LMS Compliance Ltd.
Company Registration No.: 202225544C
(Incorporated in the Republic of Singapore)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

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Certain numerical figures in this announcement, including financial data presented in thousands or millions and percentages, have been subject to rounding adjustments and may not recompute exactly.

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A. Condensed Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2026

		Group		
		Unaudited 6 months ended		*Increase/ (Decrease)*
	Note	30.06.26 RM'000	30.06.25 RM'000	
Revenue	4	18,193	12,945	*40.5%*
Other items of income				
Interest income		260	113	*130.1%*
Other income	5	403	328	*22.9%*
Items of expense				
Materials, consumables and subcontractor costs		(1,859)	(1,104)	*68.4%*
Amortisation of intangible assets		(437)	-	*N.M.*
Depreciation expenses	6	(1,208)	(699)	*72.8%*
Reversal of loss allowance on receivables, net		3	62	*-95.2%*
Employee benefits expense		(7,079)	(5,159)	*37.2%*
Other expenses		(2,798)	(2,184)	*28.1%*
Finance costs	7	(193)	(74)	*160.8%*
Share of result of an associate	13	(135)	(166)	*-18.7%*
Profit before income tax	8	5,150	4,062	*26.8%*
Income tax expense	9	(1,717)	(1,292)	*32.9%*
Profit for the financial period		3,433	2,770	*23.9%*
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
- Exchange differences on translating foreign operation		599	(70)	
Total comprehensive income for the financial period		4,032	2,700	
Profit attributable to :				
Owners of the Company		3,107	2,770	
Non-controlling interest		326	-	
		3,433	2,770	
Total comprehensive income attributable to :				
Owners of the Company		3,647	2,700	
Non-controlling interest		385	-	
		4,032	2,700	
Earnings per Share				
- Basic and diluted (cents)	10	2.26	2.17	

Note:
(1) "N.M." denotes not meaningful.

B. Condensed Interim Statements of Financial Position
As at 30 June 2026

		Group		Company	
		Unaudited as at	Audited as at	Unaudited as at	Audited as at
	Note	30.06.26	31.12.25	30.06.26	31.12.25
ASSETS		RM'000	RM'000	RM'000	RM'000
Non-current assets					
Property, plant and equipment	11	10,906	9,745	-	-
Right-of-use assets		4,787	1,229	-	-
Investment in subsidiaries	12	-	-	16,471	16,099
Investment in an associate	13	375	512	-	-
Intangible assets	14	14,992	14,933	-	-
Total non-current assets		31,060	26,419	16,471	16,099
Current assets					
Trade and other receivables	15	6,541	6,500	469	7,678
Prepayments		473	524	158	102
Contract assets		219	219	-	-
Financial assets at fair value through profit or loss ("FVTPL")	16	8,534	11,405	3,355	3,340
Cash and cash equivalents		19,513	14,599	8,163	2,733
Total current assets		35,280	33,247	12,145	13,853
Total assets		66,340	59,666	28,616	29,952
EQUITY AND LIABILITIES					
Equity					
Share capital	17	23,759	23,759	23,759	23,759
Reserves		2,524	1,984	-	-
Retained earnings		24,651	21,544	4,300	5,553
Non-controlling interest		2,184	1,799	-	-
Total equity		53,118	49,086	28,059	29,312
Non-current liabilities					
Other payables	18	1,628	1,966	-	-
Bank borrowings	19	741	791	-	-
Lease liabilities		4,008	774	-	-
Deferred tax liabilities		757	686	-	-
Total non-current liabilities		7,134	4,217	-	-
Current liabilities					
Trade and other payables	18	3,211	4,259	421	599
Bank borrowings	19	99	97	-	-
Lease liabilities		1,109	693	-	-
Contract liabilities		878	858	136	40
Income tax payable		791	456	-	1
Total current liabilities		6,088	6,363	557	640
Total liabilities		13,222	10,580	557	640
Total equity and liabilities		66,340	59,666	28,616	29,952

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C. Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2026

Group

	Attributable to Owner of the Company						
	Share capital RM'000	Foreign currency translation reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non controlling Interest RM'000	Total equity RM'000
Balance as at 1 January 2026	23,759	(196)	2,180	21,544	47,287	1,799	49,086
Profit for the financial period	-	-	-	3,107	3,107	326	3,433
Other comprehensive income:							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences arising from translation of foreign operations	-	540	-	-	540	59	599
Total comprehensive income for the financial period	-	540	-	3,107	3,647	385	4,032
Balance as at 30 June 2026	**23,759**	**344**	**2,180**	**24,651**	**50,934**	**2,184**	**53,118**

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C. Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2026 (Continued)

Group

	Attributable to Owner of the Company						
	Share capital RM'000	Foreign currency translation reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000	Non controlling Interest RM'000	Total equity RM'000
Balance as at 1 January 2025	11,292	36	2,180	18,884	32,392	-	32,392
Profit for the financial period	-	-	-	2,770	2,770	-	2,770
Other comprehensive income:							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences arising from translation of foreign operations	-	(70)	-	-	(70)	-	(70)
Total comprehensive income for the financial period	-	(70)	-	2,770	2,700	-	2,700
Distribution to owners							
Dividend paid	-	-	-	(3,816)	(3,816)	-	(3,816)
Total transaction with owners	-	-	-	(3,816)	(3,816)	-	(3,816)
Balance as at 30 June 2025	**11,292**	**(34)**	**2,180**	**17,838**	**31,276**	**-**	**31,276**

C. Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2026 (Continued)

Company

	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2026	23,759	5,553	29,312
Loss for the financial period	-	(1,253)	(1,253)
Total comprehensive loss for the financial period	-	(1,253)	(1,253)
Distribution to owners			
Dividend paid	-	-	-
Total transaction with owners	-	-	-
Balance as at 30 June 2026	**23,759**	**4,300**	**28,059**

	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2025	11,292	4,299	15,591
Loss for the financial period	-	(896)	(896)
Total comprehensive loss for the financial period	-	(896)	(896)
Distribution to owners			
Dividend paid	-	(3,816)	(3,816)
Total transaction with owners	-	(3,816)	(3,816)
Balance as at 30 June 2025	**11,292**	**(413)**	**10,879**

D. Condensed Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2026

	Group	
	Unaudited	
	6 months ended	
	30.06.26	30.06.25
	RM'000	RM'000
Cash flows from operating activities		
Profit before income tax	5,150	4,062
Adjustments for:		
Amortisation of intangible assets	437	-
Bad debts written off	-	42
Depreciation of property, plant and equipment	606	552
Depreciation of right-of-use assets	602	147
Loss/(Gain) on financial assets at FVTPL	66	(85)
Gain on disposal of property, plant and equipment	(28)	-
Gain on disposal of right-of-use assets	(49)	-
Interest expense	193	74
Interest income	(260)	(113)
Loss/(Gain) on foreign exchange differences, net	58	(44)
Property, plant and equipment written off	2	41
Reversal of loss allowance on receivables, net	(3)	(62)
Share of result of an associate	135	166
Operating profit before changes in working capital	6,909	4,780
Changes in working capital		
Trade and other receivables	197	(417)
Contract assets	-	(188)
Prepayment	51	119
Trade and other payables	(1,386)	(518)
Contract liabilities	11	81
Cash generated from operations	5,782	3,857
Income tax paid, net	(1,338)	(1,222)
Net cash from operating activities	4,444	2,635
Cash flows from investing activities		
Interest income	37	22
Addition of right-of-use assets	(30)	-
Proceeds from disposal of property, plant and equipment	28	-
Purchase of property, plant and equipment	(1,734)	(964)
Placement of financial assets at FVTPL	(2,800)	(2,150)
Redemption of financial assets at FVTPL	5,827	4,144
Net cash from investing activities	1,328	1,052

D. Condensed Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2026 (Continued)

	Group	
	Unaudited 6 months ended	
	30.06.26 RM'000	30.06.25 RM'000
Cash flows from financing activities		
Dividends paid	-	(3,816)
Repayment of principal portion of bank borrowings	(48)	(46)
Repayment of interest portion of bank borrowings	(88)	(21)
Repayment of principal portion of lease liabilities	(437)	(128)
Repayment of interest portion of lease liabilities	(105)	(53)
Net cash used in financing activities	(678)	(4,064)
Net changes in cash and cash equivalents	5,094	(377)
Cash and cash equivalents at beginning of financial period	14,599	12,259
Effects of exchange rate changes on cash and cash equivalents	(180)	44
Cash and cash equivalents at end of financial period	19,513	11,926

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements

1. Corporate information

LMS Compliance Ltd. (the “Company”, and together with its subsidiaries, the "Group") (Company Registration Number : 202225544C) is a public limited liability company, incorporated and domiciled in Singapore with its registered office at 380 Jalan Besar #07-10 ARC 380 Singapore 209000 and principal place of business at 16, Lengkok Kikik 1, Taman Inderawasih, 13600 Perai, Pulau Pinang, Malaysia. The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 1 December 2022.

The principal activity of the Company is that of investment holding and development of software and application pertaining to conformity assessment technology.

The Group is principally engaged in the provision of laboratory testing and assessment services, provision of certification services, trading of scientific instruments, chemicals, media and laboratory solutions, and the promotion and marketing of the Group’s software and online applications.

These unaudited condensed interim consolidated financial statements as at and for the six months financial period ended 30 June 2026 comprise the Company and its subsidiaries.

2. Basis of preparation

The unaudited 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 Accounting Standards Council Singapore. The condensed interim consolidated 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 financial performance of the Group since the last annual audited consolidated financial statements for the financial year ended 31 December 2025.

The accounting policies and methods of computation adopted are consistent with those adopted by the Company in the Group's most recently audited consolidated financial statements for the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of the new and amended standards as set out in Note 2.1 below.

The unaudited condensed interim consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Company's functional currency and presentation currency. All values in the tables are rounded to the nearest thousand (RM'000), except when otherwise indicated.

2.1) New and amended standards adopted by the Group

A number of amendments to the standards 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.

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

2. Basis of preparation (Continued)

2.2) Use of judgements and estimates

In preparing the unaudited condensed interim consolidated financial statements, the management of the Company ("Management") has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next interim period includes the following:

1) Loss allowance for trade and other receivables and contract assets.
2) Impairment assessment of goodwill arising from acquisition of subsidiaries.

There were no critical judgements in applying accounting policies that have a significant risk of resulting in a material adjustment within the next reporting period.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

4.1) Business segment

The Group has five primary business segments, which are testing and assessment segment, trading segment, certification and consultancy services segment, Software as a Service (SaaS) segment, and training and assurance services segment.

1. Testing and assessment business segment provides product safety testing and industry compliance assessment, generating 65.56% in 1H FY2026 (1H FY2025: 94.47%) of its revenues.

2. Certification and consultancy services business segment provides ISO application, ISO certification, ISO conformity assessment, ISO education and provide training and management consultancy activities, generating 31.57% in 1H FY2026 (1H FY2025: 2.30%) of its revenues.

3. Training and assurance services business segment provides workshop and verification services for greenhouse gas accounting and reporting, generating 1.79% in 1H FY2026 (1H FY2025: 1.35%) of its revenues.

4. Trading business segment provides supplies in all kinds of scientific products, salts, medical and chemical preparation, generating 0.69% in 1H FY2026 (1H FY2025: 1.16%) of its revenues.

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

4.1) Business segment (Continued)

5. Software as a Service (SaaS) business segment provides database hosting for the Group's cloud-based applications, generating 0.39% in 1H FY2026 (1H FY2025: 0.72%) of its revenues.

The Group's businesses are organised and managed separately according to the nature of the services provided. The following tables present revenue and profit information regarding operating segments for the six months financial period ended 30 June 2026 ("1H FY2026") and 30 June 2025 ("1H FY2025) and certain assets and liabilities information of the operating segments as at 30 June 2026 and 31 December 2025.

1H FY2026 (Unaudited)	**Group**			
	Testing and assessment RM'000	**Certification and consultancy RM'000**	**All other segments RM'000**	**Total RM'000**
Revenue				
Total revenue	11,927	6,140	979	19,046
Inter-segmental revenue	-	(397)	(456)	(853)
Total revenue from external customers	11,927	5,743	523	18,193
Other item of income				
Interest income	241	10	9	260
Other income	215	188	-	403
Item of expenses				
Materials and consumables	(813)	(953)	(93)	(1,859)
Amortisation of intangible assets	-	(437)	-	(437)
Depreciation expenses	(697)	(495)	(16)	(1,208)
Reversal of loss allowance on receivables, net	(59)	57	5	3
Employee benefits expense	(4,373)	(2,116)	(590)	(7,079)
Other expenses	(1,069)	(483)	(1,246)	(2,798)
Finance costs	(67)	(56)	(70)	(193)
Share of result of an associate	-	-	(135)	(135)
Profit before income tax	5,305	1,458	(1,613)	5,150
Income tax expenses	(1,237)	(464)	(16)	(1,717)
Profit for the financial period	4,068	994	(1,629)	3,433

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

4.1) Business segment (Continued)

As at 30.06.2026 (Unaudited)	**Group**			
	Testing and assessment RM'000	**Certification and consultancy RM'000**	**All other segments RM'000**	**Total RM'000**
Additions to non-current assets	903	4,806	-	5,709
Reportable segment assets	14,235	28,547	10,555	53,337
Other unallocated assets				13,003
Total group assets				66,340
Reportable segment liabilities	3,038	5,370	2,425	10,833
Other unallocated liabilities				2,389
Total group liabilities				13,222

1H FY2025 (Unaudited)	**Group**			
	Testing and assessment RM'000	**Certification and consultancy RM'000**	**All other segments RM'000**	**Total RM'000**
Revenue				
Total revenue	12,229	297	941	13,467
Inter-segmental revenue	-	-	(522)	(522)
Total revenue from external customers	12,229	297	419	12,945
Other item of income				
Interest income	105	4	4	113
Other income	244	-	84	328
Item of expenses				
Materials and consumables	(928)	(49)	(127)	(1,104)
Depreciation expenses	(665)	-	(34)	(699)
Reversal of loss allowance on receivables, net	62	-	-	62
Employee benefits expense	(4,404)	(122)	(633)	(5,159)
Other expenses	(1,116)	(30)	(1,038)	(2,184)
Finance costs	(74)	-	-	(74)
Share of result of an associate	-	-	(166)	(166)
Profit before income tax	5,453	100	(1,491)	4,062
Income tax expenses	(1,237)	(13)	(42)	(1,292)
Profit for the financial period	4,216	87	(1,533)	2,770

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

4.1) Business segment (Continued)

As at 31.12.2025 (Audited)	Group			
	Testing and assessment RM'000	Certification and consultancy RM'000	All other segments RM'000	Total RM'000
Additions to non-current assets	1,323	-	14,109	15,432
Reportable segment assets	9,741	2,459	930	13,130
Other unallocated assets				46,536
Total group assets				59,666
Reportable segment liabilities	1,908	2,019	3,154	7,081
Other unallocated liabilities				3,499
Total group liabilities				10,580

4.2) Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Group			
	Revenue		Non-current assets	
	Unaudited 6 months ended		Unaudited as at	Audited as at
	30.06.26 RM'000	30.06.25 RM'000	30.06.26 RM'000	31.12.25 RM'000
Malaysia	12,557	12,668	10,782	10,541
China	5,443	146	19,903	15,366
Singapore	128	90	375	512
Others[1]	65	41	-	-
	18,193	12,945	31,060	26,419

Note:
(1) Others comprises Indonesia for 1H FY2026. The comparative period, 1H FY2025, included both Indonesia and Thailand.

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

4. Segment and revenue information (Continued)

4.3) Disaggregation of revenue

	Group Unaudited 6 months ended	
	30.06.26 RM'000	**30.06.25 RM'000**
Type of goods or services		
Testing and assessment	11,927	12,229
Certification and consultancy services	5,743	297
Training and assurance services	326	175
Trading	125	151
Software as a Service (SaaS)	72	93
	18,193	12,945
Timing of transfer of goods and services		
Point-in-time	17,645	12,852
Over time	548	93
	18,193	12,945

4.4) Major customer

There was no single customer that accounted for 5.0% or more of the Group's total revenue in 1H FY2026 (1H FY2025: one customer).

		Percentage contribution to total revenue (%) Unaudited	
Number of Customer	**Type of service provided**	**1H FY2026**	**1H FY2025**
One	Laboratory testing services	-	5.09%

5. Other income

	Group Unaudited 6 months ended	
	30.06.26 RM'000	**30.06.25 RM'000**
Fair value gain on financial assets at FVTPL	-	85
Gain on foreign exchange differences	-	44
Gain on disposal of property, plant and equipment	28	-
Gain on disposal of right-of-use assets	49	-
Government grant income	37	41
Others	289	158
	403	328

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

6. Depreciation expenses

	Group Unaudited 6 months ended	
	30.06.26 RM'000	30.06.25 RM'000
Depreciation of property, plant and equipment	606	552
Depreciation of right-of-use assets	602	147
	1,208	699

7. Finance costs

	Group Unaudited 6 months ended	
	30.06.26 RM'000	30.06.25 RM'000
Lease liabilities interest	105	53
Interest on financial liabilities	70	-
Bank borrowings interest	18	21
	193	74

8. Profit before income tax

8.1) Significant items

	Group Unaudited 6 months ended	
	30.06.26 RM'000	30.06.25 RM'000
Materials, consumables and subcontractor costs		
- Purchases	683	608
- Outsourcing costs	982	357
Short term and low value lease expenses		
- Tools and equipment	5	6

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

8. Profit before income tax (Continued)

8.1) Significant items (Continued)

	Group	
	Unaudited	
	6 months ended	
	30.06.26	30.06.25
	RM'000	RM'000
Other expenses		
Audit fee		
- Auditors of the Company	141	142
- Auditors of the subsidiaries	105	48
Non-audit fee		
(i) Non-audit related services		
- Auditors of the Company	6	-
- Auditors of the subsidiaries	3	11
Bad debts written off	-	42
Property, plant and equipment written off	2	-
Loss on foreign exchange differences	77	-
Fair value loss on financial assets at FVTPL	66	-
Professional fee	507	523
Short term and low value lease expenses		
- Office equipment	10	10
Computer and information technology expenses	59	52
Utilities	178	179
Advertisement	118	107

8.2) Related party transactions

	Group		Company	
	Unaudited		Unaudited	
	6 months ended		6 months ended	
	30.06.26	30.06.25	30.06.26	30.06.25
	RM'000	RM'000	RM'000	RM'000
With directors of the Company				
Payment of expenses on behalf of the Group	146	113	35	-
Rental fee	147	147	-	-
With subsidiaries of the Company				
Expenses paid on behalf of the Company	-	-	215	218
Management fee income	-	-	264	307
Hosting maintenance fee	-	-	119	131

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

9. Income tax expense

	Group	
	Unaudited 6 months ended	
	30.06.26 RM'000	**30.06.25 RM'000**
Current income tax expenses		
- current tax	1,666	1,209
- over provision of income tax expenses in respect of prior financial period	(10)	-
	1,656	1,209
Deferred tax expenses		
- relating to origination and reversal of temporary differences	61	83
	61	83
Total income tax expenses recognised in consolidated statement of comprehensive income	1,717	1,292

10. Earnings per share

	Group	
	Unaudited 6 months ended	
	30.06.26	**30.06.25**
Profit attributable to owners of Company (RM'000)	3,107	2,770
Weighted average number of ordinary shares	137,254,006	127,797,666
Earnings per share (cents)		
- Basic and diluted	2.26	2.17

The calculation of basic earnings per share for the six-month financial period ended 30 June 2026 is based on the profit attributable to owners of the Company for the financial period divided by weighted average number of ordinary shares in issue during the financial period of 137,254,006 ordinary shares. The weighted average number of ordinary shares in issue was calculated based on the 137,254,006 issued and paid-up shares as at the beginning of the period.

The calculation of basic earnings per share for the six-month financial period ended 30 June 2025 is based on the profit attributable to owners of the Company for the financial period divided by weighted average number of ordinary shares in issue during the financial period of 127,797,666 ordinary shares. The weighted average number of ordinary shares in issue was adjusted to 127,797,666 due to issuance of 22,875,667 bonus shares 11 November 2025 to existing shareholders of the Company, and the prior year's basic earnings per share was retrospectively adjusted for these bonus shares.

The diluted earnings per share for the relevant periods are the same as the basic earnings per share as there were no dilutive potential ordinary shares for the relevant periods.

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

11. Property, plant and equipment

During the six-month financial period ended 30 June 2026, the Group acquired assets amounting to RM1.73 million (30 June 2025 : RM0.96 million).

12. Investment in subsidiaries

	Company	
	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000
Unquoted equity investments, at cost	160	160
Non-current		
Amount due from a subsidiary	16,311	15,939
Balance at beginning of financial period	16,099	160
Addition during the financial period	372	15,939
Balance at end of financial period	16,471	16,099

13. Investment in an associate

	Group	
	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000
Unquoted equity investments	375	512
Unquoted equity investments		
Balance at beginning of financial period	512	542
Currency realignment	(2)	(53)
Share of result of an associate	(135)	23
Balance at end of financial period	375	512

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

14. Intangible assets

Group	Goodwill	Customer Relationship	Customer Contract	Total
		Unaudited		
	RM'000	RM'000	RM'000	RM'000
(i) Cost				
At 1 January 2026	13,444	1,489	436	15,369
Currency realignment	456	49	11	516
At 30 June 2026	13,900	1,538	447	15,885
(ii) Accumulated amortisation				
At 1 January 2026	-	291	145	436
Amortisation charges	-	292	145	437
Currency realignment	-	12	8	20
At 30 June 2026	-	595	298	893
Carrying amounts as at 30 June 2026	13,900	943	149	14,992

Group	Goodwill	Customer Relationship	Customer Contract	Total
		Audited		
	RM'000	RM'000	RM'000	RM'000
(i) Cost				
At 1 January 2025	-	-	-	-
Acquisition of subsidiaries	13,599	1,505	439	15,543
Currency realignment	(155)	(16)	(3)	(174)
At 31 December 2025	13,444	1,489	436	15,369
(ii) Accumulated amortisation				
At 1 January 2025	-	-	-	-
Amortisation charges	-	292	145	437
Currency realignment	-	(1)	-	(1)
At 31 December 2025	-	291	145	436
Carrying amounts as at 31 December 2025	13,444	1,198	291	14,933

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. There was no indication of impairment as at 30 June 2026 and 31 December 2025.

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

15. Trade and other receivables

	Group		Company	
	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000
Trade receivables				
- Third parties	6,417	6,502	28	12
- Amount owing by subsidiaries	-	-	3	52
Less: Loss allowance on receivables	(235)	(238)	-	-
	6,182	6,264	31	64
Other receivables				
- Third parties	62	94	-	-
- Amount owing by subsidiaries	-	-	437	313
- Dividend receivable	-	-	-	7,300
	62	94	437	7,613
Deposits	297	142	1	1
	359	236	438	7,614
	6,541	6,500	469	7,678

16. Financial assets at FVTPL

	Group		Company	
	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000
Money market funds	8,534	11,405	3,355	3,340
Balance at beginning of financial period	11,405	10,091	3,340	3,400
Placements during the financial period	2,800	5,300	-	-
Redemptions during the financial period	(5,827)	(4,144)	-	-
Interest income	222	92	-	-
Fair value (loss)/gain recognised through profit or loss	(66)	66	15	(60)
Balance at end of financial period	8,534	11,405	3,355	3,340

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

17. Share capital

	Group and Company			
	Unaudited as at 30.06.2026		Audited as at 31.12.2025	
	Number of ordinary shares	RM'000	Number of ordinary shares	RM'000
Balance at beginning of financial period	137,254,006	23,759	104,921,999	11,292
Issuance of shares[(i)]	-	-	9,456,340	12,467
Issuance of bonus shares[(ii)]	-	-	22,875,667	-
Balance at end of financial period	137,254,006	23,759	137,254,006	23,759

(i) On 11 July 2025, the Company issued 9,456,340 ordinary shares at an issue price of S$0.42 per share for a total consideration of S$3,971,663 for the purpose of acquiring 75% of the issued and paid-up ordinary shares in the capital of Anchor Technology Holdings Co., Limited ("ACC") pursuant to a sale and purchase agreement dated 23 January 2025.

(ii) On 11 November 2025, 22,875,667 bonus shares have been allotted and issued pursuant to the proposed bonus issue as announced by the Company on 23 September 2025.

There were no changes in the share capital of the Company during 1H FY2026.

The Company has no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2026 and 30 June 2025. There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares and subsidiary holdings during the financial period ended 30 June 2026.

18. Trade and other payables

	Group		Company	
	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000
Non-current				
Contingent consideration payable	1,536	1,474	-	-
Deferred consideration payable	-	370	-	-
Deferred grant income	92	122	-	-
	1,628	1,966	-	-
Current				
Trade payables				
- Third parties	121	246	-	-
- Subsidiaries	-	-	110	-
Other payables				
- Third parties	478	256	2	-
- Subsidiaries	-	-	33	23
Deferred consideration payable	375	377	-	
Accrued expenses	1,532	2,640	276	576
Deferred grant income	38	38	-	-
Sales and service tax	667	702	-	-
	3,211	4,259	421	599
	4,839	6,225	421	599

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

19. Bank borrowings

	Group	
	Unaudited as at 30.06.26 RM'000	**Audited as at 31.12.25 RM'000**
Current (Amount repayable within one year)		
Term loan	99	97
Non-current (Amount repayable after one year)		
Term loan	741	791
Total	840	888
Secured		
Term loan	840	888

The term loan is repayable over 240 monthly instalments comprising principal and interest.

The entire term loan is secured by freehold land and building, and is supported by a guarantee provided by the Executive Directors of the Group.

20. Net asset value ("NAV")

	Group		Company	
	Unaudited as at 30.06.26	**Audited as at 31.12.25**	**Unaudited as at 30.06.26**	**Audited as at 31.12.25**
NAV (RM'000)	53,118	49,086	28,059	29,312
Number of ordinary shares in issue ('000)	137,254	137,254	137,254	137,254
NAV per ordinary share (cents)	38.70	35.76	20.44	21.36

21. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 June 2026 and 31 December 2025:

	Group		Company	
	Unaudited as at 30.06.26 RM'000	**Audited as at 31.12.25 RM'000**	**Unaudited as at 30.06.26 RM'000**	**Audited as at 31.12.25 RM'000**
Financial assets				
At amortised cost	26,054	21,099	8,633	10,412
Financial asset at FVTPL (Level 1, quoted prices (unadjusted) in active markets for identical assets)	8,534	11,405	3,355	3,340
	34,588	32,504	11,988	13,752

E. Notes to the Unaudited Condensed Interim Consolidated Financial Statements (Continued)

	Group		Company	
	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000	Unaudited as at 30.06.26 RM'000	Audited as at 31.12.25 RM'000
Financial liabilities				
At amortised cost	8,463	6,244	421	599
Financial liabilities at FVTPL (Level 3, inputs for the asset or liability that are not based on observable market data (unobservable inputs)	1,537	1,474	-	-
	10,000	7,718	421	599

22. Subsequent events

There are no known subsequent events which may lead to adjustments to this set of unaudited condensed interim consolidated financial statements.

F. Other Information Required by Appendix 7C of the Catalist Rules

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The unaudited condensed consolidated statement of financial position of LMS Compliance Ltd. 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 the explanatory notes have not been audited or reviewed by the Company's auditors.

Where the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion:

(i) Updates on the efforts taken to resolve each outstanding audit issue.
(ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements of the Group for the financial year ended 31 December 2025 was not subject to any adverse opinion, qualified opinion, or disclaimer of opinion.

2. A review of the performance of the Group

<u>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</u>

Review for the performance of the Group for the six months ended 30 June 2026 ("1H FY2026") as compared to six months ended 30 June 2025 ("1H FY2025").

<u>Revenue</u>

Revenue increased by RM5.24 million or 40.5%, mainly due to increase in revenue from (i) certification and consultancy services by RM5.44 million and (ii) training and assurance services by RM0.15 million, partially offset by decrease in (i) testing and assurance by RM0.3 million, (ii) trading by RM0.03 million and (iii) software as a service (SaaS) by RM0.02 million.

The increase in revenue from certification and consultancy services was primarily attributable to the acquisition of a subsidiary, which contributed positively to the Group's expanded service capabilities and overall financial performance during the reporting period.

<u>Interest income</u>

The increase in interest income of RM0.15 million or 130.1% mainly resulted from interest received from financial assets at FVTPL.

F. Other Information Required by Appendix 7C of the Catalist Rules (Continued)

2. A review of the performance of the Group (Continued)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

Other income

Other income increased by RM0.08 million or 22.9% mainly due to increase in rental income of RM0.18 million, hiring, penjana kerjaya (wage subsidy and employment incentive programme) and HRDF claim incentive (financial assistance or reimbursement received by an employer from Malaysia's Human Resource Development Corporation (HRD Corp) for eligible employee training and skills development programmes) of RM0.10 million, gain on disposal of right-of-use assets of RM0.05 million, and gain on disposal of property, plant and equipment of RM0.03 million, partially offset by decrease in management fee of RM0.15 million, fair value gain on financial assets of RM0.09 million and gain in foreign exchange of RM0.04 million.

Materials, consumables and subcontractor costs

Materials, consumables, and subcontractor costs increased by RM0.76 million or 68.4%, primarily due to increase in outsourcing services, in line with the higher volume of certification and consultancy projects undertaken by the Group.

Amortisation of intangible assets

Amortisation of intangible assets amounted to RM0.44 million for 1H FY2026 (1H FY2025: Nil), arising from the amortisation of identifiable intangible assets recognised following the acquisition of the subsidiaries. These comprise customer relationships and customer contracts, which are amortised over their estimated useful lives.

Depreciation expenses

Depreciation expenses increased by RM0.51 million or 72.8%, mainly due to the depreciation of additional right-of-use assets recognised in 1H FY2026.

Reversal of loss allowance on receivables, net

The Group recognised a net reversal of loss allowance on receivables of less than RM0.01 million in 1H FY2026, compared with RM0.06 million in 1H FY2025, mainly due to lower recoveries of previously impaired receivables.

Employee benefits expense

Employee benefits expense increased by RM1.92 million or 37.2%. The increase was primarily attributable to the inclusion of employee costs from the subsidiaries following the acquisitions.

Other expenses

Other expenses increased by RM0.61 million or 28.1%, mainly due to higher exhibition expense, as well as increase in licence fee, printing and stationery, mileage claim, rental of premises, staff welfare, upkeep of office, loss on foreign exchange differences and unrealised loss on investment.

F. Other Information Required by Appendix 7C of the Catalist Rules (Continued)

2. A review of the performance of the Group (Continued)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

Finance costs

Finance costs increased by RM0.12 million or 160.8%, mainly due to increase in lease liabilities interest and interest on financial liabilities.

Share of result of an associate

The Group's share of result after tax of its associate, Prismatic Technologies Sdn. Bhd. ("Prismatic"), was share of loss of RM0.14 million in 1H FY2026 as compared to share of loss of RM0.17 million in 1H FY2025.

Income tax expense

Income tax expense increased by RM0.43 million or 32.9%, from RM1.29 million in 1H FY2025 to RM1.72 million in 1H FY2026, as a result of higher profit for the period.

Net profit after tax

As a result of the above, the Group's net profit after tax increased by RM0.66 million or 23.9%, from RM2.77 million in 1H FY2025 to RM3.43 million in 1H FY2026.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current Assets

Property, plant and equipment increased from RM9.75 million as at 31 December 2025 to RM10.91 million as at 30 June 2026, mainly due to additions of assets, partially offset by depreciation, disposal and written-off assets during 1H FY2026.

Right-of-use assets increased by RM3.56 million, mainly due to additions of right-of-use assets, partially offset by depreciation of right-of-use assets during 1H FY2026.

Investment in an associate decreased from RM0.51 million as at 31 December 2025 to RM0.37 million as at 30 June 2026, primarily due to the Group's share of loss from its investment in Prismatic amounting to RM0.14 million in 1H FY2026.

Intangible assets increased from RM14.93 million as at 31 December 2025 to RM14.99 million as at 30 June 2026. The increase was primarily due to favourable foreign currency translation, partially offset by the amortisation of customer relationship and customer contracts recognised from the acquisition of a subsidiary, amounting to RM0.44 million during 1H FY2026.

Current Assets

Trade and other receivables increased by RM0.04 million, in tandem with the increase in revenue in 1H FY2026, as compared to 1H FY2025.

F. Other Information Required by Appendix 7C of the Catalist Rules (Continued)

2. A review of the performance of the Group (Continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

Current Assets (Continued)

Prepayments decreased by RM0.05 million, mainly due to prepaid expenses being expensed off during 1H FY2026.

Contract assets remained stable at RM0.22 million as at 30 June 2026 and 31 December 2025. The balance relates to revenue recognised for performance obligations satisfied but yet to bill customers.

Financial assets at FVTPL decreased by RM2.87 million as at 30 June 2026, mainly due to redemption by the Group of RM5.83 million of money market funds, partially offset by additional placements of money market funds with financial institutions, as well as interest income and fair value gains of approximately RM2.80 million, RM0.11 million and RM0.05 million respectively, during 1H FY2026.

Cash and cash equivalents amounted to RM19.51 million which accounted for 55.3% of the Group's total current assets as at 30 June 2026. The increase of RM4.91 million as at 30 June 2026 was mainly due to net cash from operating activities and investing activities of RM4.44 million and RM1.33 million respectively, partially offset by net cash used in financing activities of RM0.68 million and unfavourable foreign exchange effects on cash and cash equivalents of RM0.18 million.

Non-current Liabilities

Bank borrowings (non-current and current) decreased from RM0.89 million as at 31 December 2025 to RM0.84 million as at 30 June 2026, due to repayment of loan during 1H FY2026.

Other payables decreased from RM1.97 million as at 31 December 2025 to RM1.63 million as at 30 June 2026. This balance comprises contingent consideration payable and deferred grant income received from SME Corporation Malaysia and the Malaysian Investment Development Authority. The decrease was primarily attributable to the repayment of deferred consideration payables amounting to RM0.30 million and RM0.03 million reduction in deferred grant income following its recognition in profit or loss during 1H FY2026.

Lease liabilities (non-current and current) increased from RM1.47 million as at 31 December 2025 to RM5.12 million as at 30 June 2026, mainly due to the addition of new lease liabilities, partially offset by lease payments made in 1H FY2026.

Deferred tax liabilities relate to temporary differences arising from the accelerated tax depreciation computed at Malaysia's income tax rate of 24% and business combination of ACC amounted to RM0.27 million. Deferred tax liabilities amounted to RM0.76 million and RM0.69 million which accounted for 10.6% and 16.3% of the Group's total non-current liabilities as at 30 June 2026 and 31 December 2025 respectively.

F. Other Information Required by Appendix 7C of the Catalist Rules (Continued)

2. A review of the performance of the Group (Continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

Current Liabilities

Trade and other payables decreased by RM1.05 million, primarily due to a reduction in accrued expenses for audit fees and employees' bonuses.

Contract liabilities relate to goods or services (mainly laboratory testing services) for which the Group has received consideration in advance from customers, but has yet to provide such goods or services. Contract liabilities amounted to RM0.88 million and RM0.86 million which accounted for 14.4% and 13.5% of the Group's total current liabilities as at 30 June 2026 and 31 December 2025 respectively. The increase in contract liabilities as at 30 June 2026 was due to increase in payment in advance from customers for goods and services which have yet to be delivered as at 30 June 2026.

Income tax payable increased by RM0.34 million, from RM0.45 million as at 31 December 2025 to RM0.79 million as at 30 June 2026, mainly due to higher tax provision in 1H FY2026.

Working Capital

The Group recorded a positive working capital of RM29.19 million as at 30 June 2026, as compared to a positive working capital of RM26.88 million as at 31 December 2025.

CONSOLIDATED STATEMENT OF CASH FLOW

Net cash from operating activities for 1H FY2026 of RM4.44 million was mainly derived from operating cash flows before working capital changes of RM6.91 million and after adjusting for net working capital outflow of RM1.13 million and income tax paid of RM1.34 million.

Net cash from investing activities for 1H FY2026 was approximately RM1.33 million, mainly due to redemption of financial assets at FVTPL of RM5.83 million, interest income of RM0.03 million and proceeds from disposal of property, plant and equipment of RM0.03 million, partially offset by the placement of financial assets at FVTPL of RM2.80 million, purchases of property, plant and equipment of RM1.73 million and additions to right-of-use assets of RM0.03 million.

Net cash used in financing activities for 1H FY2026 was RM0.68 million, mainly due to repayment of other bank borrowings amounting to an aggregate of RM0.14 million and repayment of lease liabilities of RM0.54 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

F. Other Information Required by Appendix 7C of the Catalist Rules (Continued)

4. A commentary at the date of the announcement of 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

During 1H FY2026, the Company entered into a non-binding strategic cooperation memorandum of understanding ("MOU") with Anchor Center for R&D and Certification ("ACC Shanghai"), its 75%-owned Chinese subsidiary, and Shenzhen GDR Carbon Asset Co., Ltd. ("GDR"), a leading carbon asset management company in China. Together, the partnership aims to expand the Group's Environmental, Social, and Governance (ESG) and decarbonisation solutions by leveraging AI technologies and establishing a strategic "Shanghai–Shenzhen–Singapore" collaboration platform.

This strategic collaboration marks a significant milestone in the Group's expansion across Asia, strengthening the connectivity between its established ESG capabilities in Singapore and Malaysia and the growing opportunities in the Chinese market. By combining LMS Compliance's international network, GDR's expertise in carbon asset development, and ACC Shanghai's established local presence and market network, the Group is well-positioned to deliver integrated, cross-border ESG assurance, sustainability, and carbon compliance solutions. This tri-city collaboration will enable businesses to navigate evolving international regulatory frameworks, including Carbon Border Adjustment Mechanism (CBAM), the EU Battery Regulation, and Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), while supporting their decarbonisation and sustainability objectives.

In May 2026, the Company received accreditation from the Singapore Accreditation Council (“SAC”) for Carbon Footprint of Products in accordance with ISO 14067:2018, further expanding the scope of its existing validation and verification capabilities as a Validation and Verification Body (“VVB”) under ISO 14064-1:2018.

The accreditation extends the Company’s service offerings to include verification of product carbon footprint assessments in accordance with internationally recognised standards. This enhancement strengthens the Company’s sustainability assurance capabilities and supports its continued provision of validation and verification services in line with applicable industry standards and regulatory requirements.

5. Dividend information

5.1 If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Nil

(b) Corresponding period of the immediately preceding financial year

Nil

F. Other Information Required by Appendix 7C of the Catalist Rules (Continued)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) Date payable

Not applicable.

(e) Record date

Not applicable.

5.2 If no dividend has been declared/recommended, a statement to that effect and the reason for the decision.

No dividend has been declared or recommended for the six months ended 30 June 2026 as the Group intends to conserve funds for working capital purposes.

6. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions ("IPTs").

There were no IPTs of S$100,000 and above entered into by the Group during 1H FY2026.

7. Disclosure of acquisition (including incorporations) and sales of share under Catalist Rule 706A

There were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any of the subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during 1H FY2026.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1)

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

F. Other Information Required by Appendix 7C of the Catalist Rules (Continued)

9. Confirmation pursuant to Catalist Rule 705(5)

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim consolidated financial results of the Group for the six-month period ended 30 June 2026 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Ooi Shu Geok
Executive Director and Chief Executive Officer

Chong Moi Me
Executive Director and Chief Development Officer

Singapore
5 August 2026