



LMS COMPLIANCE LTD.
(Company Registration Number: 202225544C)

FOR IMMEDIATE RELEASE

LMS Compliance Records 21.4% Increase in FY2024 Revenue; Proposes 1.10 Singapore cents per share Dividend Payout

- Revenue climbs 21.4% y-o-y to RM25.4 million in FY2024, driven by increased contributions from all business segments
- Profit before tax grew by 2.8% y-o-y to RM7.81 million
- The Group proposes a final cash dividend¹ of 1.10 Singapore cents per share

Singapore, 25 February 2025 – LMS Compliance Ltd. (“LMS Compliance” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce its unaudited financial results for the six months (“2H”) and full year (“FY”) ended 31 December 2024.

Financial Highlights

| In RM million (except for per share items) | 2H2024 | 2H2023 | y-o-y % change | FY2024 | FY2023 | y-o-y % change |
|---|--------|--------|-------------------|--------|--------|-------------------|
| Revenue | 13.15 | 10.98 | 19.7% | 25.38 | 20.90 | 21.4% |
| Profit before income tax (“PBT”) | 3.80 | 3.89 | -2.2% | 7.81 | 7.59 | 2.8% |
| PBT margin | 28.9% | 35.4% | | 30.8% | 36.3% | |
| Net Profit | 2.47 | 2.84 | -13.0% | 5.21 | 5.48 | -5.0% |
| Net Profit Margin | 18.8% | 25.8% | | 20.5% | 26.2% | |
| Earnings Per Share (RM cents) | 2.56 | 3.24 | -21.0% | 5.67 | 6.27 | -9.6% |
| Proposed Dividend Per Share (Singapore cents) | | | | 1.10* | 1.10** | N.M. |

¹ Subject to approval from the shareholders of the Company at the forthcoming annual general meeting of the Company to be held in April 2025.



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* Subject to shareholders' approval at the forthcoming annual general meeting

** Comprised of the Final dividend and a Special dividend, and is adjusted based on the total number of ordinary shares of the Company amounting to 104,921,999 shares, following the issuance of 17,486,999 bonus shares on 30 September 2024.



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Robust Revenue Growth Across All Segments

The Group's FY2024 revenue increased by RM4.48 million or 21.4% to RM25.38 million with higher contributions from all five of the Group's business segments: (i) laboratory testing services by RM3.73 million (+18.6%), (ii) training and assurance by RM0.39 million (the business segment was launched in January 2024), (iii) sales of goods by RM0.26 million (+83.0%), (iv) certification service by RM0.06 million (+14.0%), and (v) distribution of conformity assessment technology by RM0.04 million (+31.7%). The increase in the Group's revenue from laboratory testing services was primarily due to higher demand from the Group's customers in the food, pharmaceutical, and fertiliser industries.

In FY2024, other income decreased by RM1.43 million, or 79.9%, primarily due to a reduction in government grant income and wage subsidies totalling RM0.84 million, as well as a decrease in unrealised gains in foreign exchange amounting to RM0.75 million. Additionally, materials, consumables, and subcontractor costs increased by RM0.76 million, or 41.8%. These factors contributed to a more moderate year-over-year ("y-o-y") growth of 2.8% in the profit before income taxes for FY2024, which amounted to a total of RM7.81 million.

Returns From the Company's Investment in Prismatic Technologies Sdn Bhd

In May 2024, the Group acquired a 30% equity stake in Prismatic Technology, an ESG enabler specialising in automated data generation for sustainability reporting companies and organisations focused on sustainable buildings and environmental impact assessments, for RM0.54 million. The Group's proportionate share of the associate's net asset value ("NAV") was RM0.12 million as at 31 December 2024. The Group reported a FY2024 profit of RM0.06 million from its proportionate share in the profits of Prismatic Technology.

Proposed Final Cash Dividend

A final dividend of 1.10 Singapore cents per share has been proposed, pending approval from shareholders of the Company at the upcoming annual general meeting of the Company. The proposed dividends for FY2024 is unchanged compared to the FY2023



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dividends of 1.10 Singapore cents per share (adjusted based on the new ordinary share count following the Company's 5-for-1 bonus share issue on 30 September 2024).

Business Outlook

In line with its growth strategy, in January 2025, the Company disclosed that its wholly-owned subsidiary, LMS Compliance International Pte. Ltd., had signed a sale and purchase agreement with Anchor Technology Co. Ltd. ("**ACC**") and certain individuals, for the acquisition of 75% of the issued and paid-up ordinary shares of ACC for an aggregate consideration of US\$4.51 million, payable in cash and new shares in LMS Compliance ("**Proposed Acquisition**").

ACC and its wholly-owned subsidiaries focus on a broad range of services within the novel food industry. These services include certification, product registration, and research and development for new products. They also offer consulting on quality, safety, and regulatory compliance. Furthermore, ACC provides specialised regulatory support for Generally Recognized as Safe (GRAS) and New Dietary Ingredient (NDI) product registrations in the United States. Their extensive range of services aligns well with the Group's recent move into the regulatory consulting sector and its initiatives to strengthen its certification footprint in the Asia-Pacific region.

The Group believes that the Proposed Acquisition will boost its testing and certification business, generate future revenues and cash flows, as well as enhance shareholder value, while extending its geographical footprint in Asia.

LMS Compliance is actively working towards fulfilling the conditions precedent for the Proposed Acquisition and will issue announcements to update shareholders of the Company whenever there are significant developments.

"Despite the economic and geopolitical challenges faced in FY2024, the Group achieved double-digit revenue growth due to the strong demand for Laboratory Testing Services, the main performance driver of the Group. We will continue to optimise costs, strengthen customer relationships, and use digitalisation and technology to improve operational efficiency," said Dr Louis Ooi, Executive Director



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and CEO of LMS Compliance. He further commented, ***"2024 was a transformative year for us, as we solidified our position in sustainability, digital innovation, and strategic market expansion. Our focus on ESG advisory, cutting-edge technologies, and empowering businesses has positioned us for continued success and impact."***

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About LMS Compliance

LMS Compliance Ltd. is a laboratory testing and certification services provider based in Malaysia with an established track record of more than 15 years. The Group's operations comprise: (1) Testing and Assessment, (2) Certification, (3) Trading, (4) Distribution of Conformity Assessment Technology, and (5) Assurance, Validation & Verification.

The Group's testing and assessment services include chemical, microbiology, nucleic acid and physical analyses for its clients across a gamut of sectors, from food and healthcare to industrial and green-tech, assisting them to achieve compliance with industry standards as well as product safety. In this regard, LMS Compliance has three accredited laboratories across Malaysia with the capability to conduct a range of accredited and non-accredited tests.

For its certification segment, the Group provides audit and management system certification services. The certification audits provided by the Group include ISO 9001 – 2015 Quality Management Systems certification, ISO 22000 – 2018 Food Safety Management System certification and ISO 45001 - 2018 Occupational Health & Safety Management System certification.



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On the Group's trading segment, the Group trades and distributes a broad range of analytical instruments, testing equipment, chemicals, glassware, and laboratory consumable items.

The Group also markets and distributes its in-house developed Conformity Assessment Technology, which includes a digital laboratory information management system to help customers streamline and digitalise laboratory operations, a one-stop ISO certification platform that enhances the efficiency of the certification process for businesses, and a digital product that provides global real-time surveillance and access to data (such as safety and hygiene information about products or premises) through QR code.

Lastly, the Group's newly launched Assurance, Validation & Verification segment provides comprehensive ESG data collection, impact assessment, reporting, and advisory services, along with specialized ISO audits, to aid clients in meeting stringent ESG disclosure requirements.

For more information, please visit <https://lmscompliance.com/index.html>

Disclaimer

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This press release has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").

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