



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

This announcement has been reviewed by the Company's sponsor, ZICO 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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LMS Compliance Ltd.

Company Registration No.: 202225544C

(Incorporated in the Republic of Singapore)


A. Condensed Interim Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2025

		Group		
	Note	6 months ended 30.06.25 RM'000	30.06.24 RM'000	Increase/ (Decrease)
Revenue	4	12,945	12,239	5.8%
Other items of income				
Interest income		113	153	-26.1%
Other income	5	328	207	58.5%
Items of expense				
Materials, consumables and subcontractor costs		(1,104)	(1,243)	-11.2%
Depreciation expenses	6	(699)	(603)	15.9%
Reversal of loss allowance on receivables, net		62	172	-64.0%
Employee benefits expense		(5,159)	(4,723)	9.2%
Other expenses		(2,184)	(2,088)	4.6%
Finance costs	7	(74)	(95)	-22.1%
Share of result of an associate	13	(166)	(9)	>100%
Profit before income tax	8	4,062	4,010	1.3%
Income tax expense	9	(1,292)	(1,269)	1.8%
Profit for the financial period		<u>2,770</u>	<u>2,741</u>	1.1%
Other comprehensive income:				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
- Exchange differences on translating foreign operation		(70)	9	
Total comprehensive income for the financial period		<u>2,700</u>	<u>2,750</u>	
Profit attributable to owners of the Company		<u>2,770</u>	<u>2,741</u>	
Total comprehensive income attributable to owners of the Company		<u>2,700</u>	<u>2,750</u>	
Earnings per Share				
- Basic and diluted (RM cents)	10	<u>2.64</u>	<u>2.61</u>	


B. Condensed Interim Statements of Financial Position
As at 30 June 2025

		Group		Company	
	Note	As at 30.06.25 RM'000	As at 31.12.24 RM'000	As at 30.06.25 RM'000	As at 31.12.24 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	9,730	9,358	-	-
Right-of-use assets		1,175	1,322	-	-
Investment in subsidiaries	12	-	-	160	160
Investment in an associate	13	405	602	-	-
Total non-current assets		11,310	11,282	160	160
Current assets					
Trade and other receivables	14	4,948	4,510	285	6,370
Prepayments		360	479	143	174
Contract assets		283	95	5	5
Financial assets at fair value through profit or loss ("FVTPL")	15	8,273	10,091	3,465	3,400
Cash and cash equivalents		11,926	12,259	7,396	8,044
Total current assets		25,790	27,434	11,294	17,993
Total assets		37,100	38,716	11,454	18,153
EQUITY AND LIABILITIES					
Equity					
Share capital	16	11,292	11,292	11,292	11,292
Reserves		2,146	2,216	-	-
Retained earnings		17,838	18,884	(413)	4,299
Total equity		31,276	32,392	10,879	15,591
Non-current liabilities					
Other payables	17	153	160	-	-
Bank borrowings	18	835	883	-	-
Lease liabilities		834	1,254	-	-
Deferred tax liabilities		511	428	-	-
Total non-current liabilities		2,333	2,725	-	-
Current liabilities					
Trade and other payables	17	2,030	2,501	389	2,510
Bank borrowings	18	95	93	-	-
Lease liabilities		559	267	-	-
Contract liabilities		465	383	186	51
Income tax payable		342	355	-	1
Total current liabilities		3,491	3,599	575	2,562
Total liabilities		5,824	6,324	575	2,562
Total equity and liabilities		37,100	38,716	11,454	18,153



C. Condensed Interim Statements of Changes in Equity
For the six months ended 30 June 2025

Group

	Share capital RM'000	Foreign currency translation reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2025	11,292	36	2,180	18,884	32,392
Profit for the financial period	-	-	-	2,770	2,770
Other comprehensive income: <i>Item that may be reclassified subsequently to profit or loss:</i> Exchange differences arising from translation of foreign operations	-	(70)	-	-	(70)
Total comprehensive income for the financial period	-	(70)	-	2,770	2,700
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	(34)	2,180	17,838	31,276
Balance as at 1 January 2024	11,292	(10)	2,180	17,719	31,181
Profit for the financial period	-	-	-	2,741	2,741
Other comprehensive income: <i>Item that may be reclassified subsequently to profit or loss:</i> Exchange differences arising from translation of foreign operations	-	9	-	-	9
Total comprehensive income for the financial period	-	9	-	2,741	2,750
Distribution to owners					
Dividend paid	-	-	-	(4,042)	(4,042)
Total transaction with owners	-	-	-	(4,042)	(4,042)
Balance as at 30 June 2024	11,292	(1)	2,180	16,418	29,889



C. Condensed Interim Statements of Changes in Equity (Continued)
For the six months ended 30 June 2025

Company

	Share capital	Retained earnings/ (Accumulated losses)	Total equity
	RM'000	RM'000	RM'000
Balance as at 1 January 2025	11,292	4,299	15,591
Loss for the financial period	-	(896)	(896)
Total comprehensive income 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

	Share capital	Retained earnings/ (Accumulated losses)	Total equity
	RM'000	RM'000	RM'000
Balance as at 1 January 2024	11,292	5,081	16,373
Loss for the financial period	-	(1,332)	(1,332)
Total comprehensive income for the financial period	-	(1,332)	(1,332)
Distribution to owners			
Dividend paid	-	(4,042)	(4,042)
Total transaction with owners	-	(4,042)	(4,042)
Balance as at 30 June 2024	11,292	(293)	10,999



D. Condensed Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2025

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Cash flows from operating activities		
Profit before income tax	4,062	4,010
<i>Adjustments for:</i>		
Bad debts written off	42	-
Depreciation of property, plant and equipment	552	445
Depreciation of right-of-use assets	147	158
Gain on financial assets at FVTPL	(85)	(13)
Gain on disposal of property, plant and equipment	-	(122)
Gain on disposal of right-of-use assets	-	(5)
Interest expense	74	95
Interest income	(113)	(153)
(Gain)/Loss on foreign exchange differences, net	(44)	63
Property, plant and equipment written off	41	-
Reversal of loss allowance on receivables, net	(62)	(172)
Share of result of an associate	166	9
Operating profit before changes in working capital	<u>4,780</u>	<u>4,315</u>
Changes in working capital		
Trade and other receivables	(417)	(739)
Contract assets	(188)	(33)
Prepayment	119	96
Trade and other payables	(518)	(179)
Contract liabilities	81	105
Cash generated from operations	<u>3,857</u>	<u>3,565</u>
Income tax paid, net	<u>(1,222)</u>	<u>(926)</u>
Net cash from operating activities	<u>2,635</u>	<u>2,639</u>
Cash flows from investing activities		
Interest income	22	32
Investment in an associate	-	(542)
Proceeds from disposal of property, plant and equipment	-	122
Purchase of property, plant and equipment	(964)	(2,353)
Placement of financial assets at FVTPL	(2,150)	(3,479)
Redemption of financial assets at FVTPL	4,144	3,098
Net cash from/(used in) investing activities	<u>1,052</u>	<u>(3,122)</u>

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D. Condensed Consolidated Statement of Cash Flows (Continued)
For the six months ended 30 June 2025 (Continued)

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Cash flows from financing activities		
Dividends paid	(3,816)	(4,042)
Repayment of principal portion of bank borrowings	(46)	(44)
Repayment of interest portion of bank borrowings	(21)	(22)
Repayment of principal portion of lease liabilities	(128)	(164)
Repayment of interest portion of lease liabilities	(53)	(73)
Net cash used in financing activities	<u>(4,064)</u>	<u>(4,345)</u>
Net changes in cash and cash equivalents	(377)	(4,828)
Cash and cash equivalents at beginning of financial period	12,259	17,231
Effects of currency transaction on cash and cash equivalents	44	(63)
Cash and cash equivalents at end of financial period	<u>11,926</u>	<u>12,340</u>



E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

LMS Compliance Ltd. (the “Company”, and together with its subsidiaries, the “Group”) 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 condensed interim consolidated financial statements as at and for the six months financial period ended 30 June 2025 comprise the Company and its subsidiaries.

2. Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2025 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 year ended 31 December 2024.

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 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 Condensed Interim Consolidated Financial Statements (Continued)

2. Basis of preparation (Continued)

2.2) Use of judgements and estimates

In preparing the 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 applies to the condensed interim consolidated financial statements as at and for the financial year ended 31 December 2024.

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 included the following:

- 1) Loss allowance for trade and other receivables and contract assets.

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 business 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 services segment, provision of conformity assessment technology segment, and training and assurance services segment.

1. Testing and assessment business segment provides product safety testing and industry compliance assessment.

2. Certification services business segment provides ISO application, ISO certification, ISO conformity assessment, ISO education and provide training and management consultancy activities.

3. Training and assurance services business segment provides workshop and verification services for greenhouse gas accounting and reporting.

4. Trading business segment provides supplies in all kinds of scientific products, salts, medical and chemical preparation.



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

4. Segment and revenue information (Continued)

4.1) Business segment (Continued)

5. Provision of conformity assessment technology business segment provides database hosting for the Group's cloud-based applications.

The Management does not monitor the operating results of the segments separately as the contribution from trading, certification services, provision of conformity assessment technology and training and assurance services segments to the Group are less than 5.0% respectively. Accordingly, the results of business segments are not presented separately.

4.2) Geographical information

During the six months ended 30 June 2025 ("1H FY2025") and six months ended 30 June 2024 ("1H FY2024"), the Group operated mainly in Malaysia and all non-current assets were located in Malaysia. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented.

4.3) Disaggregation of revenue

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Type of goods or services		
Laboratory testing services	12,229	11,494
Certification services	297	224
Training and assurance	175	97
Sales of goods	151	333
Conformity assessment technology services	93	91
	<u>12,945</u>	<u>12,239</u>
Timing of transfer of goods and services		
Point-in-time	12,852	12,148
Over time	93	91
	<u>12,945</u>	<u>12,239</u>

4.4) Major customer

Except for one (1) major customer (1H FY2024: 1) as follows, there is no other single customer that accounted for 5.0% or more of the Group's total revenue in 1H FY2025 and 1H FY2024.

Number of Customer	Type of service provided	Percentage contribution to total revenue (%)	
		1H FY2025	1H FY2024
1	Laboratory testing services	5.09%	7.88%



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

5. Other income

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Fair value gain on financial assets at FVTPL	85	13
Gain on foreign exchange differences	44	-
Gain on disposal of property, plant and equipment	-	122
Gain on disposal of right-of-use assets	-	5
Government grant income	41	23
Others	158	44
	328	207

6. Depreciation expenses

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Depreciation of property, plant and equipment	552	445
Depreciation of right-of-use assets	147	158
	699	603

7. Finance costs

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Lease liabilities interest	53	73
Bank borrowings interest	21	22
	74	95



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

8. Profit before income tax

8.1) Significant items

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
<i>Materials, consumables and subcontractor costs</i>		
- Purchases	608	881
- Outsourcing costs	357	273
Short term and low value lease expenses		
- Tools and equipment	6	5
<i>Other expenses</i>		
Audit fee		
- Auditors of the Company	142	158
- Auditors of the subsidiaries	48	44
Non-audit fee		
(i) Audit related services		
- Auditors of the subsidiaries	-	5
(ii) Non-audit related services		
- Auditors of the Company	-	7
- Auditors of the subsidiaries	11	11
Bad debts written off	42	-
Professional fee	523	464
Short term and low value lease expenses		
- Office equipment	10	10
Computer and information technology expenses	52	48
Utilities	179	180
Advertisement	107	122

8.2) Related party transactions

	Group		Company	
	As at	As at	As at	As at
	30.06.25	30.06.24	30.06.25	30.06.24
	RM'000	RM'000	RM'000	RM'000
With directors of the Company				
Payment of expenses on behalf of the Group	113	80	-	-
Rental fee	147	147	-	-
With subsidiaries of the Company				
Expenses paid on behalf of the Company	-	-	218	1,068
Management fee income	-	-	307	187
Hosting maintenance fee	-	-	131	134



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

9. Income tax expense

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Current income tax expenses		
- current tax	1,209	1,219
- over provision of income tax expenses in respect of prior financial years	-	(18)
	<u>1,209</u>	<u>1,201</u>
Deferred tax expenses		
- relating to origination and reversal of temporary differences	83	68
	<u>83</u>	<u>68</u>
Total income tax expenses recognised in consolidated statement of comprehensive income	<u>1,292</u>	<u>1,269</u>

10. Earnings per share

	Group	
	6 months ended	
	30.06.25	30.06.24
	RM'000	RM'000
Profit attributable to owners of Company (RM'000)	<u>2,770</u>	<u>2,741</u>
Weighted average number of ordinary shares	<u>104,921,999</u>	<u>104,921,999</u>
Earnings per share (RM cents)		
- Basic and diluted	<u>2.64</u>	<u>2.61</u>

The calculation of basic earnings per shares for each of the six-month financial period ended 30 June 2025 and 30 June 2024 is based on the profit attributable to owners of the Company for the respective financial periods divided by weighted average number of ordinary shares in issue for the respective financial periods of 104,921,999 ordinary shares respectively. The weighted average number of ordinary shares in issue was adjusted to 104,921,999 due to the issuance of 17,486,999 bonus shares on 30 September 2024 to existing shareholders of the Company, and the prior year's basic earnings per share was retrospectively adjusted for this 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.

11. Property, plant and equipment

During the six months financial period ended 30 June 2025, the Group acquired assets amounting to RM0.96 million (30 June 2024 : RM2.35 million).



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

12. Investment in subsidiaries

	Company	
	As at 30.06.25 RM'000	As at 31.12.24 RM'000
Unquoted equity investments, at cost	160	160
Unquoted equity investments, at cost		
Balance at end of financial period	160	160

13. Investment in an associate

	Group	
	As at 30.06.25 RM'000	As at 31.12.24 RM'000
Unquoted equity investments	405	602
Unquoted equity investments		
Balance at beginning of financial period	602	-
Addition during the financial period	-	542
Currency Realignment	(31)	-
Share of result of an associate	(166)	60
Balance at end of financial period	405	602

On 28 May 2024, the Group has acquired an associate, Prismatic Technologies Sdn Bhd ("PTSB") which is incorporated in Malaysia. The Group acquired 30% equity interest in the issued share capital of PTSB for RM541,800. Upon completion of the purchase price allocation report of this acquisition, a share of fair value of other identifiable assets of approximately RM243,000, which comprised an intangible asset, and goodwill of approximately RM236,000, were recognised in the carrying amount of the investment in associate.

14. Trade and other receivables

	Group		Company	
	As at 30.06.25 RM'000	As at 31.12.24 RM'000	As at 30.06.25 RM'000	As at 31.12.24 RM'000
Trade receivables				
- Third parties	4,695	4,515	14	-
- Amount owing by subsidiaries	-	-	11	78
Less: Loss allowance on receivables	(66)	(129)	-	-
	4,629	4,386	25	78
Other receivables				
- Third parties	272	52	8	9
- Amount owing by subsidiaries	-	-	251	82
- Dividend receivable	-	-	-	6,200
	272	52	259	6,291
Deposits				
	47	72	1	1
	319	124	260	6,292
	4,948	4,510	285	6,370



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

15. Financial assets at FVTPL

	Group		Company	
	As at 30.06.25 RM'000	As at 31.12.24 RM'000	As at 30.06.25 RM'000	As at 31.12.24 RM'000
Money market funds	8,273	10,091	3,465	3,400
Balance at beginning of financial period	10,091	7,083	3,400	-
Placements during the financial period	2,150	6,409	-	3,479
Redemptions during the financial period	(4,144)	(3,500)	-	-
Interest income	91	153	-	-
Fair value gain/(loss) recognised through profit or loss	85	(54)	65	(79)
Balance at end of financial period	8,273	10,091	3,465	3,400

16. Share capital

	Group and Company			
	As at 30.06.25		As at 31.12.24	
	Number of ordinary shares	RM'000	Number of ordinary shares	RM'000
Balance at beginning of financial period	104,921,999	11,292	87,435,000	11,292
Issuance of bonus shares	-	-	17,486,999	-
Balance at end of financial period	104,921,999	11,292	104,921,999	11,292

The Company has allotted and issued 17,486,999 bonus shares on 30 September 2024 pursuant to the proposed bonus issue.

There were no changes in the share capital of the Company during 1H FY2025.

The Company has no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2025 and 30 June 2024.



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

17. Trade and other payables

	Group		Company	
	As at 30.06.25 RM'000	As at 31.12.24 RM'000	As at 30.06.25 RM'000	As at 31.12.24 RM'000
Non-current				
Deferred grant income	153	160	-	-
Current				
Trade payables				
- Third parties	165	187	-	-
- Subsidiaries	-	-	4	18
	165	187	4	18
Other payables				
- Third parties	350	445	40	2
- Subsidiaries	-	-	20	2,058
Accrued expenses	864	1,193	325	432
Deferred grant income	38	61	-	-
Sales and service tax	613	615	-	-
	1,865	2,314	385	2,492
	2,183	2,661	389	2,510

18. Bank borrowings

	Group	
	As at 30.06.25 RM'000	As at 31.12.24 RM'000
Current (Amount repayable within one year)		
Term loan	95	93
Non-current (Amount repayable after one year)		
Term loan	835	883
Total	930	976
Secured		
Term loan	930	976

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.



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

19. Net asset value ("NAV")

	Group		Company	
	As at 30.06.25	As at 31.12.24	As at 30.06.25	As at 31.12.24
NAV (RM'000)	31,276	32,392	10,879	15,591
Number of ordinary shares in issue ('000)	104,922	104,922	104,922	104,922
NAV per ordinary share (RM cents)	0.30	0.31	0.10	0.15

20. 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 2025 and 31 December 2024:

	Group		Company	
	As at 30.06.25 RM'000	As at 31.12.24 RM'000	As at 30.06.25 RM'000	As at 31.12.24 RM'000
Financial assets				
At amortised cost	16,874	16,769	7,681	14,414
Financial asset at FVTPL (Level 1, quoted prices (unadjusted) in active markets for identical assets)	8,273	10,091	3,465	3,400
	<u>25,147</u>	<u>26,860</u>	<u>11,146</u>	<u>17,814</u>
Financial liabilities				
At amortised cost	<u>3,702</u>	<u>4,322</u>	<u>389</u>	<u>2,510</u>

21. Subsequent events

As announced on 11 July 2025, LMS Compliance International Pte. Ltd. ("LMSCI"), a wholly-owned subsidiary of the Company, has completed the proposed acquisition of 75% of the total issued and paid-up share capital of Anchor Technology Holdings Co., Limited ("ACC") for an aggregate consideration of US\$4,511,867 (approximately S\$5,984,089).



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 condensed consolidated statement of financial position of LMS Compliance Ltd. and its subsidiaries as at 30 June 2025 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 2024 was not subject to any adverse opinion, qualified opinion, or disclaimer of opinion.

2. **A review of the performance of the group**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Review for the performance of the Group for the six months ended 30 June 2025 ("1H FY2025") as compared to six months ended 30 June 2024 ("1H FY2024").

Revenue

Revenue increased by RM0.70 million or 5.8%, mainly due to increase in revenue from (i) laboratory testing services by RM0.73 million, (ii) training and assurance by RM0.08 million, (iii) certificate service by RM0.07 million, partially offset by decrease in sales of goods by RM0.18 million.

The increase in revenue from laboratory testing services was mainly due to an increase in demand from the Group's customers in the medical device, pharmaceutical and environment industries.

Interest income

The decrease in interest income of RM0.04 million or 26.1% mainly resulted from low dividends 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 RM0.12 million or 58.5% mainly due to increase in management fee of RM0.11 million, fair value gain on financial asset of RM0.07 million, gain in foreign exchange of RM0.04 million, government grant income and wage subsidy of RM0.02 million and, partially offset by decrease in gain on disposal of property, plant and equipment of RM0.12 million.

Materials, consumables and subcontractor costs

Materials, consumables, and subcontractor costs decreased by RM0.14 million or 11.2%, primarily stemmed from decrease in purchases of microbe. Additionally, the Group acquired machinery to enhance production capacity, which also contributed to the cost reduction.

Depreciation expenses

Depreciation expenses increased by RM0.10 million or 15.9%, mainly due to additional purchase of machinery and tools and equipment in 1H FY2025.

Reversal of loss allowance on receivables, net

The Group had written off credit-impaired balances of RM0.04 million in 1H FY2025 where loss allowance was previously made as the amounts were assessed to be irrecoverable.

Employee benefits expense

Employee benefit expenses increased by RM0.44 million or 9.2%, mainly due to an increase in employees headcount and salaries in 1H FY2025.

Other expenses

Other expenses increased by RM0.10 million or 4.6%, mainly due to higher training and development fee, as well as increased the professional fee, uniform purchase and staff welfare.

Finance costs

Finance costs decreased by RM0.02 million or 22.1%, mainly due to decrease in lease and borrowing interest expenses.



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)

Share of result of an associate

The Group's share of loss after tax of its associate, Prismatic Technologies Sdn Bhd ("Prismatic"), was RM0.17 million in 1H FY2025 as compared to RM0.09 million in 1H FY2024.

Income tax expense

Income tax expense increased by RM0.02 million or 1.8%, from RM1.27 million in 1H FY2024 to RM1.29 million in 1H FY2025, 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 increase by RM0.03 million or 1.1%, from RM2.74 million in 1H FY2024 to RM2.77 million in 1H FY2025.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current Assets

Property, plant and equipment increased from RM9.36 million as at 31 December 2024 to RM9.73 million as at 30 June 2025, mainly due to additions of assets and partially offset by depreciation during 1H FY2025.

Right-of-use assets decreased by RM0.15 million, mainly due to depreciation of right-of-use assets during 1H FY2025.

Investment in an associate of RM0.41 million as at 30 June 2025 relates to the Group's investment in Prismatic of RM0.60 million, partially offset by share of loss from associate of RM0.16 million and currency alignment of RM0.03 million in 1H FY2025.

Current Assets

Trade and other receivables increased by RM0.44 million, in tandem with the increase in revenue in 1H FY2025, as compared to 1H FY2024.

Prepayments decreased by RM0.12 million, mainly due to prepaid expenses being expensed off during 1H FY2025.

Contract assets arise when performance obligations have been satisfied but yet to bill customers. The Group's contract assets increased by RM0.19 million, mainly due to the customers' requests for the compilation of jobs performed into one billing.



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)

Financial assets at FVTPL decreased by RM1.82 million as at 30 June 2025, mainly due to redemption by the Company of RM4.14 million, partially offset by additional placements of money market funds with financial institutions, interest income and fair value gain of approximately RM2.15 million, RM0.09 million and RM0.08 million during 1H FY2025.

Cash and cash equivalents amounted to RM11.93 million which accounted for 46.2% of the Group's total current assets as at 30 June 2025. The decrease of RM0.33 million as at 30 June 2025 was mainly due to net cash used in financing activities of RM4.06 million, partially offset by net cash generated from operating activities and investing activities of RM2.63 million and RM1.05 million.

Non-current Liabilities

Bank borrowings (non-current and current) decreased from RM0.98 million as at 31 December 2024 to RM0.93 million as at 30 June 2025, due to repayment of loan during 1H FY2025.

Other payables relates to deferred grant income received from SME Corporation Malaysia and Malaysian Investment Development Authority. Other payables decreased mainly due to the recognition of grant received as other income, partially offset by the deferred grant received from Malaysian Investment Development Authority during 1H FY2025.

Lease liabilities (non-current and current) decreased from RM1.52 million as at 31 December 2024 to RM1.39 million as at 30 June 2025, mainly due to lease payments made in 1H FY2024.

Deferred tax liabilities relate to temporary differences arising from the accelerated tax depreciation computed at Malaysia's income tax rate of 24%. Deferred tax liabilities amounted to RM0.51 million and RM0.43 million which accounted for 21.9% and 15.6% of the Group's total non-current liabilities as at 30 June 2025 and 31 December 2024 respectively.

Current Liabilities

Trade and other payables decreased by RM0.45 million, mainly due to decrease in sundry creditor and accrued expenses related to director's fee, audit fees, staff's bonuses, and salaries.

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 RM0.47 million and RM0.38 million which accounted for 13.3% and 10.6% of the Group's total current liabilities as at 30 June 2025 and 31 December 2024 respectively. The increase in contract liabilities as at 30 June 2025 was due to increase in payment in advance from customers for goods and services which have yet be delivered as at 30 June 2025.

Income tax payable decreased by RM0.01 million, from RM0.35 million as at 31 December 2024 to RM0.34 million as at 30 June 2025, mainly due to lower tax provision in 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)

Working Capital

The Group recorded a positive working capital of RM22.30 million as at 30 June 2025, as compared to a positive working capital of RM23.84 million as at 31 December 2024.

CONSOLIDATED STATEMENT OF CASH FLOW

Net cash from operating activities for 1H FY2025 of RM2.64 million was mainly derived from operating cash flows before working capital changes of RM4.78 million and after adjusting for net working capital outflow of RM0.92 million, partially offset by income tax paid of RM1.22 million.

Net cash from investing activities for 1H FY2025 was approximately RM1.05 million, mainly due to redemption of financial assets at FVTPL of RM4.14 million and interest income of RM0.02 million, partially offset by placement of financial assets at FVTPL of RM2.15 million and purchases of property, plant and equipment of RM0.96 million.

Net cash used in financing activities for 1H FY2025 was RM4.06 million. This outflow was primarily driven by the repayment of other bank borrowings amounting to an aggregate of RM0.06 million, repayment of lease liabilities of RM0.18 million, and dividends paid in 1H FY2025 of RM3.82 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.

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 effect the group in the next reporting period and the next 12 months

In June 2025, the Company received accreditation as a Validation and Verification Body ("VVB") from both the Singapore Accreditation Council and the Department of Standards Malaysia. This establishes the Company as a recognised VVB in two significant Southeast Asian markets and underscores its expertise in ESG assurance aligned with international standards like ISO 14064-1, ISO/IEC 17029, and AA1000AS.

These accreditations also enhance the Company's global credibility through participation in international recognition arrangements under the Asia Pacific Accreditation Cooperation and International Accreditation Forum. With dual accreditation and a growing range of ISO-compliant ESG services, the company is well-positioned to meet rising demand for greenhouse gas verification and ESG reporting amid tightening regulations and stakeholder expectations. The Company plans to continue expanding its capabilities and regional presence to support clients in navigating evolving sustainability requirements.



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 effect the group in the next reporting period and the next 12 months (Continued)

As announced on 11 July 2025, LMSCI, a wholly-owned subsidiary of the Company, has completed the proposed acquisition of 75% of the total issued and paid-up share capital of ACC for an aggregate consideration of US\$4,511,867 (approximately S\$5,984,089).

ACC and its wholly-owned subsidiaries specialise in comprehensive novel food industry services that encompass certification, registration, research and development services for new product development, as well as consulting services on quality, safety and regulatory compliance. They also offer targeted regulatory support for Generally Recognized as Safe (GRAS) and New Dietary Ingredient (NDI) product registrations in the United States. The breadth of their offerings is highly complementary and synergistic with the Group's recent expansion into the regulatory consulting business and its efforts to enhance its certification presence in the Asia-Pacific region.

Barring unforeseen circumstances, the Group believes the acquisition will enhance its testing and certification business, generate future revenue and cash flows, and increase shareholder value, while also expanding its geographical presence in the Asia-Pacific region.

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

- (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.



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

5. Dividend information (Continued)

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 2025 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 ("IPT").

There were no IPTs of S\$100,000 and above entered into by the Group during the financial period.

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

There were no acquisition or realization of shares thereby resulting (i) in a change in the shareholding percentage in any of the subsidiary of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary of the Group during 1H FY2025.

As announced on 11 July 2025, LMSCI, a wholly-owned subsidiary of the Company, has completed the proposed acquisition of 75% of the total issued and paid-up share capital of ACC for an aggregate consideration of US\$4,511,867 (approximately S\$5,984,089, to be satisfied by the Company partially in cash and partially by the issuance and allotment of new ordinary shares in the Company.

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. Use of IPO Proceeds**

Pursuant to the initial public offering (“IPO”) of the Company on the Catalist board of the SGX-ST on 1 December 2022, the Company raised total net proceeds (after deducting expenses incurred in connection with the IPO) amounting to S\$2.04 million (“Net Proceeds”). The use of the Net Proceeds as at 30 June 2025 is summarized as follows:

	Amount allocated (as disclosed in the Offer Document) (S\$'000)	Aggregate Net Proceeds utilised as at 31 March 2025* (S\$'000)	Amount utilised from 1 April 2025 up to 30 June 2025 (S\$'000)	Balance of Net Proceeds as at 30 June 2025 (S\$'000)
Expansion of the Group’s certification services segment and conformity assessment technology distribution segment	300	300	-	-
Acquisitions, joint ventures and strategic alliances to expand the Group’s business	1,200	155	-	1,045
General working capital	538	538	-	-
Total	2,038	993	-	1,045

*Based on the last update made by the Company in the Company’s annual report for the financial year ended 31 December 2024.

The use of the Net Proceeds is in accordance with the intended uses and allocations as disclosed in the Offer Document of the Company dated 22 November 2022. The Board will continue to provide periodic announcements on the utilisation of the balance of the Net Proceeds as and when such proceeds are materially disbursed or utilised, and whether such use is in accordance with the stated use and in accordance with the allocations.

10. Confirmation pursuant to Catalist Rule 705(5)

The board of directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention, which may render the unaudited condensed interim consolidated financial results of the Group for the six months ended 30 June 2025 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Ooi Shu Geok

Executive Director and Chief Executive Officer

13 August 2025