information on ACC HK, please refer to the Announcement dated 27 January 2025.

2.6. **Principal Terms of the Loan Agreement**

(a) Conditions of Drawdown

The Borrower may not deliver a request for the drawdown of the Loan (“**Drawdown Request**”) unless the Lender has received, reviewed and confirmed in writing its satisfaction with all of the documents and other evidence requested under the Loan Agreement. The Lender shall notify the Borrower of its decision within ten (10) business days upon receipt of such documents and other evidence.

The disbursement of the Loan by the Lender (“**Drawdown**”) shall occur only if on the date of the Drawdown Request and on the proposed date of the Drawdown in accordance with the terms of the Loan Agreement and paragraph 2.6(b) below:

(i) no event of default as prescribed under the Loan Agreement (“**Event of Default**”) is continuing or would result from the Loan; and

(ii) the representations to be made by the Borrower under the Loan Agreement are true and correct in all material respects.

(b) Drawdown

The Borrower may utilise the full amount of the Loan by delivery to the Lender a duly completed Drawdown Request not later than fifteen (15) calendar days before the Drawdown Date or such later date as the Lender may permit in writing, such permission not to be unreasonably withdrawn, and in any event not later than one (1) year from the date of the Loan Agreement (i.e., by 28 August 2027) (the “**Drawdown Period**”), failing which the Loan Agreement shall be automatically terminated (save for any provisions therein which are expressly stated to survive) and no Party shall have any claim against the other Party for costs, damages, compensation or otherwise under the Loan Agreement.

For avoidance of doubt, the full amount of the Loan shall be disbursed in one tranche on the date of the Drawdown.

The Lender and the Borrower agree that the disbursement of the Loan is at the discretion of the Lender acting reasonably and in good faith. The Lender shall not be obligated to provide any reasons for refusing to make such disbursement and the Lender's decision not to disburse the Loan shall not give rise to any claim or cause of action by the Borrower. For the avoidance of doubt, the Borrower may submit a second and final Drawdown Request within the Drawdown Period.

(c) Purpose

Pursuant to the Loan Agreement, the Borrower shall apply all amounts borrowed by it under the Loan towards the following purposes:

(i) an aggregate amount of RMB389,236, or such other amount as necessary, in favour of ACC Shanghai as contribution to its paid-up capital such that the registered capital of ACC Shanghai becomes fully paid-up; and

(ii) the remaining amount, if any, towards the working capital requirements of the Borrower.

(d) Interest / Repayment

No interest shall accrue or be payable to the Lender by the Borrower in respect of the Loan, provided that upon the occurrence of an Event of Default, interest shall accrue on the outstanding Loan at the rate of 3% per annum from the date of such Event of Default until the date of actual full repayment of the Loan and interest accrued.

Subject to this paragraph 2.6(d), the Loan disbursed under the Loan Agreement shall have no fixed term of repayment, unless otherwise mutually agreed in writing by the Lender and the Borrower, subject at all times to the Lender’s right to be repaid (i) upon demand, with repayment to be made within three (3) business days of such demand, or (ii) immediately upon the occurrence of an Event of Default.

The Borrower may not reborrow any part of the Loan which is repaid.

(e) Events of Default

Each of the events or circumstances set out in this paragraph 2.6(e) is an Event of Default:

(i) The Borrower does not comply with any provision of the Loan Agreement, the Drawdown Request, or any other document designated as such by the Lender and the Borrower (collectively, the “**Finance Documents**”) (other than that referred to in this paragraph 2.6(e)).

(ii) Any representation, warranty or statement made or deemed to be made by the Borrower in the Finance Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

(iii) (A) Any member of the ACC Group is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(B) The value of the assets of any member of the ACC Group is less than its liabilities (taking into account contingent and prospective liabilities), based on the latest available management accounts of the ACC Group.

(C) A moratorium is declared in respect of any indebtedness of any member of the ACC Group.

(D) Any member of the ACC Group suspends or ceases to carry on all or a substantial part of its business.

(iv) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(A) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, dissolution, administration, judicial management, statutory management, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the ACC Group;

(B) a composition, compromise, assignment or arrangement with any creditor of any member of the ACC Group;

(C) the appointment of a liquidator, receiver, trustee, administrator, administrative receiver, compulsory manager, judicial manager, provisional supervisor or other similar officer in respect of any member of the ACC Group or any of its assets; or

(D) enforcement of any security interest over any assets of any member of the ACC Group,

or any analogous procedure or step is taken in any jurisdiction.

(v) (A) Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any member of the ACC Group which is not discharged within ten (10) business days.

(B) Any member of the ACC Group fails to pay or perform or comply with any final judgment or court order.

(vi) It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.

(vii) Any obligation or obligations of the Borrower under any Finance Document to which it is a party are not, or cease to be or are alleged by the Borrower not to be, legal, valid, binding or enforceable in accordance with the terms of that Finance Document.

(viii) A trade sale of the Borrower (whether of 50% or more of the total shares of the Borrower or a disposition, transfer, sale of or merger involving all or more than 50% of the Borrower's assets, business and/or undertaking) to a third-party buyer.

(ix) (A) Any financial indebtedness of a member of the ACC Group is not paid when due or within any originally applicable grace period.

(B) Any financial indebtedness of a member of the ACC Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(C) Any commitment for any financial indebtedness of a member of the ACC Group is cancelled or suspended by a creditor of such member of the ACC Group as a result of an event of default (however described).

(D) Any creditor of a member of the ACC Group becomes entitled to declare any financial indebtedness of such member of the ACC Group due and payable prior to its specified maturity as a result of an event of default (however described).

(f) <u>Consequences of Events of Default</u>

After the occurrence of an Event of Default which is continuing the Lender may, by notice to the Borrower:

(i) in the event that the Loan has not been disbursed, terminate the Loan Agreement (save for any provisions therein which are expressly stated to survive); or

(ii) in the event that the Loan has been disbursed, declare that all or part of the Loan (and all other amounts accrued or outstanding under the Finance Documents, if any) be immediately due and payable, whereupon it shall immediately become payable.

3. FURTHER ANNOUNCEMENTS

The Company will make further announcements in due course to update its shareholders of the satisfaction of the remaining tranches of the Purchase Consideration in accordance with the terms and conditions of the SPA.

4. DISCLOSURE OF INTERESTS

As at the date of this announcement, none of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Loan (other than through their respective shareholdings in the Company, if any).

5. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company and are also advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

By Order of the Board

Ooi Shu Geok
Executive Director and Chief Executive Officer
28 August 2026

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*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Mr. Mah How Soon, at 36 Robinson Road, #10-06, City House, Singapore 068877, Email: sponsor@rhtgoc.com.