LMS Compliance Ltd.

(Company Registration No.: 202225544C)

Annual Report 2025

DECARBONOMICS

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

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Mr. Ong Beng Chye
Independent Non-Executive Chairman

Dr. Ooi Shu Geok
Executive Director and Chief Executive Officer

Ms. Chong Moi Me
Executive Director and Chief Development Officer

Dr. Chong Juin Kuan
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Mr. Ong Beng Chye (Chairman)
Dr. Chong Juin Kuan

NOMINATING COMMITTEE

Mr. Ong Beng Chye (Chairman)
Dr. Chong Juin Kuan

REMUNERATION COMMITTEE

Mr. Ong Beng Chye
Dr. Chong Juin Kuan

COMPANY SECRETARY

Ms. Shirley Tan Sey Liy
(MSc Mgmt (Hons) (UCD), FCS, FCG)

REGISTERED OFFICE

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#07-10, ARC 380
Singapore 209000
Tel: +65 6027 8811
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PRINCIPAL PLACE OF BUSINESS

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Fax: +604 380 8280

SPONSOR

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#10-06 City House
Singapore 068877

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

AUDITOR

BDO LLP
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Mr. Yeo Siok Yong
Partner-in-charge
(a member of the Institute of Singapore Chartered Accountants)
Appointed since financial year ended 31 December 2022

OUR **STORY**

In the financial year ended 31 December 2025 ("**FY2025**"), LMS Compliance Ltd. ("**LMS Compliance**" or the "**Company**", and together with its subsidiaries, the "**Group**") delivered a year of robust growth and strategic evolution, marked by significant milestones in our transition towards becoming a comprehensive Environmental, Social, and Governance (ESG) assurance platform.

A key highlight was the acquisition of a 75% stake in Anchor Technology Holdings Co., Limited ("**ACC**") completed in July 2025, marking our entry into China's food certification market. This expanded our capabilities in the fast-growing novel food sector, encompassing certification, registration, and research and development (R&D) for new products, as well as consulting on quality, safety, and regulatory compliance.

In October 2025, we incorporated a new subsidiary, MY CO2 Inspection Sdn. Bhd. ("**MISB**"), to conduct electric vehicle (EV) and goods inspection services, assessing clients' conformity with applicable regulations, standards and inspection schemes. MISB complements our existing businesses and reinforces our position as an integrated compliance solutions provider, which aligns with our strategic vision to capitalise on the rapidly growing green economy.

Our "Decarbonomics" offerings were significantly strengthened during the year, providing data-driven, end-to-end services to decarbonise greenhouse gas (GHG) emissions. In June 2025, our wholly-owned subsidiary, SG CO2 Pte. Ltd. ("**SGCO2**"), secured accreditation as a Validation and Verification Body ("**VVB**") from the Singapore Accreditation Council ("**SAC**") under the ISO 14064-1 standard, authorising it to independently verify Scope 1, 2, and 3 GHG emissions. Combined with VVB accreditation from the Department of Standards Malaysia ("**DSM**"), the Group is now a regionally accredited VVB across two key Asia-Pacific markets. During the year, we also verified over 80 corporate and product carbon footprints.

On the technology front, our associate company, Prismatic Technology Sdn. Bhd., successfully completed the Proof of Concept (POC) for its advanced Slope Monitoring & Prevention technology in Malaysia.

As global regulatory standards continue to tighten, LMS Compliance remains committed to capturing emerging opportunities, advancing sustainable practices, and delivering enduring value to all stakeholders.

BUSINESS **OUTLOOK**

Pivoting to a Comprehensive ESG Assurance Platform

The global emphasis on ESG compliance continues to reshape corporate strategies and regulatory landscapes. In FY2025, LMS Compliance initiated a strategic pivot from a traditional laboratory testing company into a comprehensive ESG assurance platform, driven by regulation-led growth. As sustainability regulations tighten and stakeholder expectations rise, demand for independent greenhouse gas (GHG) verification and broader ESG reporting support is growing strongly. We are well-positioned to capture these opportunities, helping organisations strengthen compliance credibility, secure green financing, and align with global climate disclosure frameworks.

Driving 'Decarbonomics' and Global Decarbonisation

The global push towards net-zero has intensified the focus on Scope 1, 2, and 3 GHG emissions. Our "Decarbonomics" offerings provide data-driven, end-to-end decarbonisation services, underpinned by a science-based testing, inspection, and certification (TIC) approach.

In FY2025, SG CO2 Pte. Ltd. secured VVB accreditation from the SAC under the ISO 14064-1 standard. Combined with accreditation from the DSM, LMS Compliance is now a regionally accredited VVB across two key Asia-Pacific markets. As SAC is a signatory to Mutual Recognition Arrangements (MRAs) under both the Asia Pacific Accreditation Cooperation (APAC) and the International Laboratory Accreditation Cooperation (ILAC), our verification statements carry international recognition — enabling us to support clients with cross-border operations and complex regulatory reporting requirements. In FY2025, we verified over 80 corporate and product carbon footprints.

Broadening Capabilities in High-Growth Sectors

In FY2025, we made pivotal moves to broaden our service portfolio in anticipation of tightening regulatory requirements and heightened enforcement of safety and environmental standards.

Our acquisition of a 75% stake in ACC marks our strategic entry into the fast-growing novel food sector. ACC and its subsidiaries offer comprehensive services encompassing certification, registration, R&D, and consulting on quality, safety, and regulatory compliance.

We also incorporated MISB in October 2025 to carry out EV and goods inspection services, assessing clients' conformity with applicable regulations, standards, and inspection schemes, further strengthening our position as an integrated compliance solutions provider.

Empowering Transformation Through Digitalisation

Digital innovation remains central to our operational excellence and competitive advantage. In FY2025, Prismatic Technologies Sdn. Bhd. successfully completed its Proof of Concept (POC) for advanced Slope Monitoring & Prevention technology in Malaysia. We continue to market our in-house Software as a Service (SaaS) platforms — aizenz, aisinz, and aikinz — which help clients streamline laboratory operations, enhance ISO certification processes, and access global real-time surveillance.

Expanding Our Regional Footprint

Asia remains a pivotal growth market for the Group. Our acquisition of ACC has meaningfully enhanced our testing and certification capabilities whilst expanding our geographic presence into China.

Looking ahead through FY2026 and beyond, we expect sustained demand for third-party inspection and conformity assessment services as compliance requirements intensify across regulated industries. By integrating new inspection services within our cloud-based SaaS platforms and deep certification expertise, we are well-positioned to capture emerging opportunities, accelerate scalable growth, and deliver enduring value to all stakeholders.

KEY MILESTONES

2006

Our Group was founded with the incorporation of MY CO2 Sdn. Bhd. ("MY CO2"), and establishment of our Group's first laboratory.

2007

Our Group launched the first version of "aikinz-LIMS", our laboratory information management system that we use as part of our testing and assessment services.

2008

Our Group achieved its first ISO/IEC 17025 accreditation across seven (7) test parameters in chemistry and microbiology.

2017

As part of the ongoing consolidation of our testing and assessment division, our Group established MY CO2 (PG) Sdn. Bhd. ("MY CO2 (PG)") to provide testing services, in addition to MY CO2 (KL) and MY CO2 (JB).

2018

To complement our testing and assessment services, our Group introduced its first electronic certificate of analysis (which allows test results to be accessed via an embedded QR code). This improves security and traceability of the certificates, as well as reduces costs and likelihood of forgery.

2020

- Our Group first conducted face mask testing that complies with ASTM 2100 and EN 14683:2019 specifications.
- Over the years, our Group continually updated various versions of "aikinz-LIMS" and "aizenz", and have since commercialized these digital systems and applications by licensing and/or selling them to third party users.

2021

Our Group began licensing our applications such as "aikinz-LIMS" and "aizenz" to third party laboratories operating in Kuching.

2022

- Our Group established a sales office in Kota Bahru to market and promote our services.
- Our Group launched a digital product, "aisinz", that provides global real-time surveillance and access to data (such as safety and hygiene information about products or premises) through QR code.

2023

Our Group introduces sustainability reporting, carbon accounting, and product carbon footprint measurement. We were also accredited as a Licensed Provider from AccountAbility with the license of AA1000 assurance standard, which enables us to conduct independent assurance. Additionally, our Group has launched a product carbon footprint on the Certificate of Analysis (COA).

0kgCO_2e/COA

2010

We believe we are amongst the first local private laboratories in Malaysia to conduct toy safety testing that complies with the safety standards of the Ministry of Domestic Trade and Consumer Affairs (and such toys will be issued with the "Malaysian Conformity Mark").

2011

Our Group expanded to Kuala Lumpur in Central Malaysia with the setting up of a laboratory there.

2013

Empiric Science Sdn. Bhd. was incorporated to diversify into the trading of laboratory chemicals, laboratory equipment and laboratory solutions.

2015

- MY CO2 (KL) Sdn. Bhd. ("MY CO2 (KL)") was incorporated to take over the provision of third party testing and assessment services, which was initially provided by MY CO2.
- Our Group expanded to Johor Bahru in South Malaysia, with the establishment of MY CO2 (JB) Sdn. Bhd. ("MY CO2 (JB)"). MY CO2 (JB) was incorporated to augment the testing services division of our Group.

2016

- Our Group launched the first version of "aizenz", our cloudbased automated workflow ISO certification platform.
- Our Group incorporated MY CO2 Certification Sdn. Bhd. ("MY CO2 Certification"), which provides audit and management system certification services to our customers.

2024

- The completion of renovations and the expansion of facilities at MY CO2 (KL), located in Shah Alam, Selangor, Malaysia enhanced our testing capabilities and ability to deliver exceptional services to clients.
- Launched ESG Disclosure and Sustainability Report Assurance services, along with Aizenz GHG, a tool to simplify carbon accounting.
- Acquisition of a 30% stake in Prismatic Technologies Sdn. Bhd.
- Awards received in recognition of our exceptional governance and operational standards, including the AMMI ESG Governance Award 2024, the Talent Development Award 2024, and the Industry Expert Sharing Award 2024.

2025

- Acquisition of a 75% stake in Anchor Technology Holdings Co., Limited.
- MY CO2 Sdn. Bhd. wins the Sustainability Innovation Award at AMMI ESG Excellence Awards 2025.
- Successfully secured Singapore Accreditation Council (SAC) and Department of Standards Malaysia (DSM) accreditation for GHG validation and verification (ISO 14064-1, Scopes 1 -3).
- Strengthens position as regional and international accredited VVB with recognition under Asia Pacific Accreditation Cooperation (APAC) and International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement (MRA) program.

CHAIRMAN'S **STATEMENT**

Mr. Ong Beng Chye
Independent Non-Executive Chairman

Dear Shareholders,

It is my privilege to present the Annual Report for LMS Compliance Ltd. for the financial year ended 31 December 2025 ("**FY2025**"). During the year, the Group continued to strengthen its operations while taking steps to broaden its capabilities beyond laboratory testing towards environmental, social and governance ("**ESG**") related assurance services.

Financial Performance

For FY2025, the Group recorded revenue of RM33.64 million, representing an increase of 32.5% compared with the previous year. Net profit for the year was RM6.76 million, an increase of 29.8% year-on-year. Excluding the RM0.44 million amortisation of intangible assets arising from business combination with Anchor Technology Holdings Co., Limited ("**ACC**"), the adjusted net profit would be RM7.20 million.

The Group maintains a net cash position, which provides financial flexibility to support its operations and future business initiatives.

Dividend

In recognition of the Group's performance and the continued support of our shareholders, the Board has proposed a final tax-exempt (one-tier) cash dividend of 1.00 Singapore cent per ordinary share. This brings the total dividend payout for FY2025 to S$1.37 million, compared with S$1.15 million in FY2024.

During the year, the Company issued 9,456,340 consideration shares for the acquisition completed in July 2025 and distributed 22,875,667 bonus shares in November 2025, bringing the total number of issued shares to 137,254,006.

Business Developments and Outlook

In July 2025, the Group completed the acquisition of a 75% stake in ACC. This acquisition provides the Group with access to the food certification market in China and expands its services in areas including certification, registration and research and development related to novel foods.

Demand for third-party testing, inspection and certification services continues to be supported by regulatory requirements and quality assurance standards across many industries. The Group will continue to focus on strengthening its core capabilities while exploring opportunities that complement its existing services.

Acknowledgement

On behalf of the Board, I would like to thank our management team and employees for their continued efforts during the year. I would also like to express our appreciation to our clients, business partners and shareholders for their continued support. Together, we are building a more sustainable and resilient future.

Mr. Ong Beng Chye
Independent Non-Executive Chairman

CEO'S **STATEMENT**

Dr. Ooi Shu Geok
Executive Director and Chief Executive Officer

Dear Valued Stakeholders,

FY2025 has been a year of strong execution and strategic evolution for LMS Compliance. Building on our foundational legacy in laboratory testing, we expanded our service portfolio, enhanced our technological capabilities, and widened our geographic footprint.

Robust Segmental Performance

Our financial performance this year was driven by broad-based growth across core segments. Laboratory testing services revenue grew by RM1.80 million, fuelled by increased demand from clients in the medical device, pharmaceutical, and environmental industries. Our certification and consultancy services recorded a revenue increase of RM6.61 million, primarily attributable to strategic acquisitions that expanded our service capabilities and strengthened our overall financial position.

Pivoting to an ESG Assurance Platform

A central pillar of our FY2025 progress has been our proactive shift toward becoming a comprehensive ESG assurance platform, powered by regulation-led growth. We significantly strengthened our "Decarbonomics" offerings, providing data-driven, end-to-end services to decarbonise greenhouse gas (GHG) emissions, underpinned by a science-based testing, inspection, and certification (TIC) approach.

We are proud to have obtained dual accreditation from the Singapore Accreditation Council ("**SAC**") and Standard Malaysia as an accredited Validation and Verification Body ("**VVB**") in 2025. Our associate company, Prismatic Technology Sdn. Bhd., also successfully completed the Proof of Concept (POC) for its advanced Slope Monitoring & Prevention technology in Malaysia, further demonstrating our commitment to integrating innovative technologies into our service offerings.

Expanding Our Footprint and Capabilities

Our inorganic growth strategy in FY2025 opened new avenues for the Group.

A key highlight of this expansion was our strategic entry into the fast-growing novel food sector through the acquisition of ACC, which also extended our geographic reach into China. ACC provides comprehensive services to the novel food industry, encompassing certification, registration, research and development, as well as consulting on quality, safety, and regulatory compliance. The acquisition further diversifies our offering into regulatory consultation for novel food registration under the US FDA's GRAS and NDI programmes, significantly enhancing our testing and certification business and positioning us to capture substantial value in this space.

To capitalise on the rapidly expanding green economy, we also incorporated a new subsidiary, MY CO2 Inspection Sdn. Bhd. ("**MISB**"), in October 2025. Tasked with conducting electric vehicle (EV) and goods inspection services, MISB will assess clients' conformity with applicable regulations and standards — complementing our existing compliance businesses and reinforcing our position as an integrated compliance solutions provider.

Moving Forward

Looking ahead, escalating regulatory requirements and heightened global emphasis on ESG compliance will continue to drive strong demand for our TIC services. By integrating new inspection services, advanced cloud-based applications, and deep certification expertise, we are well-placed to enhance operational efficiency and broaden customer engagement across the APAC region.

I extend my sincere thanks to our dedicated team of scientists, professionals, and support staff. It is your expertise and agility that enable us to consistently deliver enduring value to our clients and shareholders.

Dr. Ooi Shu Geok
Executive Director and Chief Executive Officer

BOARD OF **DIRECTORS**

from left to right

Dr. Chong Juin Kuan
Non-Independent Non-Executive Director

Mr. Ong Beng Chye
Independent Non-Executive Chairman

Dr. Ooi Shu Geok
Executive Director and Chief Executive Officer

Ms. Chong Moi Me
Executive Director and Chief Development Officer

PROFILE OF **DIRECTORS**

MR. ONG BENG CHYE
Independent Non-Executive Chairman

Mr. Ong was appointed to the Board on 26 September 2022. He has more than thirty (30) years of experience in areas such as accounting, auditing, public listings, due diligence, mergers and acquisitions, and business advisory. He has been with Appleton Global Private Limited, a business management and consultancy services firm, since January 2007. He currently also serves as independent directors on a few other companies listed on the Singapore Exchange.

Mr. Ong graduated in 1990 with a Bachelor of Science with Honours in Economics and Accountancy, from City University of London. He is a Chartered Financial Analyst, a Fellow of the Institute of Singapore Chartered Accountants, and the Institute of Chartered Accountants in England and Wales.

PROFILE OF **DIRECTORS**

DR. OOI SHU GEOK

Executive Director and Chief Executive Officer

Dr. Ooi is an Executive Director and the Chief Executive Officer of the Company. He joined the Group in 2009 and was appointed to the Board on 22 July 2022. In addition to his roles, he currently serves as the managing director of various subsidiaries within the Group, including MY CO2 (KL), MY CO2 (JB), MY CO2 Certification, and MY CO2 (PG). His primary responsibilities include overseeing business development activities, operations and guiding the strategic direction of the Group.

Since January 2009, Dr. Ooi has served as the customer service manager at MY CO2, and since 2013, he has held the same position at Empiric Science. In these roles, he is responsible for promoting and marketing testing and assessment services at MY CO2, and trading and marketing laboratory equipment, solutions, and chemicals at Empiric Science.

Furthermore, Dr. Ooi was appointed as the president of the Malaysian Association of Accredited Laboratories. He also holds membership in the National Negotiating Committee led by Ministry of Natural Resources and Environmental Sustainability.

Dr. Ooi completed his postgraduate Diploma in Marketing from the Chartered Institute of Marketing (CIM, UK) in 1997. He earned his Master of Business Administration from the University of Portsmouth in 2002. Dr. Ooi obtained his Doctor of Business Administration from Universiti Sains Malaysia in 2022, where he was also awarded the gold medal and best student award.

PROFILE OF **DIRECTORS**

MS. CHONG MOI ME

Executive Director and Chief Development Officer

Ms. Chong is an Executive Director and the Chief Development Officer of the Company. She has been with the Group since 2006 and was appointed to the Board on 22 July 2022. As Chief Development Officer, Ms. Chong is responsible for the Group's business and strategies development, as well as exploring new opportunities for the Group.

Ms. Chong is currently the general manager of the Group's subsidiaries, namely MY CO2, Empiric Science, MY CO2 (JB), MY CO2 Certification, and MY CO2 (PG). She is also an executive director at MY CO2 (KL) since August 2015. During her time in these subsidiaries (since as early as August 2006), she has worked on aligning the organisational objectives with the Group's mission, developed key operational initiatives and implemented operational strategies, with a view towards building customer and employee loyalty.

Ms. Chong graduated from the University of Malaya with a Bachelor of Science (Chemistry) (First Class Honours) in 1999 and obtained her Master of Science (Chemistry) from Universiti Sains Malaysia in 2006. She currently holds an associate membership with the Malaysian Institute of Chemistry under the Provision of the Chemists Act 1975 of Malaysia.

PROFILE OF **DIRECTORS**

DR. CHONG JUIN KUAN

Non-Independent Non-Executive Director

Dr. Chong Juin Kuan was appointed to the Board on 22 July 2022. He is the Chief Data Officer for Nanyang Technological University since September 2023. He was an associate professor of marketing at the National University of Singapore ("**NUS**"), where he worked for over 30 years. From 2016 to 2019, he served as the Vice Dean of Research and PhD at NUS Business School.

Dr. Chong graduated from University of Canterbury, New Zealand in 1990 with a Bachelor of Science in Operations Research (First Class Honours). He obtained his Doctor of Philosophy in Management from the University of California in 1998.

KEY **MANAGEMENT TEAM**

MS. TAN YAP HONG
Group Finance Manager

Ms. Tan joined the Group in 2021 and was appointed as the Group Finance Manager in November 2024. She is responsible for the Group's finance and management reporting, accounting, and taxation matters, as well as overseeing the operations of the Group's finance team. She holds a Bachelor of Accounting (Information Systems) (Hons) from Universiti Utara Malaysia, and has been a Chartered Accountant with the Malaysian Institute of Accountants (MIA) since 2013.

MS. OOI WAN KOON
Chief People Officer

Ms. Ooi joined the Group in 2011. She is responsible for developing and implementing human resource strategies of the Group. Prior to joining the Group, Ms. Ooi was a materials engineer at Intel Product Malaysia from 2007 to 2011. Ms. Ooi graduated from the Universiti Sains Malaysia with a Bachelor of Engineering (Hons) (Chemical Engineering) and is a certified hygiene technician II with the Department of Occupational Safety and Health, Malaysia.

MR. CHUA SIONG WEI
Chief Strategy Officer

Mr. Chua joined the Group in 2012. He is responsible for the Group's strategic planning (including developing primary goals and operating plans). Prior to joining the Group, Mr. Chua was a sales engineer at QC Scientific Sdn Bhd from 2010 to 2012. Mr. Chua graduated from the Universiti Putra Malaysia in 1999 with a Bachelor of Science (Hons) degree and a master's degree in business administration (general management from the Putra Business School, Malaysia in 2021). Mr. Chua is a registered chemical health risk assessor with the Department of Occupational Safety and Health, Malaysia, as well as a registered food analyst with the Council of Food Analysts of Malaysia. Mr. Chua is also a licentiate of the Malaysia Institute of Chemistry.

KEY MANAGEMENT TEAM

MR. NYEOH YEONG SHENG
Chief Compliance Officer

Mr. Nyeoh is responsible for ensuring the Group's compliance with laws and regulations applicable to the testing division. He commenced his career with Chemical Laboratory (Malaysia) Sdn Bhd as a chemist in 2009 before joining the Group in 2012 as a senior analytical chemist. He subsequently left the Group in 2015 to join Samwoo Chemicals Ltd as laboratory manager, before returning to the Group as quality manager in 2016, and subsequently promoted to his current position in 2021. Mr. Nyeoh graduated from University Tunku Abdul Rahman (Utar) in 2009 with a Bachelor of Science (Hons) in Biotechnology. He is a registered member of the Malaysian Institute of Chemistry, as well as a registered food analyst with the Council of Food Analysts of Malaysia.

MR. POH TZE KYE
Chief Operation Officer

Mr. Poh joined the Group in 2013. He is responsible for overseeing and managing the day-to-day operations functions. Prior to joining the Group, Mr. Poh began his career as a chemist at Chemical Laboratory (M) Sdn Bhd in 2009. Mr. Poh graduated from University Tunku Abdul Rahman (Utar) in 2008 with a Bachelor of Science (Hons) in Chemistry. He is a registered member of the Malaysian Institute of Chemistry.

MR. TEH HUAT CHOOI
Chief Technology Officer

Mr. Teh joined the Group in 2017. He is responsible for resource planning and development, design, and support of all IT infrastructure for the Group's business operations. Prior to joining the Group, he was a senior system engineer at Keysight Technologies (formerly known as Agilent Technologies) from 2013 to 2017. Mr. Teh obtained a Diploma in Computer Studies from the Informatics College, Malaysia, in 2000. He graduated from the University of Bolton in 2005 with a Bachelor of Science in Computing.

FINANCIAL **HIGHLIGHTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY")

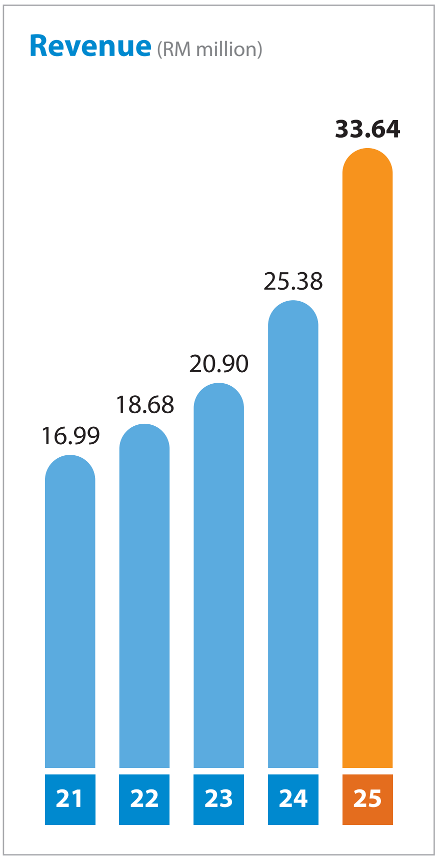
Group	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue (RM million)	16.99	18.68	20.90	25.38	33.64
Net profit after tax (RM million)	4.95	0.72[(1)]	5.48[(2)]	5.21[(2)]	6.76
Earnings per share ("**EPS**") (RM cents)	6.92	0.98[(1)]	5.22	4.08[(3)]	4.89

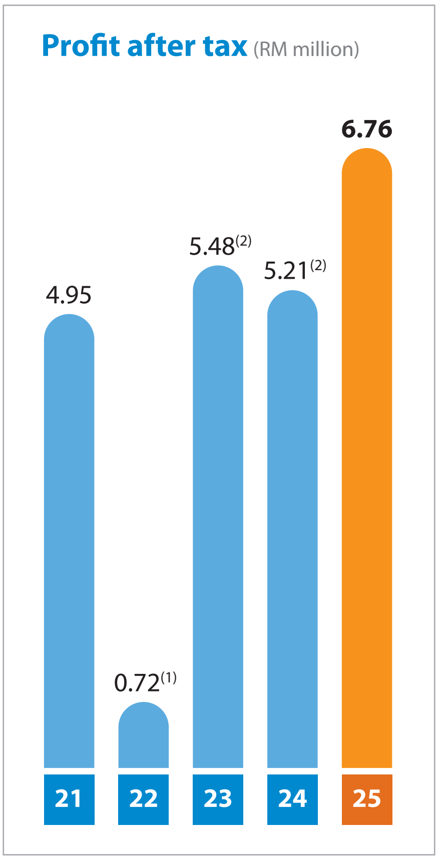
Notes:

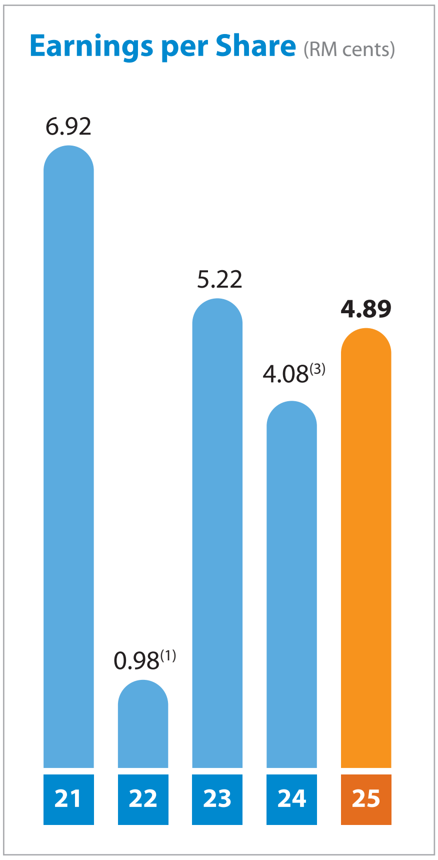
(1) *Included one-off listing expenses of RM4.34 million in FY2022. If such listing expenses have been excluded, the Group's net profit after tax would have been RM5.06 million and EPS would be RM6.91 per share in FY2022.*

(2) *One of the main reasons contributing to the decline in the Group's net profit after tax in FY2024 was the depreciation of the Singapore Dollar against Malaysian Ringgit, resulting in a foreign exchange loss of RM0.65 million. In contrast, the Group recorded a foreign exchange gain in FY2023. Excluding the foreign exchange differences, the Group's net profit after tax would have been RM4.77 million and RM5.86 million in FY2023 and FY2024 respectively.*

(3) *The FY2024 EPS was restated to account for the increase in the number of ordinary shares resulting from a bonus issue pursuant to SFRS(I).*







REVIEW OF THE GROUP'S PERFORMANCE

Review for the performance of the Group for the financial year ended 31 December 2025 ("**FY2025**") as compared to the financial year ended 31 December 2024 ("**FY2024**").

Revenue

Revenue increased by RM8.25 million or 32.5%, mainly due to increase in revenue from (i) certificate and consultancy services by RM6.61 million, (ii) laboratory testing services by RM1.80 million, (iii) training and assurance by RM0.13 million, partially offset by decrease in sales of goods by RM0.29 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.

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 RM0.05 million or 26.7% mainly resulted from lower dividends received from financial assets at FVTPL.

Other income

Other income increased by RM0.09 million or 25.3% mainly due to increase in management fee of RM0.05 million, gain on bargain purchase of RM0.07 million, fair value gain on financial assets of RM0.03 million, hiring incentive of RM0.10 million, partially offset by decrease in gain on disposal of property, plant and equipment of RM0.12 million, gain on disposal of right-of-use assets of RM0.04 million.

Materials, consumables and subcontractor costs

Materials, consumables, and subcontractor costs increased by RM1.96 million or 75.9%, primarily stemmed from increase in outsourcing services.

Depreciation expenses

Depreciation expenses increased by RM0.36 million or 28.3%, mainly due to additional purchase of machinery and tools and equipment in FY2025.

Amortisation of intangible assets

Intangible assets acquired in a business combination and recognised at fair value as at acquisition date. Intangible assets are amortised on a straight-line basis over their estimated useful lives. For the current year, the amortisation expense amounted to RM0.44 million.

(Provision)/Reversal of loss allowance on receivables, net

The Group recorded a provision of loss allowances on trade receivables, net of RM0.11 million in FY2025, as compared to reversal of loss allowances on trade receivables, net of RM0.14 million in FY2024, mainly due to increase in estimated credit loss rate applied during FY2025.

Employee benefits expense

Employee benefit expenses increased by RM3.26 million or 35.2%, mainly due to an increase in employees headcount and salaries in FY2025.

Other expenses

Other expenses increased by RM0.26 million or 5.3%, mainly due to higher audit fee, as well as increased in the training and development fee, staff welfare, exhibition costs and food and refreshment.

Finance costs

Finance costs increased by RM0.03 million or 13.9%, mainly due to increase of RM0.07 million in fair value changes on contingent consideration payable, partially offset by a decrease of RM0.04 million in interest on lease 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 RM0.04 million in FY2025 as compared to share of profit of RM0.06 million in FY2024.

Income tax expense

Income tax expense increased by RM0.07 million or 2.7%, from RM2.60 million in FY2024 to RM2.67 million in FY2025, as a result of higher profit for FY2025.

Net profit after tax

As a result of the above, the Group's net profit after tax increased by RM1.55 million or 29.8%, from RM5.21 million in FY2024 to RM6.76 million in FY2025.

REVIEW OF THE
GROUP'S FINANCIAL POSITION

Non-current Assets

Property, plant and equipment increased from RM9.36 million as at 31 December 2024 to RM9.74 million as at 31 December 2025, mainly due to additions of assets, partially offset by an increase in depreciation and write-off of assets during FY2025.

Right-of-use assets decreased by RM0.09 million, mainly due to depreciation of right-of-use assets during FY2025.

Investment in an associate of RM0.51 million as at 31 December 2025 relates to the Group's investment in Prismatic of RM0.60 million, partially offset by share of loss from an associate of RM0.04 million and currency alignment of RM0.05 million in FY2025.

Intangible assets of RM14.93 million arising from business combination of Anchor Technology Holdings Co., Ltd. The intangible assets comprise goodwill of RM13.44 million, customer relationships of RM1.20 million and customer contracts of RM0.29 million.

Current Assets

Trade and other receivables increased by RM1.99 million, in tandem with the increase in revenue in FY2025, as compared to FY2024.

Prepayments increased by RM0.05 million, mainly due to renewal of payroll software, service contracts for firewall and server and roadtax and insurance.

Contract assets arise when performance obligations have been satisfied but yet to bill customers. The Group's contract assets increased by RM0.12 million, mainly due to customers' requests for the compilation of jobs performed into one billing.

Financial assets at FVTPL increased by RM1.31 million as at 31 December 2025, mainly due to additional placements of money market funds with financial institutions, interest income and fair value gain of approximately RM5.30 million, RM0.09 million and RM0.07 million respectively, partially offset by redemption by the Company of RM4.14 million during FY2025.

Cash and cash equivalents amounted to RM14.60 million which accounted for 43.9% of the Group's total current assets as at 31 December 2025. The increase of RM2.5 million as at 31 December 2025 was mainly due to net cash from operating activities and financing activities of RM9.2 million, partially offset by net cash used in investing activities of RM2.2 million and net cash used in financing activities of RM4.5 million.

Non-current Liabilities

Bank borrowings (non-current and current) decreased from RM0.98 million as at 31 December 2024 to RM0.89 million as at 31 December 2025, due to repayment of loan during FY2025.

Other payables increased significantly from RM0.16 million to RM1.97 million. This balance comprises contingent consideration payable, deferred consideration payable, and deferred grant income received from SME Corporation Malaysia and the Malaysian Investment Development Authority. The increase was mainly driven by a RM1.84 million rise in contingent and deferred consideration payables, partially offset by a RM0.03 million reduction due to the recognition of grant income in profit or loss.

Lease liabilities (non-current and current) decreased from RM1.52 million as at 31 December 2024 to RM1.47 million as at 31 December 2025, mainly due to lease payments made in FY2025.

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 RM0.49 million. Deferred tax liabilities amounted to RM0.69 million and RM0.43 million which accounted for 16.3% and 15.6% of the Group's total non-current liabilities as at 31 December 2025 and 31 December 2024 respectively.

Current Liabilities

Trade and other payables increased by RM1.75 million, mainly due to increase in accrued expenses related to staff's bonuses, salaries and rental.

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 RM0.86 million and RM0.38 million which accounted for 13.5% and 10.6% of the Group's total current liabilities as at 31 December 2025 and 31 December 2024 respectively. The increase in contract liabilities as at 31 December 2025 was due to increase in payment in advance from customers for goods and services which have yet be delivered as at 31 December 2025.

Income tax payable increased by RM0.10 million, from RM0.35 million as at 31 December 2024 to RM0.45 million as at 31 December 2025, mainly due to higher tax provision in FY2025.

Working Capital

The Group recorded a positive working capital of RM26.88 million as at 31 December 2025, as compared to a positive working capital of RM23.84 million as at 31 December 2024.

REVIEW OF THE **GROUP'S CASH FLOWS**

Net cash from operating activities for FY2025 of RM9.21 million was mainly derived from operating cash flows before working capital changes of RM11.98 million and after adjusting for net working capital inflow of RM0.03 million, partially offset by income tax paid of RM2.80 million.

Net cash used in investing activities for FY2025 was approximately RM2.16 million, mainly due to placement of financial assets at FVTPL of RM5.30 million and purchases of property, plant and equipment of RM1.36 million, partially offset by redemption of financial assets at FVTPL of RM4.14 million, interest income of RM0.06 million and investment net cash acquired from acquisition of subsidiaries of RM0.30 million.

Net cash used in financing activities for FY2025 was RM4.50 million, mainly due to repayment of other bank borrowings amounting to an aggregate of RM0.13 million, repayment of lease liabilities of RM0.54 million, and dividends paid in FY2025 of RM3.82 million.

GROUP
STRUCTURE

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

100%
LMS Compliance International Pte. Ltd.

30%
Prismatic Technologies Sdn. Bhd.

75%
Anchor Technology Holdings Co., Limited

100%
ACCLAB Malaysia Sdn. Bhd.

100%
美安康质量检测技术(上海)有限公司
Anchor Center for R&D and Certification

100%
美安康科技(海南)有限公司
Anchor Technology (Hainan) Co., Ltd

100%
Sg CO2 Pte. Ltd

100%
My CO2 Group Sdn. Bhd.

100%
Empiric Science Sdn. Bhd.

100%
My CO2 Certification Sdn. Bhd.

100%
My CO2 (JB) Sdn. Bhd.

100%
My CO2 (KL) Sdn. Bhd.

100%
My CO2 (PG) Sdn. Bhd.

100%
My CO2 Sdn. Bhd.

60%
My CO2 Inspection Sdn. Bhd.

SUMMARY OF SUSTAINABILITY REPORT

LMS Compliance is scheduled to publish its standalone 2025 Sustainability Report ("**SR**") by 30 April 2026, presenting the Group's sustainability initiatives and performance for the financial year ended 31 December 2025. The SR reflects the Company's ongoing commitment to embedding environmental, social, and governance considerations across its operations to create lasting value for stakeholders.

The SR discloses the Group's sustainability governance framework, stakeholder engagement, and key findings from the materiality assessment. It also details the management of sustainability risks and opportunities, performance monitoring, and targets for the year ahead.

Prepared in accordance with the Global Reporting Initiative Universal Standards 2021, the SR complies with Rules 711A, 711B, and Practice Note 7F of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited and aligns with IFRS S1 and IFRS S2. The SR has been assured by LMS Compliance's subsidiary, MY CO2 CERTIFICATION SDN. BHD., acting as the first-party assurance provider, and will be publicly accessible via the Company's corporate website and SGXNet.

CORPORATE **GOVERNANCE REPORT**

The board of directors (the "**Board**" or "**Directors**") of LMS Compliance Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintain a high standard of corporate governance within the Group and places importance on its corporate governance and systems so as to enhance shareholders' value, corporate performance, accountability and protection of stakeholders' interests.

This corporate governance report outlines the Group's corporate governance framework and practices that were in place during the financial year ended 31 December 2025 ("**FY2025**"), with specific reference made to the principles and the provisions set out in the Code of Corporate Governance 2018 (the "**Code**") pursuant to Rule 710 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

The Board confirms that during FY2025, the Group has complied in all material respects with the principles of the Code to the extent possible, as well as the provisions of the Code. Where there are deviations from any provision of the Code, an explanation has been provided for the variation, which includes the reason for the variation, as well as the practices adopted which are consistent with the relevant principle of the Code. The Board will continue to assess the needs of the Group and implement appropriate practices accordingly.

A. BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board assumes responsibility for stewardship of the Group and is entrusted to lead, supervise and oversee the Company, with the fundamental principle to act in good faith and the best interests of the Company for the enhancement of long-term value and returns for the shareholders of the Company ("**Shareholders**").

The Board regularly reviews the Group's strategic business plans, and assesses key risks, operational and financial performance of the Group to enable the Group to meet its strategic objectives. The Board has the overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal controls to safeguard Shareholders' interests and the Group's assets. In addition, the Board considers sustainability issues as part of its strategic formulation.

Apart from its statutory duties and responsibilities, the Board also oversees the business affairs and dealings of the Group, determines the Group's corporate strategies and sets its directions and goals. It also monitors and evaluates the Group's operating and financial performance, establishes targets for the management of the Company (the "**Management**") and monitors the achievement of these targets. The Board works with the Management to achieve this and holds the Management accountable for performance.

In addition, the Board also identifies key stakeholder groups to gain their perceptions of the Group's reputation and standing and sets the Group's values and standards (including ethical standards) to ensure that obligations to Shareholders and other stakeholders are understood and met.

CORPORATE **GOVERNANCE REPORT**

The Board's role and matters which require the Board's approval, include but not limited to the following:

a. provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

b. establish a framework of prudent and effective controls which enables risks to be identified, assessed and managed, including safeguarding of Shareholders' interests and the Group's assets;

c. monitor and review Management's performance towards achieving the set organisational objectives and goals;

d. review and approve corporate plans, annual budgets, investment and divestment proposals, major funding initiatives, merger and acquisition activities and financial plans of the Group;

e. set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders of the Company are understood and met;

f. consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;

g. ensure accurate and timely release of information to Shareholders, in compliance with the requirements of the Catalist Rules;

h. ensure the Group's compliance with laws, regulations, policies and guidelines; and

i. review and approve interested persons transactions and material transactions, and announcement thereof, in compliance with the requirements of the Catalist Rules.

The Board is involved in the supervision of the management of the Group's operations. It reviews the Group's strategies, policies and financial performance and assesses key risks provided by Management as well as the adequacy and effectiveness of internal controls and risk management of the Group. Day-to-day management and implementation of business strategies are delegated to the Chief Executive Officer ("**CEO**"), Chief Development Officer ("**CDO**") and Management.

In addition, there is a formalised delegation of authority matrix that sets out financial approval limits for the Board and the Management regarding operational expenditure, capital expenditure, sales matters, finance matters and cheque signatory arrangements.

All other matters are delegated to Board Committees whose actions are reported to and monitored by the Board. The Board does not abdicate its responsibility for such delegations of authority.

All Directors are aware of their roles as fiduciaries and obligations to act in good faith, exercise due diligence and independent judgment in dealing with the business affairs of the Group, make objective decisions in the best interests of the Group and hold Management accountable for performance. The Board has put in place a code of conduct and ethics, sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Group.

When a potential conflict of interest situation arises, prompt disclosure must be made by the conflicted Director to the Board, accompanied with details of the interest and nature of the conflict. The conflicted Director will recuse himself/herself from discussions and decisions involving the areas of potential conflict, unless the Board is of the opinion that his/her participation is necessary. Where such participation is permitted, the conflicted Director will recuse himself/herself from the decision-making.

For purposes of Section 156 of the Companies Act 1967 of Singapore ("**Companies Act**"), each Director has given notice to the Company of the entities in which he/she is an officer or member of, and which he/she should be regarded as being interested in with regards to any transaction made between the Group and such entity. The notice will assist to flag out any potential conflict of interest in transactions entered into by the Group. Each Director will periodically update the notice whenever there is any change in his/her interest in other entities.

CORPORATE **GOVERNANCE REPORT**

Directors' Orientation, Induction, Training and Development

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and/or independent directors respectively). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. Directors are also provided with updates on changing commercial risks in the Group's operating environment through regular presentations and meetings with Management to gain a better understanding of business operations. The Company works closely with its professional advisors to provide its Directors with updates on changes affecting the Group.

A formal letter of appointment will be issued to every newly-appointed Director setting out, amongst other matters, his/her roles, obligations, duties and responsibilities as a member of the Board. The Non-Executive Directors (including the Independent Directors) have each received a formal letter of appointment setting out his/her duties and responsibilities. Each of the Executive Directors also has an existing service agreement with the Company.

The Company does not have a formal training program for new Directors. However, to assist the Board in discharging its duties, newly appointed Directors will be briefed on the business operations and regulatory issues relating to the Group to ensure that they are familiar with the Group's business and governance practices. Management keeps the Directors up to date on developments in the business, financial reporting standards and industry-related matters as well as performance of the various business divisions in the Group during Board meetings. The Directors may also attend other trainings, conferences, and seminars organised by the professional bodies, regulatory institutions and corporations, if required, which may have a bearing on their duties and contributions to the Board, and such training will be funded by the Company.

Directors who have no prior experience as a director of a company listed on the SGX-ST will also undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST under Practice Note 4D of the Catalist Rules. All Directors are encouraged to participate in seminars, conferences and receive training to improve themselves in discharging their duties as Directors.

As at the date of this report, all Directors have attended and completed the trainings as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules. In addition, all Directors have also completed the required training on sustainability as prescribed by the SGX-ST.

During FY2025, Management has kept the Board up-to-date on all pertinent developments in the business of the Group during Board and/or Board Committee meetings to facilitate the discharge of duties by the Directors. From time to time, the Group's internal and external auditors, sponsors of the Company ("**Sponsors**") and the Company Secretary updates the Board on changes to the Catalist Rules or changes to the laws and guidance pertaining to corporate governance practices, risk management, and changes to financial reporting standards so that the Directors may discharge their fiduciary duties effectively. In addition, articles, press releases and reports released by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Group are circulated to the Board.

Board Processes

The Board has established three Board Committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**"), and the Remuneration Committee ("**RC**"), and delegated specific areas of responsibilities to these Board Committees. Each Board Committee make decisions on matters within its own clear written terms of reference (the "**TOR**"). The TOR sets out the relevant composition, authorities, duties, and various operating procedures. The TOR of each Board Committee is reviewed periodically and any change to the TOR will require the approval of the Board.

The Board Committees will report to the Board with their decisions and/or recommendations. Notwithstanding the delegation of authority to the Board Committees and Management on specific matters, the ultimate responsibility on all matters lies with the Board.

CORPORATE **GOVERNANCE REPORT**

The schedule of all Board and Board Committee meetings as well as the annual general meeting ("**AGM**") of the Company for the next calendar year is planned well in advance. The Board and the AC will meet at least twice yearly and additional meetings would be convened by the Board at such times as may be necessary to address any specific significant matters that may arise. Directors who are unable to meet physically may participate in the meeting through electronic means such as videoconferencing, teleconferencing or other similar means of communication. In addition to holding meetings, important matters regarding the Group are also put to the Board for decision making by way of written resolutions. The agenda for meetings usually include the Management's report, financial reports, strategic matters, governance, business risk issues and compliance, amongst other matters. Executive Officers of the Group may, from time to time, be invited to attend Board meetings to provide updates on operational matters.

The number of Board and Board Committee meetings held during FY2025 and the attendance of each Board member at the meetings are as follows:

Name	Board		AC		NC		RC	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Mr. Ong Beng Chye (Independent Non-Executive Chairman)	2	2	2	2	1	1	1	1
Dr. Ooi Shu Geok (Executive Director and Chief Executive Officer)	2	2	2	2*	1	1*	1	1*
Ms. Chong Moi Me (Executive Director and Chief Development Officer)	2	2	2	2*	1	1*	1	1*
Dr. Chong Juin Kuan (Non-Independent Non-Executive Director)	2	2	2	2	1	1*	1	1*
Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon(1) (Independent Non-Executive Director)	2	1	2	1	1	1	1	1*
Ms. Wong Wan Chin(2) (Independent Non-Executive Director)	2	1	2	1	1	1	1	1
Mr. Leow Chan Khiang(3) (Independent Non-Executive Director)	2	1	2	1	1	-	1	-

**By invitation*

Notes:

(1) Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon resigned as an Independent Non-Executive Director of the Company with effect from 2 May 2025. Following his resignation, he also ceased to be the Chairman of the NC and a member of the AC.

(2) Ms. Wong Wan Chin retired as an Independent Non-Executive Director of the Company upon the conclusion of the AGM held on 25 April 2025 and did not seek for re-election. Following her retirement, she also ceased to be the Chairman of the RC and a member of the NC.

(3) Mr. Leow Chan Khiang was appointed as an Independent Non-Executive Director of the Company on 2 May 2025. In conjunction with his appointment, he was also appointed as the Chairman of the RC and a member of the AC and NC. Following his resignation as an Independent Non-Executive Director of the Company with effect from 19 March 2026, he concurrently ceased to be the Chairman of the RC and a member of the AC and NC.

CORPORATE **GOVERNANCE REPORT**

Based on the attendance at Board and Board Committee meetings during FY2025, all Directors were able to participate in the meetings to carry out their duties as a Director.

While some of the Directors have multiple boards representation, the NC is satisfied that the Directors have been able to allocate sufficient time and attention to the affairs of the Group and that they are able to discharge their duties as Directors to the Group diligently. Currently, the Board does not limit the maximum number of listed company board representations and principal commitments its Directors may hold, as long as each of the Director is able to commit his/her time and attention to the affairs of the Group and carry out his/her duties as a Director with diligence. The Board believes that each individual Director is best placed to determine and ensure that he/she is able to allocate sufficient time and attention to discharge his/her duties and responsibilities as a Director, bearing in mind his/her other commitments. The Board and the NC will review the requirement to determine the maximum number of listed company board representations and principal commitments as and when they deem fit.

Access to Information

Prior to each Board or Board Committees meeting, notice of the meeting containing the agenda for the meeting, which had been reviewed by the Chairman of the Board or the Chairmen of the respective Board Committees, is circulated to the Directors or the relevant Board Committees members. Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Directors are entitled to request from Management and should be provided with such additional information as needed to make informed decisions so that they are adequately equipped to participate fully in Board and Board Committees meetings. Detailed Board papers will be prepared for each meeting of the Board. The Board papers include sufficient information from Management on financial, business and corporate issues to enable Directors to be properly briefed on issues to be considered at Board and Board Committees meetings. Information provided includes background or explanatory information relating to matters to be brought before the Board and the Board Committees, copies of disclosure documents, budgets, forecasts and internal financial statements, including explanations for any material variance between projections and actual results.

All Directors have unrestricted access to the Group's records and information and receive detailed financial and operational reports from Management during the year to enable them to carry out their duties. Directors also liaise with Management as required, and may consult with other employees and seek additional information on request.

All Directors have separate and independent access to Management, the Company Secretary and external advisers (where necessary) at the Company's expense.

The Company Secretary will administer, attend and prepare minutes of the Board and the Board Committees meetings, assist each of the Board and the Board Committees Chairman in ensuring that the Board's and the Board Committees' procedures are followed and reviewed so that the Board and the Board Committees function effectively, and ensures that the Company's Constitution and relevant rules and regulations, including those of the Companies Act and the SGX-ST, are complied with. The Company Secretary ensures the quality, quantity and timeliness of the flow of information within the Board and the Board Committees, and between Management and Non-Executive Directors, and advises the Board on all corporate governance matters, facilitates orientation, and assists with professional development as and when required. The appointment and the removal of the Company Secretary is a decision of the Board as a whole.

Should Directors, whether as a group or individually, need independent professional and expertise advice in the furtherance of their duties, the cost of such advice will be borne by the Company.

CORPORATE **GOVERNANCE REPORT**

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Ms. Wong Wan Chin retired as an Independent Non-Executive Director of the Company upon the conclusion of the AGM held on 25 April 2025 and did not seek re-election. Following her retirement, she also ceased to be the Chairman of the RC and a member of the NC on the same date.

Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon resigned as an Independent Non-Executive Director of the Company with effect from 2 May 2025. Following his resignation, he also ceased to be the Chairman of the NC and a member of the AC on the same date.

Mr. Leow Chan Khiang was appointed as an Independent Non-Executive Director of the Company on 2 May 2025. In conjunction with his appointment, he was also appointed as the Chairman of the RC and a member of the AC and NC. Following his resignation as an Independent Non-Executive Director of the Company with effect from 19 March 2026, he concurrently ceased to be the Chairman of the RC and a member of the AC and NC.

Consequent to the abovementioned changes and as at the date of this report, the Board comprises four (4) Directors, one (1) of whom is an Independent and Non-Executive Director (who also serves as the Chairman of the Board). The respective compositions of the Board and the Board Committees are as follows:-

Name of Director	Designation	Date of First Appointment	Date of Last Re-Appointment	Board Committee Membership		
				AC	NC	RC
Mr. Ong Beng Chye	Independent Non-Executive Chairman	26 September 2022	24 April 2024	Chairman	Chairman(1)	Member
Dr. Ooi Shu Geok	Executive Director and Chief Executive Officer	22 July 2022	- (Seeking re-election at the forthcoming AGM)	-	-	-
Ms. Chong Moi Me	Executive Director and Chief Development Officer	22 July 2022	24 April 2024	-	-	-
Dr. Chong Juin Kuan	Non-Independent Non-Executive Director	22 July 2022	25 April 2025	Member	Member(2)	Member

Notes:

(1) Mr. Ong Beng Chye was appointed as the Chairman of the NC with effect from 2 May 2025.

(2) Dr. Chong Juin Kuan was appointed as a member of the NC with effect from 2 May 2025.

Key information on each Director is set out in the section entitled "**Profile of Directors**", and their respective shareholdings in the Company (if any) is set out in the section entitled "**Directors' Statement**" of the Company's Annual Report for FY2025.

The Directors possess the right core competencies and diversity of experience which enabled them to effectively contribute to the Group. The size and composition of the Board and Board Committees are constantly reviewed by the NC, taking into consideration the scope of the business and nature of operations of the Group. This is to ensure that the size of the Board and Board Committees is adequate to provide for a diversity of views and to facilitate effective decision-making, and that the Board has an appropriate balance of executive, independent and non-independent Directors.

CORPORATE **GOVERNANCE REPORT**

Following the resignation of Mr. Leow Chan Khiang with effect from 19 March 2026, the Non- Executive Directors no longer constitute a majority of the Board, which is a deviation from Provision 2.3 of the Code. As the current Board composition does not comply with the requirements set out in Rule 406(3)(c) of the Catalist Rules, the Board and the NC will endeavour to fill the vacancy on the Board within two (2) months, but in any case, not later than three (3) months from 19 March 2026. The Company is currently seeking suitable candidates for appointment to the Board. In making its recommendations, the NC will consider criteria such as expertise, experience, gender, age, and other relevant attributes, in line with the Company's Board diversity objectives.

Board Independence

The independence of each Director is reviewed annually by the NC, based on the guidelines as provided in the Code and its Practice Guidance as well as Rule 406(3)(d) of the Catalist Rules, and any other salient factors. In its review, the NC considers all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its findings and recommendations to the Board for approval. The Independent Directors are independent in conduct, character and judgement and they do not have any relationship with the Company, its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgment in the best interest of the Company, and are able to exercise objective judgement on matters of the Group independently from Management. The NC has reviewed, determined and confirmed the independence of each Director for FY2025. The Non-Executive and Independent Directors, led by the independent Chairman will meet to discuss on specific matter without the presence of management and if necessary, to provide feedback to the Board.

Ms. Wong Wan Chin retired as an Independent Non-Executive Director of the Company upon the conclusion of the Annual General Meeting held on 25 April 2025 and did not seek for re-election. Subsequently, on 2 May 2025, Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon resigned as an Independent Non-Executive Director of the Company, and Mr. Leow Chan Khiang was appointed in a similar capacity. Following this, Mr. Leow Chan Khiang resigned from the Board on 19 March 2026. Accordingly, as at the date of this report, the Board comprises only one Independent Director, namely Mr. Ong Beng Chye, who also serves as the Chairman of the Board.

As a result of the aforementioned changes, the Board currently falls below the minimum of two Independent Directors required under Rule 406(3)(c) of the Catalist Rules. The Company is actively seeking a new Independent Director to fill the vacancy and ensure compliance with the Catalist Rules. Shareholders will be provided with further updates on the matter in due course through the Company's announcements on SGXNet.

None of the Independent Directors has served on the Board beyond nine years from the date of his or her first appointment.

For FY2025, the Independent Directors (namely Mr. Ong Beng Chye and Mr. Leow Chan Khiang) have confirmed that they and their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment in the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Independent Directors were not in a situation that could, or reasonably be perceived to, compromise their independence of thought and decision. The Non-Independent Non-Executive Director is neither part of Management nor an employee of the Group.

The Group has, from time to time, been engaged by Haritage Brands Sdn. Bhd. (an entity in which Mr. Leow Chan Khiang is a shareholder and director) for the provision of testing services. These services primarily comprise lab testing services (the **"Provision of Testing Services"**).

Notwithstanding the above, the NC and the Board (other than Mr. Leow Chan Khiang) have determined that Mr. Leow Chan Khiang is considered independent as the aggregate fees paid by Haritage Brands Sdn. Bhd. to the Group for the Provision of Testing Services for FY2025 of approximately RM53,485, were on an arm's length basis, and in line with the standard market range of fees that the Group charges its other clients for such matters. Following the resignation of Mr. Leow Chan Khiang on 19 March 2026, any transactions entered into thereafter with Haritage Brands Sdn. Bhd. would no longer constitute Interested Person Transactions of the Company.

CORPORATE **GOVERNANCE REPORT**

Board Diversity

The Board is committed to building diversity amongst its members. The Board has taken various initiatives to select and appoint its members that are suitable and qualified as Directors regardless of gender, age, ethnicity, religion, amongst others. The Board members are diverse in terms of expertise in different backgrounds such as finance, business, marketing, and management fields. Having a diverse background of members is important as this will maintain the appropriate balance of perspectives, experience and expertise on the Board to support the long-term success of the Company.

The Company has a formal Board Diversity Policy in place that sets out the approach to achieve diversity and provides the Company with the flexibility to select from a wide and diverse talent pool when shortlisting candidates for Board appointment. The NC considers diversity criteria such as gender, age, nationalities, experience, skills, knowledge, and independence, amongst other relevant criteria as part of Director candidate selection and nomination. The ultimate decision will be based on merit and contribution that the candidate will bring to the Board.

The NC and the Board have reviewed the size of the current Board and Board Committees, and is of the opinion that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, age and gender on the Board. Accordingly, the NC and the Board are satisfied that the objectives of the Board Diversity Policy have been met the Board composition reflects the Company's commitment to Board diversity.

The NC will also continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. Any updates or progress made towards implementing the Board Diversity Policy will be disclosed in the Company's Corporate Governance Report, as appropriate.

Chairman of the Board and CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman of the Board and the CEO are separate persons in order to ensure an appropriate balance of power and authority, increase accountability and greater capacity of the Board for independent decision-making. There is a clear division of responsibilities, as set out in writing and agreed by the Board, between the Chairman of the Board and the CEO.

The Chairman of the Board, Mr. Ong Beng Chye, an Independent Director, and the CEO, Dr. Ooi Shu Geok, are not related to each other.

The responsibilities of the Chairman of the Board include:

(a) assuming the formal role of an independent leader and chairing all Board meetings;

(b) leading the Board to ensure its effectiveness on all aspects of its role, in particular its oversight of the Management;

(c) in consultation with the CEO, approving meeting schedules of the Board, setting the agenda for Board and Board Committee meetings and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

(d) promoting a culture of openness and debate at the Board;

(e) ensuring that the Directors receive complete, adequate and timely information;

(f) ensuring effective communication by the Board and the Management with Shareholders;

(g) encouraging constructive relations within the Board, and between the Board and the Management, and between the Executive Directors and the Non-Executive Directors;

(h) facilitating the effective contribution of the Non-Executive Directors in particular; and

(i) promoting high standards of corporate governance for the Group.

The CEO has full executive responsibilities in the business directions and operational efficiency of the Group. He oversees the execution of the Group's corporate and business strategies and is responsible for the day-to-day running of the business.

CORPORATE **GOVERNANCE REPORT**

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Ms. Wong Wan Chin retired as an Independent Non-Executive Director of the Company upon the conclusion of the Annual General Meeting held on 25 April 2025, concurrently ceasing to be a member of the NC. Subsequently, Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon resigned as an Independent Non-Executive Director of the Company with effect from 2 May 2025, at which time he also vacated his position as Chairman of the NC.

On 2 May 2025, Mr. Ong Beng Chye were appointed as Chairman of the NC, Mr. Leow Chan Khiang and Dr. Chong Juin Kuan were appointed as a member of the NC. Subsequently, Mr. Leow Chan Khiang resigned as an Independent Non-Executive Director of the Company with effect from 19 March 2026, concurrently ceasing to be a member of the NC.

Consequent to the abovementioned changes and as at the date of this report, the NC comprises two (2) members:

(a) Mr. Ong Beng Chye (Chairman)
(b) Dr. Chong Juin Kuan

Accordingly, the Company is currently not in compliance with Provision 4.2 of the Code as the NC currently comprises only two directors. To restore compliance, the Board and the NC are currently in the process of identifying a suitable candidate to fill the vacancy and will endeavour to do so within two (2) months, and in any event, no later than three (3) months from 19 March 2026.

The responsibilities of the NC as set out in its TOR include, amongst others, the following:

a. to review and recommend the appointment of new Directors and Executive Officers (as defined in the Catalist Rules) and re-nomination of the Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitments outside the Group including his/her principal occupation and board representations on other companies, if any;
b. to develop and maintain a formal and transparent process for the selection, appointment and re-appointment of Directors (including alternate Directors, if any), taking into account the need for progressive renewal of the Board;
c. to determine annually, and as and when circumstances require, whether or not a Director is independent, in accordance with the Code;
d. to decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director;
e. to determine and recommend to Directors the maximum number of listed company board representations which any Director may hold and disclosing this in the Company's annual report;
f. to decide how the Board's performance is to be evaluated and proposing objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long term Shareholders' value;
g. to undertake a formal annual assessment of the Board's effectiveness as a whole and that of each of the Board Committees and individual Directors, and recommend for the Board's approval, the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each of the Board Committee separately, as well as the contribution of each individual Director to the Board;
h. to review the structure, size and composition of the Board and Board Committees to ensure that these comprise an appropriate mix of skills, experience, core competencies and knowledge of the Group and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and function competently and efficiently;
i. to review succession plans for the Chairman of the Board, Directors, the CEO and key management personnel ("**KMP**");
j. to review the training and professional development programs for the Board and its Directors;
k. where a Director has multiple board representations, deciding whether the Director is able and has been adequately carrying out his/her duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments, and establish guidelines on what a reasonable and maximum number of such directorships and principal commitments for each Director should be;
l. to ensure that the Directors submit themselves for re-nomination and re-election at the Company's annual general meeting, at least once every three (3) years;

m. to review and approve the employment of persons related to the Directors, the CEO or Substantial Shareholders, and the proposed terms of their employment;

n. to review the Board Diversity Policy and progress made towards implementing the Board Diversity Policy, including targets and objectives; and

o. to undertake such other functions and duties as may be required by the Board under the Code, statute or Catalist Rules (where applicable).

The NC meets at least once a year and at other times as required, in accordance with its TOR. The Chairman of the NC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The NC reviews the nomination of Directors for re-election annually. Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years at the annual general meeting ("**AGM**") of the Company. The Company's Constitution also provides that one-third of the Directors, or if their number is not a multiple of three, the number nearest to one-third shall retire by rotation at every AGM of the Company. The NC takes into account the competencies, time commitments, contributions and performance of the Directors with reference to their attendance, participation and candour at meetings of the Board and the Board Committees, as well as the proficiency with which they have discharged their responsibilities, in recommending the Directors for re-election. In addition, the Company's Constitution also provides that newly-appointed Directors are required to submit themselves for re-nomination and re-election at the forthcoming AGM of the Company.

The NC had recommended to the Board that Dr. Ooi Shu Geok shall retire pursuant to Regulations 100 of the Company's Constitution (the "**Retiring Director**"), and he be nominated for re-election at the forthcoming AGM of the Company. The Board had accepted the NC's recommendations.

The Retiring Director had consented to act and offered himself for re-election. The Retiring Director had abstained from the discussion and taking a decision in respect of his own nomination. The details of the Retiring Director seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the section entitled "**Information on Directors Nominated for Re-election – Appendix 7F of the Catalist Rules**" section on pages 52 to 56 of this report.

The NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its substantial Shareholders or its officers, and the confirmation of independence form completed by each Independent Director to confirm his or her independence. Such form is drawn up based on Principle 2 of the Code, as well as Rule 406(3)(d) of the Catalist Rules. Having completed its review, the NC is of the view that the Independent Directors have satisfied the criteria for independence.

The Board provides for the appointment of alternate Director only in exceptional cases such as when a Director has a medical emergency. The Board takes into consideration the same criteria for selection of alternate Directors, such as his/her qualifications, competencies and independence. The Company does not have any alternate director during FY2025.

When new Directors are appointed, the NC also ensures that they are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his/her duties as a Director. Specifically, the NC will review and decide, on an annual basis (or more frequently as the NC deems fit), whether such Director with competing time commitments is able to and has been adequately carrying out his/her duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his/her duties towards other principal commitments. In identifying suitable candidates, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that they possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

During FY2025, the Company appointed Mr. Leow Chan Khiang as an Independent Non-Executive Director with effect from 2 May 2025. Prior to recommending his appointment to the Board, the NC considered criteria such as expertise, experience, gender, age, and other relevant attributes in line with the Board's diversity objectives. However, on 19 March 2026, Mr. Leow Chan Khiang resigned as an Independent Non-Executive Director of the Company to focus on his personal commitments.

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Multiple Listed Companies Directorships and Other Principal Commitments

The Code and the Practice Guidance requires listed companies to fix the maximum number of board representations on other listed companies that a company's directors may hold and to disclose this in its annual report. The NC, with the concurrence of the Board, has not set the maximum number of listed company directorships which a Director may hold. The NC will continue to monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company. The NC has reviewed and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have other board representations or principal commitments.

The directorships in other listed companies and principal commitments of each of the Directors as at the date of this report are set out below:

Name of Director	Directorship in Other Listed Companies		Other Principal Commitments
	Present	Past (Preceding 5 Years)	
Dr. Ooi Shu Geok	-	-	• Director at LMS Compliance International Pte. Ltd. • Director at Fitcorp Value Pte. Ltd. • Director at Louis May Pte. Ltd. • Director at MYCO2 Sdn. Bhd. • Director at MYCO2 (PG) Sdn. Bhd. • Director at MYCO2 (JB) Sdn. Bhd. • Director at MYCO2 (KL) Sdn. Bhd. • Director at Empiric Science Sdn. Bhd. • Director at MYCO2 Certification Sdn. Bhd. • Director at MYCO2 Group Sdn. Bhd. • Director at SG CO2 Pte. Ltd. • Director at Prismatic Technologies Sdn. Bhd. • Director at ACCLab Malaysia Sdn. Bhd. • Director at Anchor Technology Holdings Co., Limited • Director at Anchor Center for R&D and Certification • Anchor Technology (Hainan) Co., Ltd.
Ms. Chong Moi Me	-	-	• Director at LMS Compliance International Pte. Ltd. • Director at Fitcorp Value Pte. Ltd. • Director at Louis May Pte. Ltd. • Director at MYCO2 Sdn. Bhd. • Director at MYCO2 (PG) Sdn. Bhd. • Director at MYCO2 (JB) Sdn. Bhd. • Director at MYCO2 (KL) Sdn. Bhd. • Director at Empiric Science Sdn. Bhd. • Director at MYCO2 Certification Sdn. Bhd. • Director at MYCO2 Group Sdn. Bhd. • Director at MYCO2 Inspection Sdn. Bhd. • Director at Anchor Technology Holdings Co., Limited • Director at Anchor Center for R&D and Certification • Anchor Technology (Hainan) Co., Ltd.

Name of Director	Directorship in Other Listed Companies		Other Principal Commitments
	Present	Past (Preceding 5 Years)	
Dr. Chong Juin Kuan	-	-	• Director at LMS Compliance International Pte. Ltd. • Director at Fitcorp Value Pte. Ltd. • Director at Louis May Pte. Ltd. • Director at KoverNow Pte. Ltd. • Director at SG CO2 Pte. Ltd. • Director at Simplifai Pte. Ltd.
Mr. Ong Beng Chye	• ES Group (Holdings) Limited • IPS Securex Holdings Limited • Oxley Holdings Limited • Union Steel Holdings Limited	• Alpina Holdings Limited • Geo Energy Resources Limited • CapAllianz Holdings Limited • Hafary Holdings Limited	• Director of Appleton Global Private Limited • Director of Gem Corp Services Pte. Ltd.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC is responsible for deciding how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company. The NC has adopted processes for the evaluation of the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors, based on the performance criteria approved by the Board. The objective of the annual evaluation is to identify areas for improvement and thereafter implement appropriate action.

The assessment of the contribution by each Director is specifically related to the individual Director's duties such as preparedness, contribution, and industry and business knowledge and experience which are crucial to the Group's business. The NC evaluates each Director's performance based on parameters such as attendance and participation at Board and Board Committees meetings, appropriate skills, experience and expertise, understanding business plans and strategies, and leadership to Management.

The NC also takes into account the Board's balance and mix in evaluating the performance and effectiveness of the Board as a whole. Factors taken into consideration for the assessment of the Board as a whole includes the contribution to the development of strategies and effective risk management, and response to problems and crisis.

Each of the Board Committees is assessed for its effectiveness to address the matters and timely resolution of issues. The NC will review the performance evaluation results and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors. The NC has assessed the effectiveness of the current Board as a whole and the Board Committees, and contribution by each Director to the effectiveness of the Board. Results of the performance evaluation were reported to the Board.

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The NC has in place an annual Board Performance Evaluation exercise, which is used to evaluate the effectiveness of the Board and facilitate discussion to enable Directors to discharge their duties more effectively. The evaluations are carried out by means of a questionnaire being completed by each Director. The results of the completed questionnaires are collated and the findings are analysed and discussed by the NC, and reported to the Board.

The Board performance evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had allowed him/her to discharge his/her duties effectively. Directors are encouraged to propose changes to enhance effectiveness as a whole.

The Board evaluation questionnaire takes into consideration qualitative factors such as Board composition, information flow to the Board, Board process, Board accountability, matters concerning the CEO and top management and standards of conduct of Board members. The NC would review the need to set quantitative targets as performance criteria when appropriate.

The performance criteria will not be changed from year to year unless circumstances deem it necessary for any of the criteria to be changed, for example to align with changes to the Code and the onus should be on the Board to justify the decision.

The NC also has an annual performance evaluation exercise for each of the Board Committees. The performance evaluations of the AC, the NC and the RC are similarly carried out with questionnaires. The results are collated and the findings are analysed and discussed by the NC, with comparatives from the previous year's results, and reported to the Board.

Individual Director evaluations are also conducted whereby each Director is evaluated on his/her contributions through proper guidance, diligent oversight and able leadership, and the support extended to Management in steering the Group.

The results of the Board, the Board Committees and Individual Director evaluations are compiled by the Company Secretary and reported to the NC. In discussing the results of the performance evaluations for FY2025, the Board and Board Committee members were able to identify areas for improving their effectiveness. No significant problems were identified.

Following the review in FY2025, the Board is of the view that the Board and its Board Committees operate effectively and that each Director contributes to the overall effectiveness of the Board and its Board Committees.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, each Board Committee and each individual Director for FY2025. Where relevant and when the need arises, the NC will consider such an engagement.

The NC will continue to review the formal assessment processes for evaluating Board performance, its Board Committees, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of his/her re-nomination and assessment as a Director.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Ms. Wong Wan Chin retired as an Independent Non-Executive Director of the Company upon the conclusion of the Annual General Meeting held on 25 April 2025, concurrently ceasing to be the Chairman of the RC. Subsequently, on 2 May 2025, Mr. Leow Chan Khiang was appointed as the Chairman of the RC. Following his resignation as an Independent Non-Executive Director of the Company on 19 March 2026, Mr. Leow also ceased to be the Chairman of the RC.

Consequent to the abovementioned changes and as at the date of this report, the RC comprises two (2) members, both of whom are Non-Executive Directors:

(a) Mr. Ong Beng Chye
(b) Dr. Chong Juin Kuan

Accordingly, the Company is currently not in compliance with Provision 6.2 of the Code as the RC currently comprises only two directors. To restore compliance, the Board and the NC are currently in the process of identifying a suitable candidate to fill the vacancy and will endeavour to do so within two (2) months, and in any event, no later than three (3) months from 19 March 2026.

The RC carries out its duties in accordance with its TOR which include, amongst others, the following:

a. to review and submit its recommendations for endorsement by the entire Board, a general framework of remuneration for the Board, the specific remuneration packages, and terms of employment (where applicable) for each Director, the CEO (if CEO is not a Director) and KMP;

b. to review, recommend and determine specific remuneration packages for each Director and KMP, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind;

c. to administer the LMS Performance Share Plan ("**LMS PSP**") and the LMS Employee Share Option Scheme ("**LMS ESOS**");

d. to review and approve any new employment of related employees (being employees that are related to the Directors, CEO and/or Substantial Shareholders) and the proposed terms of their employment, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increments and/or promotions for these related employees. Each RC member shall abstain from voting on any resolutions in respect of his/her remuneration package or that of employees related to him/her;

e. in the case of service contracts, to review the obligations arising in the event of termination of an Executive Director or executive officer's service contract, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous;

f. to review and recommend to the Board the terms of share options, shares award plans or any long-term incentive schemes which may be set up from time to time, in particular to review whether Directors, KMP or such employee should be eligible for such schemes and also to evaluate the costs and benefits of such schemes and to do all acts necessary in connection therewith;

g. to ensure the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently being administered and being adhered to within the Group; and

h. to propose, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the KMP, individual Directors and of the Board as a whole.

The RC reviews and recommends to the Board the remuneration packages or policies for the Directors, the CEO and the KMP based on the performance of the Group, the individual Director, CEO, and KMP. No Director individually decides or is involved in the determination of his or her own remuneration. Each member of the RC shall abstain from voting on any resolution in respect of his/her remuneration package and making any recommendations and/or participating in any deliberations of the RC in respect of his/her remuneration package. The RC's recommendations are submitted for endorsement by the Board.

The RC will also review the Company's obligations under the service agreement entered into with the Executive Directors and KMP that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

During FY2025, the RC did not seek any external professional advice on fixing remuneration packages for the Directors and employees. Where relevant, the RC will consider such engagement and will review the suitability and independence of the external firm before engaging them.

CORPORATE **GOVERNANCE REPORT**

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Group recognises that a competitive remuneration and reward system based on individual performance is important to attract, retain and incentivise the best talent. The Group has adopted a remuneration structure for the Executive Directors and KMPs that promotes the long-term success of the Group. The RC ensures that the Executive Directors' and KMPs' remuneration are commensurate with their performance and that of the Group, taking into consideration the prevailing financial and commercial health, contribution to value creation of the Group and business needs of the Group.

In setting remuneration packages, the RC also ensures that the Executive Directors and KMPs are adequately but not excessively remunerated as compared to the industry and other comparable companies. The remuneration packages of the Executive Directors and KMPs consist of fixed, variable components and benefits. The fixed component mainly comprises the basic salary and statutory contributions. The variable component is linked to the Group's performance and individual's performance. Such performance-related remuneration is designed to align with the interests of Shareholders and other stakeholders and promote long-term success of the Group.

The remuneration packages of the Executive Directors and KMPs are based on service contracts. Dr. Ooi Shu Geok, the CEO and Executive Director, and Ms. Chong Moi Me, the CDO and Executive Director, each has a service agreement with the Company for an initial period of three (3) years ("**Initial Term**") commencing with effect from the date of admission of the Company to the Catalist of the SGX-ST. Subsequently, on 28 November 2025, the Company renewed the service agreements for both Dr. Ooi and Ms. Chong for an additional three (3) years upon the conclusion of their respective Initial Terms.

Pursuant to the terms of the respective service agreements, Dr. Ooi Shu Geok and Ms. Chong Moi Me will each receive a monthly salary. In addition to their annual salaries, each of Dr. Ooi Shu Geok and Ms. Chong Moi Me are entitled to receive an annual incentive bonus (the "**Incentive Bonus**") of a sum calculated based on the audited consolidated profit before income tax of the Group (after deducting for the non-controlling interests) for the relevant financial year, before payment of the Incentive Bonus and excluding any gains or losses arising from extraordinary and exceptional items.

Dr. Ooi Shu Geok and Ms. Chong Moi Me are entitled to the Incentive Bonus in connection with their contribution to the Group in their roles as the CEO and Executive Director, and the CDO and Executive Director, respectively. The Incentive Bonus is subject to the discretion and periodic review by the Board and the RC at such interval(s) as the Board and the RC consider appropriate. The remuneration of the Executive Directors is subject to annual review by the Board and the RC, in line with the Company's annual year end salary review exercise.

Furthermore, the Executive Directors, along with the employees of the Group are paid an incentive bonus (the "**Executive Bonus**") pursuant to the incentive bonus scheme for the Group's employees. The amount of Executive Bonus awarded to each Executive Director and employee of the Group is calculated based on performance indicators which includes, amongst others, the profits of the department of such Executive Director or employee, customer complaint rate, productivity and other quantitative performance indicators.

Save as disclosed above, commissions and incentive payments payable to selected employees in the ordinary course of business, and the LMS PSP and the LMS ESOS, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between the Group and any of the Directors, Executive Officers or employees.

Independent Directors are paid quarterly in arrears and such fees, being an agreed amount, are subject to Shareholders' approval at the AGM of the Company. The proposed Directors' fees are determined in accordance with their contributions, taking into account factors such as effort, time spent and responsibilities of these Directors.

The Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. Directors' fees of RM326,494 for the financial year ending 31 December 2026 ("**FY2026**") (to be paid quarterly in arrears), have been recommended by the Board and will be subject to the approval of Shareholders at the forthcoming AGM of the Company. The RC and the Board are of the view that the fees of the current Independent Directors and Non-Executive Director are adequate and not excessive. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his/her remuneration package.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

On 2 September 2022, the Company entered into separate service agreements ("**Service Agreement**") with each of (a) the Executive Director and CEO, Dr. Ooi Shu Geok; and (b) Executive Director and CDO, Ms. Chong Moi Me. Each of the Service Agreements is for an initial period of three (3) years ("**Initial Term**") commencing with effect from the date of admission of the Company to the Catalist of the SGX-ST. Subsequently, on 28 November 2025, the Board, with the recommendation of the NC and RC, approved the renewal of their respective service agreements for an additional three (3) years upon the conclusion of their respective Initial Terms.

Disclosure on Directors' Fees and Remuneration

The breakdown of the total remuneration of Directors (including the CEO and CDO) for FY2025 is set out below:

Name of Director	Directors' fees[(1)] (RM'000)	Base salary[(1)] (RM'000)	Variable or performance-related income/ bonus (RM'000)	Allowances & benefits (RM'000)	Total (RM'000)
Dr. Ooi Shu Geok	-	580	239	24	843
Ms. Chong Moi Me[(2)]	-	408	238	4	650
Dr. Chong Juin Kuan	36	-	-	-	36
Mr. Ong Beng Chye [(3)]	122	-	-	-	122
Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon[(4)]	12	-	-	-	12
Ms. Wong Wan Chin[(5)]	12	-	-	-	12
Mr. Leow Chan Khiang[(6)]	24	-	-	-	24

Notes:

(1) Amount inclusive of contribution to employees provident funds.

(2) Ms. Chong Moi Me, the CDO and Executive Director, is the spouse of Dr. Ooi Shu Geok, the CEO and Executive Director.

(3) Mr. Ong Beng Chye was re-designated as the Independent Non-Executive Chairman of the Board with effect from 1 January 2025.

(4) Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon has resigned as an Independent Non-Executive Director of the Company with effect from 2 May 2025.

(5) Ms. Wong Wan Chin retired as an Independent Non-Executive Director of the Company upon the conclusion of the AGM held on 25 April 2025 and did not seek for re-election.

(6) Mr. Leow Chan Khiang was appointed as an Independent Non-Executive Director of the Company on 2 May 2025. Subsequently, he resigned as an Independent Non-Executive Director of the Company with effect from 19 March 2026 to focus on his personal commitments.

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Disclosure on KMP's Remuneration

For FY2025, the remuneration paid to the top five (5) KMPs (who are not Directors or CEO and CDO) is as follows:

Name of KMP	Base salary[1] (%)	Variable or performance-related income/ bonus (%)	Allowances & Benefits (%)	Total (%)
Below S$250,000				
Ms. Ooi Wan Koon[2]	92	8	0	100
Ms. Tan Yap Hong	91	8	1	100
Mr. Chua Siong Wei	90	10	0	100
Mr. Nyeoh Yeong Sheng	88	10	2	100
Mr. Teh Huat Chooi	80	12	8	100

Notes:

(1) Amount inclusive of contribution to employee provident funds.

(2) Ms. Ooi Wan Koon, the Chief People Officer, is the sister of Dr. Ooi Shu Geok, Executive Director and CEO.

For FY2025, the aggregate total remuneration paid/payable to the abovementioned top five (5) KMPs amounted to RM1,108,080 (equivalent to S$362,651, based on an exchange rate of S$1 to RM3.2761).

The Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders with, amongst others, information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

Save for Dr. Ooi Shu Geok and Ms. Chong Moi Me who are spouses, there were no employees who were Substantial Shareholders, or are immediate family members of a Director, the CEO or a Substantial Shareholder, and whose remuneration exceeds S$100,000 in the Group's employment during FY2025.

The Company has in place, a performance share plan, the LMS PSP, and a share option scheme, the LMS ESOS, which are administered by the RC. Both the LMS PSP and the LMS ESOS form an integral and important component of the compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and the Group.

The objectives of the LMS ESOS are as follows:

i. to provide eligible participants with an opportunity to participate in the growth and equity of the Company, and to motivate them to optimise their performance standards and efficiency, and to maintain a high level of contribution to the Group;

ii. to retain key employees and Directors whose contributions are essential to the long-term growth and profitability of the Group;

iii. to instill loyalty to, and a stronger identification by participants with the long-term prosperity of the Group;

iv. to attract business relationships and potential employees with the relevant skills to contribute to the Group and to create value for the Shareholders;

v. to reward and retain Executive Directors, Non-Executive Directors and employees whose services are vital to the success of the Group; and

vi. to align the interests of participants with the interests of the Shareholders.

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The LMS ESOS would provide the Group with greater flexibility in structuring the compensation packages of eligible participants and provide an additional tool to motivate and retain employees through the offering of compensation packages that are market-competitive.

As at the date of this report, no options have been granted under the LMS ESOS.

The objectives of the LMS PSP are as follows:

i. foster an ownership culture within the Group which aligns the interests of participants with the interests of Shareholders;

ii. motivate participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group;

iii. make total employee remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long-term growth and profitability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company; and

iv. attract business relationships and potential employees with the relevant skills to contribute to the Group and to create value for the Shareholders.

The focus of the LMS PSP is principally to target selected Management and certain key employees who are able to drive the growth of the Company through creativity, firm leadership and excellent performance. The Company believes that it will be more effective than merely having pure cash bonuses in place to motivate executives to work towards determined goals and in addition to the LMS ESOS, the LMS PSP will further strengthen the Company's competitiveness in attracting and retaining talent.

The performance condition shall be determined at the absolute discretion of the RC, which may comprise factors such as (but not limited to) the market capitalisation or earnings of the Company at specified times.

As at the date of this report, no awards have been granted under the LMS PSP. The Company intends to seek shareholders' approval at the forthcoming AGM for the following:-

i. The Proposed Participation by Ooi Wan Koon and Chong Tze Kean, each an associate of a controlling shareholder, in the LMS PSP; and

ii. The Proposed Grant of Awards to Ooi Wan Koon and Chong Tze Kean, each an associate of a controlling shareholder, under the LMS PSP.

C. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board has overall responsibility for the governance of risk. The Management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems, and to provide the Board with the basis to determine the Company's levels of risk tolerance and risk policies.

The Company has clear policies and guidelines on dealings in securities by Directors and employees. The Company imposes a trade embargo on its Directors and employees from trading in its securities for the period of one (1) month before the announcement of its half-yearly and full-year financial results, ending on the date of the announcement of the relevant results.

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The Board notes that all internal control systems contain inherent limitations and no sound system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities. However, alternative procedures, policies, guidelines and compliance regulations are in place to mitigate any possible and/or suspected irregularities.

To date, nothing has come to the attention of the AC and/or Board of any deficiency and/or dysfunction of the internal control implementation that has resulted in any significant loss and/ or material financial misstatement.

Risk Committee

As the Company does not have a risk management committee, the AC and the Management assume the responsibility of the risk management function. The AC and the Management review the Company's business and operational activities regularly to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The AC and the Management review and highlight all significant matters in relation to risk management and framework to the Board. Having considered the Company's business and operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk management committee is not required for the time being.

In FY2025, the Group's external auditors ("**External Auditors**") (to the extent as required by them to form an audit opinion on the statutory financial statements) and internal auditors of the Company ("**Internal Auditors**") conducted a review of the adequacy and effectiveness of the Group's internal control system and risk management system. Findings and recommendations for improvement were reported to the AC.

The AC also enquires and relies on reports from the Management and the Internal Auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC had reviewed with the Management and the Internal Auditors, their findings of the existence and adequacy of material accounting controls procedures as part of its audit for the financial year under review. The AC is of the view that the works carried out by the Management and Internal Auditors are adequate.

For FY2025, the Board has received assurance from the CEO and the Group Finance Manager:

a. that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

b. on the adequacy and the effectiveness of the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls).

Taking into account the Company's corporate structure and scope of operations, and based on the internal controls established and maintained by the Group, works performed by the External Auditors and the Internal Auditors, and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2025.

Audit and Risk Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Following the resignation of Tan Sri Dato' (Dr.) Wee Hoe Soon @ Gooi Hoe Soon as an Independent Non-Executive Director of the Company on 2 May 2025, he concurrently ceased to be a member of the AC. On the same date, Mr. Leow Chan Khiang was appointed as a member of the AC to fill the vacancy. Subsequently, Mr. Leow Chan Khiang resigned as an Independent Non-Executive Director of the Company with effect from 19 March 2026, at which time he also vacated his position as a member of the AC.

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Consequent to the abovementioned changes and as the date of this report, the AC comprises two (2) members, both of whom are Non-Executive Directors:-

(a) Mr. Ong Beng Chye (Chairman)
(b) Dr. Chong Juin Kuan

Accordingly, the composition of the AC is not in compliance with Rule 704(7) of the Catalist Rules and Provision 10.2 of the Code as the AC currently comprises only two members. The Board and the NC will endeavour to fill the vacancy in the AC within two (2) months, and in any event, no later than three (3) months from 19 March 2026.

The two members, including the AC Chairman, possess the necessary accounting or related financial management experience in discharging their duties. The Board is of the view that the AC consists of members who are appropriately qualified and that they have sufficient accounting or related financial management expertise and experience to discharge their duties and responsibilities to the AC.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation:

(a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and

(b) in any case, for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC will assist the Board in discharging its responsibility to safeguard assets, maintain adequate accounting records, develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group.

The AC will provide a channel of communication between the Board, Management, Internal Auditors, and External Auditors, on matters relating to audit. The AC also meets with the Internal Auditors and External Auditors without the presence of Management.

The AC also has explicit authority to investigate any matters within its TOR, full access to and cooperation of the Management and also full discretion to invite any Director or key management personnel to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. The AC can seek professional advice, where necessary, and at the Company's expense.

The AC carries out its duties in accordance with a set of TOR which include, amongst others, the following:

(a) to assist the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective systems of internal controls, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Group;

(b) to review, with the Internal Auditors and the External Auditors, the audit plans, scope of work, their evaluation of the Group's system of internal controls, audit reports, their management letters and the management's response, and the results of audits compiled by the Internal Auditors and the External Auditors, and will review at regular intervals with the Management the implementation by the Group of the internal control recommendations made by the Internal Auditors and External Auditors;

(c) to review the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Catalist Rules, and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

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(d) to review and report to the Board, at least annually, the adequacy and effectiveness of the Group's internal control procedures (including financial, operational, compliance and information technology controls) and risk management systems;

(e) to commission and review findings of internal investigations (including to review and discuss with the Internal Auditors and the External Auditors, any issues and concerns arising from the internal audits and the external audits) where there is any suspected fraud, irregularity, failure of internal controls or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position, and the Management's response;

(f) to review the key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNet;

(g) to review and approve all hedging policies implemented by the Group (if any) and conduct periodic review of foreign exchange transactions, and hedging policies and procedures;

(h) to meet with the internal auditors / external auditors, and in each case, without the presence of Management, at least annually and review the co-operation given by the Management to the Internal Auditors and the External Auditors, where applicable;

(i) to review periodically, the adequacy, effectiveness, scope of the internal audits and the external audits, independence and objectivity of the internal auditors and the external auditors, as well as consider the appointment or re-appointment of the Internal Auditors and the External Auditors, including approving the remuneration and terms of engagement of the Internal Auditors and the External Auditors, and ensuring the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience, and that the Internal Auditors comply with the standards set by internationally recognised professional bodies, where applicable;

(j) to review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules and review procedures thereof;

(k) to review potential conflicts of interests (if any) and set out a framework to resolve or mitigate any potential conflicts of interests as well as monitor compliance with such framework;

(l) to review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with the controlling shareholders and propose, where appropriate, the relevant measures for the Management of such conflicts;

(m) to review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for the receipt, retention and treatment of complaints received by the Group (including criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group), the independent investigation and follow-up actions thereto;

(n) to review transactions falling within the scope of Chapter 10 of the Catalist Rules, if any;

(o) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the financial performance;

(p) to review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;

(q) to review the whistle-blowing policy and procedures;

(r) to monitor and have oversight on the Group's measures, and review such procedures and policies put in place to ensure compliance with the various applicable laws and regulations, such as (i) the Group's business licences and tax matters, including the appointment of legal advisers and qualified tax agents, and (ii) laws and regulations for which the Group had contravened in the past, at least annually to ensure that such procedures and policies are commensurate with the Group's operations and expansion plans from time to time;

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(s) to assist the Board in the discharge of its statutory responsibilities on financial and accounting matters;

(t) to assist the Board in fulfilling its responsibility for overseeing the integrity of the Group's system of accounting and financial reports and in maintaining a high standard of transparency and reliability in its corporate disclosures;

(u) to review the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;

(v) where applicable, to ensure that the internal audit function has unfettered access to all the Group's documents, records, properties and personnel, including the AC, and has appropriate standing within the Group;

(w) to review the assurance from (1) the CEO and the Group Finance Manager (regardless of title, who performs or has the capacity to perform the finance function or responsibility equivalent to that of the foregoing person) on the financial records and financial statements; and (2) the CEO and other KMP who are responsible regarding the adequacy and effectiveness of the Group's risk management and internal control systems;

(x) to appraise the performance of the Group Finance Manager (regardless of title, who performs or has the capacity to perform the finance function or responsibility equivalent to that of the foregoing person) on an annual basis;

(y) to monitor the use of the proceeds raised from the Company's initial public offering on the Catalist of the SGX-ST;

(z) to monitor the controlling shareholders and Ms Ooi Wan Koon's compliance with the relevant deeds/undertakings provided to the Group;

(aa) to monitor and review the results obtained by the finance department pursuant to its quarterly review in ensuring compliance with bank covenants for the credit facilities of the Group;

(bb) to undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;and

(cc) to undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

The number of meetings convened by the AC is set out in the Board Processes section under Principle 1 of this report. The Directors and the Company Secretary are invited to these meetings. Minutes of the AC meetings are submitted to the Board for information and review with such recommendations as the AC considers appropriate. The AC is kept abreast by the Management and external auditors of changes to accounting standards and by the Company Secretary and the Sponsor on the Catalist Rules, which could have an impact on the Group's business and financial statements.

In the AC's review of the financial statements of the Group for FY2025, the AC had discussed with the Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered the key disclosures in the financial statements. The AC has also reviewed the key audit matters disclosed in the independent auditors' report for FY2025 and is satisfied with the measures taken by the Company to address such issues were adequate and appropriate.

The AC is satisfied with the adequacy of the Group's financial statements and financial reporting resources and the performance of the Group's finance department.

Whistle-blowing Policy

The Company has implemented a whistle-blowing policy which aims to provide an avenue for employees and external parties to raise concerns about misconducts or wrongdoings relating to the Group or any of its officers. The whistle-blower will be protected from victimisation and unfair treatment for whistle-blowing in good faith, and his/her identity will be kept confidential.

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The Company's employees and any external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistleblowing report to the AC. Where a complaint has been made, a report will be submitted to the AC for investigation and follow-up. The AC serves as an independent function and is responsible for the oversight and monitoring of whistle-blowing. The whistle-blowing procedures and contact details of the AC have been made available to all employees. There were no whistle-blowing report received in FY2025.

External Audit

The external auditor of the Company is BDO LLP, and Mr. Yeo Siok Yong is the current audit partner-in-charge. The AC discussed with the external auditors the audit plan, and the report on the audit of the year-end financial statements; reviewed the external auditor's management letter and Management's responses thereto; and reviewed the external auditor's objectivity and independence from the Management and the Company.

The AC has considered the independence of BDO LLP and undertaken a review of all non-audit services and noted there were no non-audit services provided by external auditors, BDO LLP to the Group.

BDO LLP, has also confirmed its independence in this respect, and that BDO LLP is registered with the ACRA and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore. The Company confirms that Rule 712 and Rule 715 of the Catalist Rules have been complied with in appointing audit firms for the Group.

The AC recommends to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of External Auditor and approval of the remuneration of the External Auditor.

BDO LLP has indicated that they will not be seeking re-appointment as external auditors of the Company at the forthcoming AGM. The AC had recommended, and the Board had approved the nomination of PKF-CAP LLP as the proposed new external auditors in place of BDO LLP for the financial year ending 31 December 2026, subject to Shareholders' approval at the forthcoming AGM. Further information to the proposed change of auditors of the Company is set out in the Second Addendum to the Annual Report dated 10 April 2026.

The AC has full access to the external auditors without the presence of Management and is authorised to have full and unrestricted access to Management and all personnel, records, operations, properties, and other informational sources of the Company as required or desirable to properly discharge its responsibilities.

Internal Audit

The Company has outsourced its internal audit function to Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("**Baker Tilly**") to assist the Company in reviewing the effectiveness and efficiency of the process design and implementation of key internal controls in relation to financial, operational, administrative, compliance, and information technology process and risks, and review and assess the Company's risk management policy and system as a whole. The Internal Auditors' primary line of reporting is to the AC and the AC Chairman. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Group. The Internal Auditors will report their findings and recommendations to the AC for its review. Management will update the AC on the implementation and status of action plans recommended by the internal auditors. For FY2025, there were no major internal control weaknesses highlighted by Baker Tilly.

The Internal Auditor prepares the annual internal audit plan based on a high-level risk assessment and submit the said plan to the Management of the Company and the AC for review. The AC will review and approve the annual internal audit plan for execution. The Internal Auditors will execute the approved internal audit plan according to the agreed area, detailed scope and timeline.

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For FY2025, the AC has assessed and is satisfied that Baker Tilly is independent, effective and adequately resourced, taking into consideration Baker Tilly's over 25 years of experience in delivering independent and value-driven internal audit and advisory services, its track record across Internal Audit, Compliance Reviews, Enterprise Risk Management (ERM), Risk Advisory, ESG Advisory, IT Audit, and Consulting, the size and experience of the engagement team, and the qualifications of the IA partner leading the engagement, Ms. Heng Cheng Zin, who has 20 years of professional experience in Internal Audit, Risk Advisory, Compliance Management and ESG Advisory, holds a bachelor's degree in commerce from the University of Western Australia, is a Certified Practicing Accountant Australia, is a Chartered Accountant with the Malaysian Institute of Accountants, and a Chartered Member with the Institute of Internal Auditors Malaysia, which collectively substantiate the AC's assessment of the IA function's independence, effectiveness, and adequacy of resources. Baker Tilly is staffed with persons with the relevant qualifications and experience, supported by an engagement team of approximately four (4) personnel, including two (2) senior team members, one (1) associate, and a Partner who provides overall oversight and strategic direction. Baker Tilly carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC also decides and approves the appointment, termination, evaluation and fees of the accounting/auditing firm or corporation to which the internal audit function is outsourced.

Meeting with Internal Auditor and External Auditor

The AC will meet with the internal auditors and external auditors without the presence of the Management, at least once annually, and as and when necessary, to review the adequacy of the audit arrangement, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the internal auditors and the external auditors. In respect of FY2025, the AC has met with the internal auditors and the external auditors, without the presence of Management.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights, and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company facilitates the exercise of ownership rights by all Shareholders. In particular, Shareholders have the right to be timely and sufficiently informed of changes in the Company or its business which would be likely to materially affect the price or value of the Company's shares.

The Company provides Shareholders with the opportunity to participate effectively in and vote at general meetings of Shareholders. Shareholders are informed of the rules, including voting procedures, that govern general meetings of Shareholders.

The Company tables separate resolutions at general meetings of Shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The Company's Constitution currently allows a Shareholder of the Company to appoint up to two (2) proxies to attend and vote in his stead at general meetings, and Shareholders who are a "relevant intermediary" (as defined under section 181 of the Companies Act) may also appoint multiple proxies pursuant to the Companies Act. In order to have a valid registration of proxy, an instrument appointing a proxy must be deposited at such place or places specified in the notice convening the general meetings at least seventy-two (72) hours before the time appointed for the general meetings.

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The Company held its AGM for FY2024 ("**FY2024 AGM**") physically at Function Room, LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 on 25 April 2025. All Directors, Management as well as the Company's External Auditors, Share Registrar, Sponsors, and the Company Secretary had attended the FY2024 AGM to address shareholders' queries. The results of the votes casted on the resolutions as well as the name of the independent scrutineer were announced via SGXNet after the FY2024 AGM.

Following the legislative amendments and taking into account guidance from the Singapore Exchange, the forthcoming AGM to be held in respect of FY2025 will be convened and held in a wholly-physical format. Shareholders will not be able to participate by way of electronic means at the forthcoming AGM. Further information regarding the arrangements for the forthcoming AGM are set out in the Notice of AGM on pages 124 to 133 of this Annual Report.

The notice of general meetings of Shareholders is despatched to Shareholders, together with explanatory notes or a circular on items of special business, at least 14 clear days (for ordinary resolutions) or 21 clear days (for special resolutions) before the meeting. The Board welcomes questions from Shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of Shareholders.

The chairpersons and/or members of the Board, the AC, the NC and the RC will be available at the AGM to address any relevant queries from Shareholders. The Company's External Auditors will also be present to assist the Directors in addressing queries by Shareholders about the conduct of audit and the preparation and content of the auditors' report.
The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting and responses from the Board and Management thereto. These minutes are published on SGXNet as well as the Company's corporate website as soon as practicable, and in any event no later than one (1) month from the date of AGM.

The Company puts all resolutions to vote by poll and makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages.

The Company's Constitution allows for absentia voting subject to Directors' approval and implementation. However, due to security issues including but not limited to the authentication of shareholder identity information, the Directors have not approved the implementation of absentia voting. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised. An exception is made for the forthcoming AGM to be held in respect of FY2025, at which shareholders shall be allowed to submit their proxy forms via electronic means.

Dividend policy

On 28 November 2025, the Company adopted a Dividend Policy to provide a framework that ensures any dividends declared are aligned with its financial position, operational performance, and future investment requirements, with the aim of providing stable and sustainable returns to shareholders.

The Board has recommended a tax-exempt (one-tier) final dividend of S$0.01 per share in respect of FY2025, subject to approval by the Shareholders at the forthcoming AGM.

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ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

In line with continuous disclosure obligations of the Company, pursuant to the Catalist Rules and the Companies Act, the Board's policy is to ensure that Shareholders are informed of all major developments that impact the Group. In disclosing information, the Company will be as descriptive, detailed and forthcoming as possible and avoid boilerplate disclosures.

All financial results, as well as price-sensitive and trade-sensitive information, are released in a timely manner through various media, including disclosures via SGXNet and press releases posted on the Company's website. The Company's website is an important source of information for shareholders and the investing community. Relevant business updates, half-year and full-year results announcements, news releases, presentation slides, monthly operating statistics, annual reports, sustainability reports and other key facts and figures about the Company are available on the Company's website at https://lmscompliance.com/investor.html.

The Company encourages Shareholders to participate in the question-and-answer session during its AGM. The Board also welcomes questions and views from Shareholders on matters affecting the Company raised either informally or formally before or during the AGM. The Directors, including the Chairman of each Board Committee and the Management will be present at the AGM to address Shareholders' queries. The External Auditors will also be present at the AGM to address Shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report.

The Company does not have a standalone investor relations department, and there is no formal investor relations policy in place. However, the Company is supported by an external investor relations agency to communicate and engage with Shareholders, analysts and other stakeholders to provide balanced, clear and pertinent information on a regular basis, as well as to attend to their queries or concerns and to keep the investors public apprised of the Group's corporate developments and financial performance. To enhance and encourage communication with Shareholders, investors and other stakeholders, the Company provides the contact details of its external investor relations agency in its press releases. Shareholders, investors and other stakeholders may also send their enquiries and concerns in writing through the contact information presented in the Company's website at the URL: https://lmscompliance.com/contact.html. The Company will endeavour to address such queries as soon as practicable. Based on the current size and operations of the Group, the Board is of the view that the current practices and the disclosure of information to shareholders as set out above is in line with the intention of Principle 12 of the Code. Where required, the Company may, on an ad-hoc basis, hold media and analysts' briefings and publish press releases of its financial results.

MANAGING STAKEHOLDERS' RELATIONSHIPS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. It maintains a corporate website to communicate and engage with external stakeholders such as customers, Shareholders and investors, and an intranet for employee engagement. The Group has identified key stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations such as customers, suppliers, employees, regulators, shareholders and investors.

The Company ensures engagement and communication with the relevant stakeholders through the various means to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. Details of the areas of focus, methods of engagement and stakeholders' response can be found in the Company's Sustainability Report for FY2025, which will be made available on the Company's corporate website and SGXNet by 30 April 2026.

The Company maintains a current corporate website at the URL https://lmscompliance.com/index.html to communicate and engage with stakeholders.

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DEALING IN SECURITIES

The Company has adopted an internal compliance code to provide guidance to the Directors, officers and all employees of the Group with regard to dealing in the Company's securities, pursuant to Rule 1204(19) of the Catalist Rules. The Company, Directors and its officers shall not deal in the Company's shares during the period commencing one (1) month prior to each announcement of the Group's half-year and full-year financial results by the Company, ending on the date of the announcement of the relevant results. Directors and officers are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods or when they are in possession of unpublished price-sensitive information, and they are not to deal in the Company's securities on short-term considerations.

The Board confirms that the Company has complied with Rule 1204(19) of the Catalist Rules.

MATERIAL CONTRACTS

Save as disclosed in the section entitled "**Material Contracts**" and "**Interested Person Transactions**" in the offer document for the initial public offering of the Company dated 22 November 2022 ("**Offer Document**"), there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling Shareholders either still subsisting at the end of FY2025 or if not then subsisting, entered into since the end of the financial year ended 31 December 2024.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Group does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920(1)(a)(i) of the Catalist Rules.

In FY2025, the Group entered into and will continue to enter into certain interested person transactions, details of which were duly disclosed in the section entitled "**Interested Person Transactions - Present and Ongoing Interested Person Transactions**" in the Offer Document, and all of which were below S$100,000. There were no other interested person transactions of S$100,000 and above entered into by the Group during FY2025.

NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid/payable to the Company's former sponsor, ZICO Capital Pte. Ltd. ("**ZICO**") and current Sponsor, RHT Capital Pte. Ltd., for FY2025. RHT Capital Pte. Ltd. was appointed as the Company's Sponsor with effect from 1 December 2025 in place of ZICO.

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Use of IPO Proceeds

Pursuant to the IPO of the Company on the Catalist 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 is summarized as follows:

Use of Net Proceeds	Amount allocated (as disclosed in the Offer Document) (S$'000)	Net Proceeds utilised as at 31 December 2024, as announced on 25 February 2025 (S$'000)	Amount utilised from 1 January 2025 up to 31 March 2026 (S$'000)	Balance of Net Proceeds as at 31 March 2026 (S$'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**	-

The use of the Net Proceeds is in accordance with the intended uses and allocations as disclosed in the Offer Document. As at the end of FY2025, the Net Proceeds have been fully utilised.

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F OF THE CATALIST RULES

Pursuant to the Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F of the Catalist Rules on the Directors who are retiring in accordance with the Company's Constitution and seeking re-appointment as a Director at the forthcoming AGM is set out below: -

Name of Director	Dr. Ooi Shu Geok
Date of appointment	22 July 2022
Date of last re-appointment	26 April 2023
Age	52
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Dr. Ooi Shu Geok ("**Dr. Ooi**") as an Executive Director and Chief Executive Officer of the Company was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Dr. Ooi's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company, as well as the size, composition and diversity of skillsets on the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Dr. Ooi is primarily responsible for overseeing the business development activities and operations of the Group and leading the strategic direction of the Group.
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer

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Professional qualifications	• Postgraduate Diploma in Marketing, Chartered Institute of Marketing • Master of Business Administration, University of Portsmouth • Doctor of Business Administration, Universiti Sains Malaysia
Working experience and occupation(s) during the past 10 years	July 2022 to present: Executive Director and Chief Executive Officer of LMS Compliance Ltd. August 2006 to present: Customer Service Manager of MY CO2 Sdn. Bhd. December 2013 to present: Customer Service Manager of Empiric Science Sdn. Bhd. August 2015 to present: Managing Director of MY CO2 (KL) Sdn. Bhd. August 2015 to present: Managing Director of MY CO2(JB) Sdn. Bhd. August 2016 to present: Managing Director of MY CO2 Certification Sdn. Bhd. November 2017 to present: Managing Director of MY CO2 (PG) Sdn. Bhd. September 2019 to present: Managing Director of LMS Compliance International Pte. Ltd. August 2022 to present: Director of MY CO2 Group Sdn. Bhd. March 2024 to present: Director of SG CO2 Pte. Ltd. August 2024 to present: Director of Prismatic Technologies Sdn. Bhd. February 2025 to present: Director of ACCLab Malaysia Sdn. Bhd. May 2025 to present: Director of Anchor Technology Holdings Co., Limited September 2025 to present: Director of Anchor Center for R&D and Certification November 2025 to present: Director of Anchor Technology (Hainan) Co., Ltd.
Shareholdings interest in the listed issuer and its subsidiaries	Yes. Indirect interest in 106,176,430 shares in the Company, of which 96,495,752 shares is held under Louis May Pte. Ltd. (“**Louis May**”), and 9,680,678 shares is held under Fitcorp Value Pte. Ltd. (“**Fitcorp Value**”). Dr. Ooi and Ms. Chong Moi Me, the Executive Director and Chief Development Officer of the Company, and spouse of Dr. Ooi, together hold the entire issued and paid-up share capital of Louis May and Fitcorp Value.

CORPORATE **GOVERNANCE REPORT**

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms. Chong Moi Me (Executive Director and Chief Development Officer, as well as a substantial Shareholder of the Company) is the spouse of Dr. Ooi. Ms. Ooi Wan Koon (Chief People Officer of the Company) is the sister of Dr. Ooi. Dr. Ooi is a substantial Shareholder of the Company, details as set out above. Dr. Ooi is also a director of the Company's subsidiaries, details as set out below.
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitment* Including Directorship# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rules 704(8).	
Past (for the last 5 years)	Principal Commitments: • Nil Directorships: • MY CO2 Holding (Malaysia) Sdn. Bhd.
Present	Principal Commitments: • Nil Directorships: • LMS Compliance International Pte. Ltd. • Fitcorp Value Pte. Ltd. • Louis May Pte. Ltd. • MY CO2 Sdn. Bhd. • MY CO2 (PG) Sdn. Bhd. • MY CO2 (JB) Sdn. Bhd. • MY CO2 (KL) Sdn. Bhd. • Empiric Science Sdn. Bhd. • MY CO2 Certification Sdn. Bhd. • MY CO2 Group Sdn. Bhd. • SG CO2 Pte. Ltd. • Prismatic Technologies Sdn. Bhd. • ACCLab Malaysia Sdn. Bhd. • Anchor Technology Holdings Co., Limited • Anchor Center for R&D and Certification • Anchor Technology (Hainan) Co., Ltd.
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager, or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	

CORPORATE **GOVERNANCE REPORT**

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner	No
(a) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(b) Whether there is any unsatisfied judgement against him?	No
(c) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonestly which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that related to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(e) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonestly on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(f) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

CORPORATE **GOVERNANCE REPORT**

(g) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(h) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(i) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	MY CO2 (PG) Sdn. Bhd. ("**MY CO2 (PG)**") (a subsidiary of the Company) was involved in a labour dispute with one of its former employees regarding her dismissal from MY CO2 (PG) for insubordination due to her refusal to be transferred from MY CO2 (PG)'s Penang office to the Johor Bahru office. The hearing with the Department of Labour Peninsular Malaysia ("**DOL**") was set on 9 April 2019 and MY CO2 (PG) submitted its submissions and evidence on 24 April 2019. The DOL passed its decision on 11 June 2019 and ordered MY CO2 (PG) to pay to the former employee a sum of RM3,874.84 as payment in lieu of notice, the sum of which was duly settled on 12 June 2019.
(j) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
(j) Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable as this is a re-election of a Director.

FINANCIAL **REPORT**

DIRECTORS' **STATEMENT**

The Directors of LMS Compliance Ltd. (the "**Company**") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Dr. Ooi Shu Geok (Executive Director and Chief Executive Officer)
Ms. Chong Moi Me (Executive Director and Chief Development Officer)
Mr. Ong Beng Chye (Independent Non-Executive Chairman)
Dr. Chong Juin Kuan (Non-Independent Non-Executive Director)

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' **STATEMENT**

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "**Act**"), except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1 January 2025	Balance at 31 December 2025	Balance at 1 January 2025	Balance at 31 December 2025
	Number of ordinary shares			
Ultimate holding company				
Louis May Pte. Ltd.				
Dr. Ooi Shu Geok	341	341	341	341
Ms. Chong Moi Me	341	341	341	341
The Company				
Dr. Ooi Shu Geok	-	-	88,140,359	106,176,430
Ms. Chong Moi Me	-	-	88,140,359	106,176,430

By virtue of Section 7 of the Act, Dr. Ooi Shu Geok and Ms. Chong Moi Me are deemed to have interests in the shares of all subsidiary corporations of the Company at the beginning and at the end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company state that, according to the register of Directors' shareholdings, the Directors' interest as at 16 March 2026 in the shares of the Company have not changed from those disclosed as at 31 December 2025.

5. Share options

There were no share options or share awards granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options or vesting of share awards to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option scheme or share plan as at the end of the financial year.

Employee Share Option Scheme

The Company has implemented an Employee Share Option Scheme known as the LMS Employee Share Option Scheme ("**Share Option Scheme**"). The Share Option Scheme was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 15 November 2022. No options have been granted pursuant to the Share Option Scheme as at the date of this report.

DIRECTORS' **STATEMENT**

5. Share options (Continued)

Performance Share Plan

The Company has implemented a Performance Share Plan known as the LMS Performance Share Plan ("**Performance Share Plan**"). The Performance Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 15 November 2022. No shares have been granted pursuant to the Performance Share Plan as at the date of this report.

6. Audit committee

The audit committee of the Company is chaired by Mr. Ong Beng Chye, an Independent Non-Executive Director, and includes Dr. Chong Juin Kuan, a Non-Independent Non-Executive Director. The audit committee has carried out its functions in accordance with Section 201B(5) of the Act, including reviewing the following, where relevant, with the Executive Directors, internal and external auditors of the Company:

a. assist the Board of Directors in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal controls, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Group;

b. review with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal controls, audit reports, their management letters and the management's response, and the results of audits compiled by the internal and external auditors, and will review at regular intervals with the management the implementation by the Group of the internal control recommendations made by the internal and external auditors;

c. review the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Board of Directors for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Catalist Rules, and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the management, where necessary, before submission to the Board of Directors for approval;

d. review and report to the Board of Directors, at least annually, the adequacy and effectiveness of the Group's internal control procedures (including financial, operational, compliance and information technology controls) and risk management systems;

e. commission and review findings of internal investigations (including to review and discuss with the internal and external auditors, any issues and concerns arising from the internal and external audits) where there is any suspected fraud, irregularity, failure of internal controls or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's financial performance or financial position and the management's response;

f. review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

g. review and approve all hedging policies implemented by the Group (if any) and conduct periodic review of foreign exchange transactions and hedging policies and procedures;

h. meeting with the internal and external auditors, and in each case without the presence of management, at least annually and review the co-operation given by the management to the internal and external auditors, where applicable;

DIRECTORS' **STATEMENT**

6. **Audit committee** (Continued)

i. review periodically, the adequacy, effectiveness, scope of the internal and external audit, independence and objectivity of the internal and external auditors as well as consider the appointment or re-appointment of the internal and external auditors, including approving the remuneration and terms of engagement of the internal and external auditors and ensuring the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by internationally recognised professional bodies, where applicable;

j. review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules and review procedures thereof;

k. review potential conflicts of interests (if any) and set out a framework to resolve or mitigate any potential conflicts of interests as well as monitor compliance with such framework;

l. review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with the controlling shareholders and propose, where appropriate, the relevant measures for the management of such conflicts;

m. review the procedures by which employees of the Group may, in confidence, report to the chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for the receipt, retention and treatment of complaints received by the Group (including criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group), the independent investigation and follow-up actions thereto;

n. review transactions falling within the scope of Chapter 10 of the Catalist Rules, if any;

o. review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the financial performance;

p. review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;

q. review the whistle-blowing policy and procedures;

r. monitor and have oversight on the Group's measures, and review such procedures and policies put in place to ensure compliance with the various applicable laws and regulations such as (i) its business licences and tax matters, including the appointment of legal advisers and qualified tax agents and (ii) laws and regulations for which the Group had contravened in the past, at least annually to ensure that such procedures and policies are commensurate with the Group's operations and expansion plans from time to time;

s. assist the Board of Directors in the discharge of its statutory responsibilities on financial and accounting matters;

t. assist the Board of Directors in fulfilling its responsibility for overseeing the integrity of the Group's system of accounting and financial reports and in maintaining a high standard of transparency and reliability in its corporate disclosures;

u. review the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board of Directors;

v. where applicable, to ensure that the internal audit function has unfettered access to all the Group's documents, records, properties and personnel, including the Audit Committee, and has appropriate standing within the Group;

DIRECTORS' **STATEMENT**

6. Audit committee (Continued)

w. review the assurance from (1) the Chief Executive Officer ("**CEO**") and Group Finance Manager (regardless of title, who performs or has the capacity to perform the finance function or responsibility equivalent to that of the foregoing person) ("**Head of Finance**") on the financial records and financial statements; and (2) the CEO and other key management personnel who are responsible regarding the adequacy and effectiveness of the Group's risk management and internal control systems;

x. appraise the performance of the Group Finance Manager on an annual basis;

y. monitor the use of the proceeds raised from the Company's initial public offering on the Catalist of the SGX-ST;

z. monitor the controlling shareholders and Ms. Ooi Wan Koon's compliance with the relevant deeds/undertakings provided to the Group;

aa. monitor and review the results obtained by the finance department pursuant to its quarterly review in ensuring compliance with bank covenants for the credit facilities of the Group;

bb. undertake such other reviews and projects as may be requested by the Board of Directors, and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee; and

cc. undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and Executive Officer of the Group to attend its meetings. The external auditors and internal auditors have unrestricted access to the Audit Committee.

7. Independent auditors

The retiring auditors, BDO LLP, will not be seeking re-appointment at the forthcoming annual general meeting.

On behalf of the Board of Directors,

Dr. Ooi Shu Geok Director	**Chong Moi Me** Director

8 April 2026

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LMS COMPLIANCE LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LMS Compliance Ltd. (the "Company") and its subsidiaries (the "Group") which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LMS COMPLIANCE LTD.

KEY AUDIT MATTER	AUDIT RESPONSE
1	**Loss allowance on impairment of trade receivables and contract assets**
As at 31 December 2025, the Group's trade receivables amounting to RM6,264,000, net of an allowance for impairment loss of RM238,000 and contract assets amounting to RM219,000, representing approximately 19% and 0.7% of the Group's total current assets respectively. The Group determined expected credit losses ("ECL") on trade receivables and contract assets by using a provision matrix based on their historical credit loss experience, past due status and adjusted with forward looking estimates, as appropriate. In calculating the ECL rates, the Group considers historical loss rates for each aging bracket of customers and adjust for forward looking macroeconomic data that may affect the ability of the customers to settle receivables. We focused on this area as a key audit matter as significant estimates are involved in determining the ECL on trade receivables and contract assets. Refer to Notes 8, 19(b) and 32.1 to the accompanying financial statements.	We performed the following audit procedures, amongst others: • Obtained an understanding of and assessed the inputs and information, including the aged trade receivables and contract assets report, used in designing the provision matrix; • Evaluated the management's assessment of the ECL rates, including assumptions surrounding current conditions and forecast of future economic conditions; • Reviewed management's credit risk assessment for customers, which include reviewing the historical payment pattern trend and on-going business relationship of significant customers; and • Reviewed the adequacy of the Group's disclosure in respect of credit risk in the financial statements.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LMS COMPLIANCE LTD.

KEY AUDIT MATTER	AUDIT RESPONSE
2	**Business combination of Anchor Technology Holdings Co., Ltd**
On 11 July 2025, the Group's wholly-owned subsidiary, LMS Compliance International Pte. Ltd. completed its acquisition of 75% of the share capital of Anchor Technology Holdings Co., Ltd ("ATHC") for a purchase consideration of approximately RM19,320,000, which comprises share consideration, cash consideration, deferred consideration and contingent consideration. Management has carried out its assessment on the above acquisition and has determined it has obtained control from the date of acquisition. Management has engaged external valuer to prepare the purchase price allocation ("PPA") to determine the fair value of ATHC's identifiable assets acquired and liabilities assumed as at the date of acquisition in accordance with SFRS(I) 3 Business Combination. We have determined the acquisition of ATHC to be a key audit matter as the acquisition is a material transaction during the financial year and involved significant judgements and estimates with regard to the valuation process. Refer to Note 6 and 32.5 to the accompanying financial statements.	We performed the following audit procedures, amongst others: • Reviewed the agreement for the acquisition to verify the terms and conditions; • Assessed management's determination of the date on which the Group obtained control over ATHC; • Assessed the independence and competency of the external valuer which included considering their experiences and qualification in performing valuations for business combination; • Discussed with the external valuer on the valuation methodologies used, key assumptions used and the results of their work; • Reviewed the purchase price allocation ("PPA") report issued by the external valuer and, with the assistance of our internal valuation specialist, assessed the reasonableness of the key assumptions and valuation methods used in identification of and determination of fair value of the assets acquired and liabilities assumed of the acquiree; • Reviewed the accounting treatment and consolidation entries arising from the acquisition and ensure compliance with SFRS(I) 3 Business Combination; and • Reviewed the adequacy of the Group's disclosure in respect to this acquisition.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LMS COMPLIANCE LTD.

KEY AUDIT MATTER	AUDIT RESPONSE
3	**Impairment assessment of goodwill arising from acquisition of ATHC**
As at 31 December 2025, the carrying amount of the goodwill arising from acquisition of ATHC was approximately RM13,444,000. In accordance with SFRS(I) 1-36 Impairment of Assets, goodwill arising from the acquisition of subsidiaries is required to be tested for impairment at least annually, irrespective of whether there is any indication of impairment. For the purpose of impairment assessment, management prepared discounted cash flows forecasts for the cash generating units to determine if any impairment is required. Based on management's assessment, no impairment loss on goodwill arising from acquisition of ATHC was recognised for the financial year. We have determined the impairment assessment of the goodwill arising from acquisition of ATHC to be a key audit matter as the impairment assessment involved significant management's judgements and estimates with regard to the key assumptions on the future market conditions, growth rates and discount rate used in the discounted cash flow forecasts prepared by management. Refer to Note 5 to the accompanying financial statements.	We performed the following audit procedures, amongst others: • Discussed with management and evaluated the key assumptions made by management in preparing the discounted cash flows, including comparing the revenue growth rates, discount rate and terminal growth rate against market data; • Performed sensitivity analysis around the key assumptions, including the revenue growth rates, discount rate and terminal growth rate, used in cash flow forecasts; and • Reviewed the adequacy of the Group's disclosure in the financial statements with respect to the impairment assessment.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LMS COMPLIANCE LTD.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LMS COMPLIANCE LTD.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LMS COMPLIANCE LTD.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company, and by the subsidiary corporations in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Yeo Siok Yong.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
8 April 2026

STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	9,745	9,358	-	-
Right-of-use assets	4	1,229	1,322	-	-
Intangible assets	5	14,933	-	-	-
Investment in subsidiaries	6	-	-	16,099	160
Investment in associate	7	512	602	-	-
		26,419	11,282	16,099	160
Current assets					
Trade and other receivables	8	6,500	4,510	7,678	6,370
Prepayments	9	524	479	102	174
Contract assets	19(b)	219	95	-	5
Financial assets at fair value through profit or loss ("FVTPL")	10	11,405	10,091	3,340	3,400
Cash and cash equivalents	11	14,599	12,259	2,733	8,044
		33,247	27,434	13,853	17,993
Total assets		59,666	38,716	29,952	18,153
EQUITY AND LIABILITIES					
Equity					
Share capital	12	23,759	11,292	23,759	11,292
Reserves	13	1,984	2,216	-	-
Retained earnings	14	21,544	18,884	5,553	4,299
Equity attributable to owners of the parent		47,287	32,392	29,312	15,591
Non-controlling interests		1,799	-	-	-
Total equity		49,086	32,392	29,312	15,591
Non-current liabilities					
Other payables	15	1,966	160	-	-
Bank borrowings	16	791	883	-	-
Lease liabilities	17	774	1,254	-	-
Deferred tax liabilities	18	686	428	-	-
		4,217	2,725	-	-
Current liabilities					
Trade and other payables	15	4,259	2,501	599	2,510
Bank borrowings	16	97	93	-	-
Lease liabilities	17	693	267	-	-
Contract liabilities	19(b)	858	383	40	51
Income tax payables		456	355	1	1
		6,363	3,599	640	2,562
Total liabilities		10,580	6,324	640	2,562
Total equity and liabilities		59,666	38,716	29,952	18,153

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000
Revenue	19	33,635	25,384
Other items of income			
Interest income	23	148	202
Other income	20	441	352
Items of expense			
Materials, consumables and subcontractor costs		(4,548)	(2,585)
Depreciation expenses	21	(1,642)	(1,280)
Amortisation of intangible assets	5	(437)	-
(Provision)/Reversal of loss allowance on trade receivables, net	8	(109)	144
Employee benefits expense	22	(12,519)	(9,260)
Other expenses		(5,279)	(5,015)
Finance costs	23	(221)	(194)
Share of result of an associate		(37)	60
Profit before income tax	24	9,432	7,808
Income tax expense	25	(2,671)	(2,600)
Profit for the financial year		6,761	5,208
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		(232)	46
Other comprehensive income for the financial year, net of tax		(232)	46
Total comprehensive income for the financial year		6,529	5,254
Profit attributable to:			
Owners of the parent		6,476	5,208
Non-controlling interests		285	-
		6,761	5,208
Total comprehensive income attributable to:			
Owners of the parent		6,244	5,254
Non-controlling interests		285	-
		6,529	5,254
Earnings per share			
- Basic and diluted (cents)	26	4.89	4.08

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital	Foreign currency translation reserve	Merger reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Balance as at 1 January 2025		11,292	36	2,180	18,884	32,392	-	32,392
Profit for the financial year		-	-	-	6,476	6,476	285	6,761
Other comprehensive income:								
Item that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations, representing other comprehensive income for the financial year		-	(232)	-	-	(232)	-	(232)
Total comprehensive income for the financial year		-	(232)	-	6,476	6,244	285	6,529
Total transactions with owners, recognised directly in equity								
Dividend paid	27	-	-	-	(3,816)	(3,816)	-	(3,816)
Non-controlling interests arising from acquisition of subsidiaries		-	-	-	-	-	1,514	1,514
Issuance of ordinary shares		12,467	-	-	-	12,467	-	12,467
		12,467	-	-	(3,816)	8,651	1,514	10,165
Balance as at 31 December 2025		23,759	(196)	2,180	21,544	47,287	1,799	49,086

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM'000	Foreign currency translation reserve RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group						
Balance as at 1 January 2024		11,292	(10)	2,180	17,719	31,181
Profit for the financial year		-	-	-	5,208	5,208
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, representing other comprehensive income for the financial year		-	46	-	-	46
Total comprehensive income for the financial year		-	46	-	5,208	5,254
Distribution to owners						
Dividend paid	27	-	-	-	(4,043)	(4,043)
Total transactions with owners		-	-	-	(4,043)	(4,043)
Balance as at 31 December 2024		11,292	36	2,180	18,884	32,392

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group	
	2025	2024
	RM'000	RM'000
Operating activities		
Profit before income tax	9,432	7,808
Adjustments for:		
Amortisation of intangible assets	437	-
Bad debts written off	56	-
Depreciation of property, plant and equipment	1,153	959
Depreciation of right-of-use assets	489	321
Gain on bargain purchase	(70)	-
Gain on disposal of property, plant and equipment	-	(124)
Gain on lease termination	-	(40)
Loss on unrealised foreign exchange differences	275	651
(Provision)/Reversal of loss allowance on trade receivables, net	109	(144)
Property, plant and equipment written off	53	11
Fair value (gain)/loss on financial assets at FVTPL	(66)	54
Interest expense	221	194
Interest income	(148)	(202)
Share of result of an associate	37	(60)
Operating profit before changes in working capital	11,978	9,428
Changes in working capital		
Trade and other receivables	(514)	(1,163)
Contract assets	(125)	21
Prepayments	(6)	(42)
Trade and other payables	200	448
Contract liabilities	477	33
Cash generated from operations	12,010	8,725
Income tax paid, net	(2,794)	(2,406)
Net cash from operating activities	9,216	6,319

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group	
	2025	**2024**
	RM'000	**RM'000**
Investing activities		
Acquisition of subsidiaries, net of cash acquired	305	-
Interest income	56	49
Investment in an associate	-	(542)
Proceeds from disposal of property, plant and equipment	-	124
Purchase of property, plant and equipment	(1,361)	(2,748)
Addition of right-of-use assets	-	(41)
Placements of financial assets at FVTPL	(5,300)	(6,409)
Redemption of financial assets at FVTPL	4,144	3,500
Net cash used in investing activities	(2,156)	(6,067)
Financing activities		
Dividends paid	(3,816)	(4,043)
Repayment of principal portion of bank borrowings	(88)	(83)
Repayment of interest portion of bank borrowings	(45)	(50)
Repayment of principal portion of lease liabilities	(453)	(255)
Repayment of interest portion of lease liabilities	(101)	(144)
Net cash used in financing activities	(4,503)	(4,575)
Net change in cash and cash equivalents	2,557	(4,323)
Cash and cash equivalents at beginning of financial year	12,259	17,231
Effect of exchange rate changes on cash and cash equivalents	(217)	(649)
Cash and cash equivalents at end of financial year	14,599	12,259

The accompanying notes form an integral part of these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

LMS Compliance Ltd. (the "Company") 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. The Company does not have a place of business in Singapore at date of this report. 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 registration number of the Company is 202225544C. The Company's ultimate holding company is Louis May Pte. Ltd., a company incorporated and domiciled in Singapore and the ultimate controlling parties are Dr. Ooi Shu Geok and Chong Moi Me.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The statement of financial position of the Company as at 31 December 2025 and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2025 were authorised for issue in accordance with a Directors' resolution dated 8 April 2026.

2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and are prepared under the historical cost convention, except as disclosed in the material policy information in the relevant notes to the financial statements.

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency of the financial statements. The financial statements are expressed in Ringgit Malaysia ("RM") and rounded to the nearest thousand ("RM'000"), unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below and detailed disclosures are included in the respective notes to the financial statements.

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgement

- Impairment of investment in associate (Note 7)

Estimates and assumptions

- Loss allowance for trade and other receivables and contract assets (Note 8)
- Business combination of Anchor Technology Holdings Co., Ltd (Note 6)
- Impairment assessment of goodwill arising from acquisition of Anchor Technology Holdings Co., Ltd (Note 5)

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. Basis of preparation of financial statements (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2025

On 1 January 2025, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements.

SFRS(I) issued but not yet effective

As at the date of authorisation of these financial statements, the Group and the Company have not adopted the following SFRS(I) that has been issued but not yet effective:

		Effective date (annual periods beginning on or after)
SFRS(I) 9, SFRS(I) 7 (Amendments)	: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 9, SFRS(I) 7 (Amendments)	: Contracts Referencing Nature-dependent Electricity	1 January 2026
Various	: Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
SFRS(I) 18	: Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	: Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 19 (Amendments)	: Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 10, SFRS(I) 1-28 (Amendments)	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and the Company expect that the adoption of the above SFRS(I)s, if applicable, will have no material impact on the financial statements in the period of initial application, except as disclosed as below:

SFRS(I) 18 *Presentation and Disclosure in Financial Statements*

The SFRS(I) 18 replaces SFRS(I)1-1 *Presentation of Financial Statements* and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures (MPMs), which are measures of financial performance based on total or sub-total required by accounting standards with adjustments made (e.g. "adjusted profit or loss"). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027 and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is still underway and as not yet been completed.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Property, plant and equipment

	Computer equipment	Freehold lands	Buildings on freehold lands	Building on leasehold land	Motor vehicles	Office equipment	Tools and equipment	Renovation	Construction work-in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
Cost										
Balance at 1 January 2025	625	2,976	1,418	400	294	1,598	4,006	3,032	5	14,354
Acquisition of subsidiaries	77	-	-	-	-	22	21	114	-	234
Additions	25	-	-	-	38	32	1,155	18	93	1,361
Written off	-	-	-	-	-	(19)	(84)	(23)	-	(126)
Currency realignment	(2)	-	-	-	-	(5)	(4)	(3)	-	(14)
Balance at 31 December 2025	725	2,976	1,418	400	332	1,628	5,094	3,138	98	15,809
Accumulated depreciation										
Balance at 1 January 2025	360	-	255	3	176	647	2,124	1,431	-	4,996
Depreciation for the financial year	110	-	29	5	74	175	472	288	-	1,153
Written off	-	-	-	-	-	(19)	(43)	(11)	-	(73)
Currency realignment	(1)	-	-	-	-	(5)	(3)	(3)	-	(12)
Balance at 31 December 2025	469	-	284	8	250	798	2,550	1,705	-	6,064
Net carrying amount										
Balance at 31 December 2025	256	2,976	1,134	392	82	830	2,544	1,433	98	9,745

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Property, plant and equipment (Continued)

	Computer equipment	Freehold lands	Buildings on freehold lands	Building on leasehold land	Motor vehicles	Office equipment	Tools and equipment	Renovation	Construction work-in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
Cost										
Balance at 1 January 2024	614	2,976	1,418	-	604	734	3,591	1,853	246	12,036
Additions	15	-	-	400	-	266	441	41	1,585	2,748
Reclassification	-	-	-	-	-	630	-	1,196	(1,826)	-
Disposals	-	-	-	-	(310)	-	-	-	-	(310)
Written off	(4)	-	-	-	-	(32)	(26)	(58)	-	(120)
Balance at 31 December 2024	625	2,976	1,418	400	294	1,598	4,006	3,032	5	14,354
Accumulated depreciation										
Balance at 1 January 2024	256	-	225	-	386	580	1,703	1,306	-	4,456
Depreciation for the financial year	108	-	30	3	100	99	441	178	-	959
Disposals	-	-	-	-	(310)	-	-	-	-	(310)
Written off	(4)	-	-	-	-	(32)	(20)	(53)	-	(109)
Balance at 31 December 2024	360	-	255	3	176	647	2,124	1,431	-	4,996
Net carrying amount										
Balance at 31 December 2024	265	2,976	1,163	397	118	951	1,882	1,601	5	9,358

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. Property, plant and equipment (Continued)

Material accounting policy

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives as follows:

Computer equipment	10% - 20%
Buildings on freehold lands	2%
Building on leasehold land	2%
Motor vehicles	10% - 20%
Office equipment	10% - 20%
Tools and equipment	20%
Renovation	10% - 20%

Freehold lands have unlimited useful life and therefore are not depreciated. Construction work-in-progress represents items of assets under construction, which is stated at cost less any impairment losses, and it is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction work-in-progress is classified to the appropriate category of property, plant and equipment when the assets are completed and ready for use.

As at the end of the reporting period, the carrying amount of the Group's property, plant and equipment which have been pledged for the banking facilities as set out in Note 16 to the financial statements was as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Freehold land	1,404	1,404
Building on freehold land	534	548
	1,938	1,952

4. Right-of-use assets

	Office premises	**Motor vehicles**	**Total**
	RM'000	**RM'000**	**RM'000**
Group			
2025			
Balance at 1 January 2025	989	333	1,322
Additions	388	-	388
Depreciation for the financial year	(407)	(82)	(489)
Currency realignment	8	-	8
Balance at 31 December 2025	978	251	1,229

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. Right-of-use assets (Continued)

	Office premises RM'000	Motor vehicles RM'000	Total RM'000
Group			
2024			
Balance at 1 January 2024	1,429	-	1,429
Additions	-	408	408
Depreciation for the financial year	(246)	(75)	(321)
Lease termination	(194)	-	(194)
Balance at 31 December 2024	989	333	1,322

Material accounting policy

The right-of-use assets of the Group are depreciated over the useful lives of the underlying assets as follows:

Office premises	10% - 50%
Motor vehicles	20%

Motor vehicles with a carrying amount of RM251,000 (2024: RM333,000) above are secured over the lease liabilities of RM304,000 (2024: RM351,000) as at 31 December 2025. The assets will be seized and returned to lessor in the event of default by the Group.

The carrying amount of the Group's office premises amounted to RM777,000 (2024: RM989,000) as at 31 December 2025 is leased from the Executive Directors for a period of 10 years and has a remaining lease period of 4 (2024: 5) years.

5. Intangible assets

	Goodwill RM'000	Customer relationships RM'000	Customer contracts RM'000	Total RM'000
Group				
Cost				
Balance at 1 January 2025	-	-	-	-
Acquisition of subsidiaries	13,599	1,505	439	15,543
Currency realignment	(155)	(16)	(3)	(174)
Balance at 31 December 2025	13,444	1,489	436	15,369
Accumulated amortisation				
Balance at 1 January 2025	-	-	-	-
Amortisation charge	-	292	145	437
Currency realignment	-	(1)	-	(1)
At 31 December 2025	-	291	145	436
Net carrying amount				
Balance at 31 December 2025	13,444	1,198	291	14,933

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. **Intangible assets** (Continued)

Material accounting policy

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

The intangible assets of the Group are amortised over their estimated useful lives as follows:

Customer relationships	3 years
Customer contracts	2 years

Goodwill

Goodwill acquired in a business combination is allocated to the cash-generating units ("CGU") that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated to the following segment:

	Group 2025 RM'000
Certification and consultancy services	
China	13,444

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The recoverable amount of the CGU is determined from value in use calculations based on cash flow forecasts derived from the most recent financial budgets approved by management for the next 5 years. The key assumptions for these value in use calculations are follows:

	Certification and consultancy services - China %
31 December 2025	
Average revenue growth rate	9%
Discount rate	11.2%
Terminal growth rate	1.5%

The forecasted growth rates are based on management's expectations in the light of anticipated economic and market conditions.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. Intangible assets (Continued)

Goodwill (Continued)

As at the end of the reporting period, the recoverable amount of the CGU was determined to be higher than the carrying amount of goodwill and therefore, no impairment loss is recognised.

Sensitivity analysis

As at each reporting date, based on management's assessment of the CGU, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amount of the CGU.

6. Investment in subsidiaries

	Company	
	2025	**2024**
	RM'000	**RM'000**
Unquoted equity investments, at cost		
Balance at beginning of financial year	160	160
Additions	-	*
Balance at end of financial year	160	160
Non-current		
Due from a subsidiary	15,939	-

*Amount is less than RM1,000

The non-current amount due from a subsidiary is quasi-equity in nature, non-interest bearing, unsecured and has no fixed terms of repayment. Settlement is neither planned nor likely to occur in the foreseeable future. The balance is accounted for as part of the net investment in the subsidiary and not expected to be repaid within the next 12 months.

Incorporation of subsidiaries

In the previous financial year, the Company incorporated a wholly-owned subsidiary, SG CO2 Pte. Ltd., a company incorporated in Singapore with a cash consideration of S$2 which approximated to RM7.

On 1 October 2025, the Company's wholly-owned subsidiary in Malaysia, My CO2 Group Sdn. Bhd., incorporated a 60% owned subsidiary, My CO2 Inspection Sdn. Bhd. with a cash consideration of RM60.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. **Investment in subsidiaries** (Continued)

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interest	
			2025	2024	2025	2024
			%	%	%	%
Held by the Company						
My CO2 Group Sdn. Bhd. (1)	Penang, Malaysia	Investment holding	100	100	-	-
LMS Compliance International Pte. Ltd. (2)	Singapore	Investment holding	100	100	-	-
SG CO2 Pte. Ltd. (2)	Singapore	Dormant	100	100	-	-
Held by MY CO2 Group						
My CO2 (PG) Sdn. Bhd. (1)	Penang, Malaysia	Accredited laboratory providing testing services	100	100	-	-
My CO2 (KL) Sdn. Bhd. (1)	Kuala Lumpur, Malaysia	Accredited laboratory providing testing services	100	100	-	-
My CO2 (JB) Sdn. Bhd. (1)	Johor Bahru, Malaysia	Accredited laboratory providing testing services	100	100	-	-
My CO2 Certification Sdn. Bhd. (1)	Penang, Malaysia	International Organization for Standardization ("ISO") Certification, assessment, education and training services	100	100	-	-
Empiric Science Sdn. Bhd. (1)	Penang, Malaysia	Trading of scientific instrument, chemical, media and laboratory solutions. Promote and market software and online applications	100	100	-	-
My CO2 Sdn. Bhd. (1)	Penang, Malaysia	Headquarters ("HQ") functions, software and online application development	100	100	-	-

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. Investment in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

Name of subsidiaries	Principal place of business	Principal activities	Effective portion of ownership interest held by the Group		Effective portion of ownership interest held by non-controlling interest	
			2025	2024	2025	2024
			%	%	%	%
Held by MY CO2 Group (Continued)						
My CO2 Inspection Sdn. Bhd. [5]	Penang, Malaysia	Vehicle and goods inspection services	60	-	40	-
Held by LMS Compliance International Pte. Ltd.						
Anchor Technology Holdings Co., Ltd [3]	Hong Kong	Investment holding	75	-	25	-
Held by Anchor Technology Holdings Co., Ltd						
Anchor Center For R&D And Certification (Shanghai) Co., Limited[4]	Shanghai, China	Regulatory consulting, food innovation, food safety and certification services	75	-	25	-
Acclab Malaysia Sdn. Bhd. [1]	Penang, Malaysia	Regulatory consulting, food innovation, food safety and certification services	75	-	25	-
Held by Anchor Center For R&D And Certification (Shanghai) Co., Limited						
Anchor Technology (Hainan) Co., Limited [4]	Hainan, China	Regulatory consulting, food innovation, food safety and certification services	75	-	25	-

(1) Audited by BDO PLT, an overseas member firm of the BDO network in Malaysia.
(2) Audited by BDO LLP, Singapore.
(3) Audited by McMillan Woods (Hong Kong) CPA Limited, Hong Kong.
(4) Audited by BDO China Shu Lun Pan Certified Public Accountants LLP, an overseas member firm of the BDO network in China.
(5) Not considered as a significant subsidiary under Rule 718 of the SGX-ST Listing Manual.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. Investment in subsidiaries (Continued)

Acquisition of subsidiaries

On 11 July 2025, a wholly-owned subsidiary, LMS Compliance International Pte. Ltd. acquired 75% equity interest in Anchor Technology Holdings Co., Limited ("ATHC") for purchase consideration of of USD 4.51million equivalent to RM 19,320,000. Upon the acquisition, ATHC became a subsidiary of the Group. The principal reason for this acquisition was in line with the Group's strategy to continually develop its testing and certification business and to further strengthen and expand its geographical presence beyond Singapore into the other regions in Asia.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Fair value recognised on date of acquisition
	RM'000
Property, plant and equipment	228
Intangible assets (Note 5)	1,944
Trade and other receivables	1,793
Prepayments	42
Cash and cash equivalents	3,494
Trade and other payables	(959)
Deferred tax liability (Note 18)	(486)
Total net assets	6,056
Fair value of consideration	
- Cash paid	3,441
- Issuance of ordinary shares (Note 12)	12,454
- Deferred consideration payable (Note 15)	774
- Contingent consideration payable (Note 15)	1,472
Total consideration	18,141
Fair value of non-controlling interest	1,514
Goodwill (Note 5)	13,599

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. Investment in subsidiaries (Continued)

Acquisition of subsidiaries (Continued)

Acquisition costs of RM187,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the statement of comprehensive income.

As part of the purchase agreement, the Group agreed to pay the former owner of ATHC a consideration of US$513,350 (equivalent to approximately RM2,085,000) if ATHC achieves net profitability and having retained earnings for any full financial year immediately after the date of acquisition, but in any event no later than the full financial year immediately before the date which is the sixth anniversary of the date of acquisition, based on the audited consolidated accounts of the ATHC for the said financial year.

The fair value of the contingent consideration as at the acquisition date was RM1,472,000 and this was based on an estimated net income of acquiree ranging from RM2,647,000 to RM4,171,000 for the relevant period, discounted at 11.2%.

As at 31 December 2025, the fair value of the contingent consideration is estimated to have increased by RM2,000 to RM1,474,000, at the closing foreign exchange rate. The changes in the fair value of the contingent consideration amounted to RM68,000 has been recognised in the "Finance costs" line item in profit or loss (Note 23).

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, ATHC has contributed RM6,403,000 to group revenues and RM1,146,000 to group profit. If the acquisition had occurred on 1 January 2025, group revenue would have been RM11,143,000 and group profit for the period would have been RM1,868,000.

On 28 August 2025, the Company, via its subsidiary, Anchor Technology Holdings Co., Ltd entered into a sale and purchase agreement with to acquire 100% equity interest in Acclab Malaysia Sdn. Bhd. ("Acclab") at a purchase consideration of RM100. The acquisition was completed on 3 September 2025. The Group has acquired Acclab to provide support services to the Group's subsidiaries in China.

On acquisition of the investment, the Group's share of the fair value of the identifiable net assets of the subsidiary exceeds the cost of acquisition paid by the Group, the excess amounted to RM70,000 is recognised as gain on bargain purchase in "Other income" line item in profit or loss (Note 20).

The effects of the acquisition of subsidiaries on cash flows are as follows:

	2025 **RM'000**
Total consideration paid for the acquisitions of ATHC and Acclab	3,441
Less: Cash and cash equivalents of subsidiaries acquired	(3,746)
Net cash inflow on acquisitions	(305)

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7. Investment in associate

	Group	
	2025	**2024**
	RM'000	**RM'000**
Unquoted equity investments, at cost	542	542
Share of post-acquisition results of associate	23	60
Currency realignment	(53)	-
	512	602

On 28 May 2024, LMS Compliance International Pte Ltd. ("LMSCI"), a wholly-owned subsidiary of the Company, acquired 36,000 ordinary shares in Prismatic Technologies Sdn. Bhd. ("PTSB") representing 30% of the share capital of PTSB for cash consideration of 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.

At the end of the financial year, an assessment is made on whether there is objective evidence that the investment in associate is impaired. In considering whether the investment should be impaired, the management made its assessment based on estimates. It involved consideration of the performance and the market conditions in which the associate operates in. As at 31 December 2025, management is of the view that there was no indicator of impairment.

At the end of the reporting period, the details of the associate are as follows:

Name of associate	**Principal place of business**	**Principal activities**	**Effective equity interest held by the Group**	
			2025	**2024**
			%	**%**
Held by LMS Compliance International Pte Ltd.				
Prismatic Technologies Sdn. Bhd.[(1)]	Penang, Malaysia	Activities of providing infrastructure for hosting, data processing services and related activities	30	30

(1) Audited by Hisham & Co., Chartered Accountant, Malaysia

The principal activities of the associate align with the Group's strategy to expand its service offerings in sustainability reporting, particularly for organisations focused on sustainable buildings and environmental impact assessments.

The associate had no contingent liabilities and capital commitments as at the end of the reporting period.

NOTES TO THE **FINANCIAL STATEMENTS**
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7. Investment in associate (Continued)

Summarised financial information of associate

The summarised financial information below reflects the amounts presented in the financial statements of associate (and not the Group's share of those amounts), is as follows:

	2025 RM'000	2024 RM'000
Assets and liabilities		
Current assets	673	432
Non-current assets	7	9
Current liabilities	(122)	(32)
Net assets	558	409
Income and expenses		
Revenue	1,458	1,017
Total comprehensive income	150	40

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in associate, is as follows:

	2025 RM'000	2024 RM'000
Net assets	558	409
Proportion of Group's ownership	30%	30%
Group's share of interest in associate	167	123
Add: Goodwill	236	236
Add: Group's share of fair value of other identifiable assets	162	243
Currency realignment	(53)	-
Net carrying amount	512	602

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. Trade and other receivables

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables				
- Third parties	6,502	4,515	12	-
- Subsidiaries	-	-	52	78
Less: Loss allowance on receivables	(238)	(129)	-	-
	6,264	4,386	64	78
Other receivables				
- Third parties	94	52	-	9
- Subsidiaries	-	-	313	82
- Dividend receivable	-	-	7,300	6,200
	94	52	7,613	6,291
Deposits	142	72	1	1
	236	124	7,614	6,292
	6,500	4,510	7,678	6,370

Trade receivables are non-interest bearing and the normal credit term granted by the Group ranges from 30 to 90 (2024: 30 to 90) days.

The non-trade amounts due from third parties and subsidiaries are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

Loss allowance for trade and other receivables and contract assets (Note 19(b))

Trade receivables due from third parties and subsidiaries and contract assets (Note 19(b))

The Group determines expected credit losses ("ECL") on trade receivables due from third parties and subsidiaries and contract assets (Note 19(b)) by using a provision matrix for trade receivables and contract assets that is based on historical credit loss experience, past due status of the balances and adjusted with forward looking assumptions, as appropriate.

In calculating the ECL rates, the Group considers historical loss rates for each aging bracket of customers and adjust for forward looking macroeconomic data that may affect the ability of the customers to settle receivables.

Non-trade receivables due from third parties and subsidiaries

The Group has assessed credit risk for other receivables amounts due from third parties based on 12-month expected loss basis which reflects the low credit risk of the exposures. Management is of the view that the amount of the allowance on remaining balances is insignificant.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. Trade and other receivables (Continued)

Non-trade receivables due from third parties and subsidiaries (Continued)

Management determines whether there is significant increase in credit risk of the subsidiaries since initial recognition. The Board of Directors has taken into account information that it has available internally about the past, current and expected operating performance and cash flow position of its subsidiaries. The Board of Directors assessed the risk of default is considered to be minimal as the subsidiaries are able to repay on demand. Therefore, amounts due from subsidiaries have been measured based on 12-month expected credit loss model and subject to immaterial credit loss. The carrying amount of the non-trade receivables due from subsidiaries was RM7,613,000 (2024: RM6,282,000) as at 31 December 2025.

The carrying amounts of the Group's trade and other receivables and contract assets (Note 19(b)) as at 31 December 2025 were RM6,500,000 and RM219,000 (2024: RM4,510,000 and RM95,000) respectively. Provision of loss allowance on trade receivables of RM109,000 (2024: Reversal of loss allowance on trade receivables of RM144,000) were recognised in profit or loss for the financial year ended 31 December 2025.

The Group recognises lifetime ECL for trade receivables based on the ageing of customers collectively. At the reporting period, the analysis of trade receivables and the carrying amount of allowances for impairment loss are as follows:

	ECL weightage	Gross carrying amount	Loss allowance on receivables	Net carrying amount
	%	RM'000	RM'000	RM'000
Group				
2025				
Not past due	0.01	3,611	-	3,611
Past due 1 – 30 days	0.02	879	-	879
Past due 31 – 60 days	0.05	236	-	236
Past due 61 – 90 days	0.02	387	-	387
Past due 91 – 120 days	0.03	807	-	807
Past due 121 – 150 days	0.15	166	(1)	165
Past due more than 150 days	56.45	416	(237)	179
		6,502	(238)	6,264
2024				
Not past due	0.02	3,072	(1)	3,071
Past due 1 – 30 days	0.13	491	(1)	490
Past due 31 – 60 days	0.19	406	(1)	405
Past due 61 – 90 days	0.34	208	(1)	207
Past due 91 – 120 days	0.43	122	-	122
Past due 121 – 150 days	0.54	85	-	85
Past due more than 150 days	95.56	131	(125)	6
		4,515	(129)	4,386

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. Trade and other receivables (Continued)

The Group recognises lifetime ECL for trade receivables based on the ageing of customers collectively. At the reporting period, the analysis of trade receivables and the carrying amount of allowances for impairment loss are as follows: (Continued)

	ECL weightage	Gross carrying amount	Loss allowance on receivables	Net carrying amount
	%	RM'000	RM'000	RM'000
Company				
2025				
Not past due	-	64	-	64
2024				
Not past due	-	78	-	78

Movement in loss allowance on trade receivables was as follows:

	Group	
	2025	2024
	RM'000	RM'000
Other customers collectively assessed		
Balance at beginning of financial year	129	273
Provision/(Reversal) of loss allowance on trade receivables, net	109	(144)
Balance at end of financial year	238	129

Third party trade receivables written off was included in "Other expenses" line item in profit or loss amounted to RM56,000 (2024: RM*) for the financial year ended 31 December 2025 as management deemed the amount to be irrecoverable.

*Amount is less than RM1,000

The currency profiles of trade and other receivables as at the end of the reporting period are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	4,411	4,484	7,352	6,370
Singapore dollar	26	26	313	-
United States dollar	13	-	13	-
Chinese renminbi	2,050	-	-	-
	6,500	4,510	7,678	6,370

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. Prepayments

Prepayments mainly comprise prepaid expenses for professional fees and insurance.

10. Financial assets at fair value through profit or loss ("FVTPL")

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Money market funds				
Balance at beginning of financial year	10,091	7,083	3,400	-
Placements during the financial year	5,300	6,409	-	3,479
Redemptions during the financial year	(4,144)	(3,500)	-	-
Interest income	92	153	-	-
Fair value gain/(loss) recognised through profit or loss	66	(54)	(60)	(79)
Balance at end of financial year	11,405	10,091	3,340	3,400

The Group and the Company have invested in money market funds which the assets that do not meet the criteria for amortised cost or financial assets at fair value through other comprehensive income and are measured at FVTPL.

Financial assets at FVTPL are investments in money market funds on highly liquid investment. The Group and the Company intend to hold these investments for managing free cash flow and optimising working capital so as to provide a steady stream of income returns. The investments in money market funds have no fixed maturity date. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

Interest income is recognised in profit or loss, unless the interest income clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the interest income is recorded against the associated investments' carrying amount.

The currency profiles of financial assets at FVTPL at the end of the reporting period are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	8,065	6,691	-	-
Singapore dollar	3,340	3,400	3,340	3,400
	11,405	10,091	3,340	3,400

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. Cash and cash equivalents

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash on hand	11	9	-	-
Cash at bank	12,699	10,872	2,733	8,044
Short-term fixed deposits	1,889	1,378	-	-
	14,599	12,259	2,733	8,044

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The short-term fixed deposits mature on varying dates between 92 days to 184 days (2024: 59 days to 161 days) from the end of the financial year ended 31 December 2025. The effective interest rate on the fixed deposits ranges from 3.00% to 3.70% (2024: 3.85% to 4.00%) per annum.

For the purpose of presenting consolidated statement of cash flows, cash and cash equivalents include short-term deposits with an average maturity of more than 3 months, as there is no significant cost or penalty in converting these deposits into liquid cash before maturity.

The currency profiles of cash and cash equivalents at the end of the reporting period are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	5,931	3,915	-	-
Chinese renminbi	5,191	-	-	-
Singapore dollar	3,088	8,248	2,685	8,044
United States dollar	388	96	48	-
Euro	1	-	-	-
	14,599	12,259	2,733	8,044

Significant restrictions

Cash and bank balances of RM5,191,000 in Chinese renminbi held in People's Republic of China (the "PRC") are subject to local exchange control regulations. These regulations place restrictions on repatriating capital out of the country other than through dividends and thus significantly affect the Group's ability to access or use assets, and settle liabilities, of the Group.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. Share capital

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Issued and fully-paid				
Ordinary shares	23,759	11,292	23,759	11,292

	Group		Company	
	Number of ordinary shares	**RM'000**	**Number of ordinary shares**	**RM'000**
2025				
Balance at beginning of financial year	104,921,999	11,292	104,921,999	11,292
Issuance of ordinary shares	9,456,340	12,467	9,456,340	12,467
Issuance of bonus shares	22,875,667	-	22,875,667	-
Balance at end of financial year	137,254,006	23,759	137,254,006	23,759
2024				
Balance at beginning of financial year	87,435,000	11,292	87,435,000	11,292
Issuance of bonus shares	17,486,999	-	17,486,999	-
Balance at end of financial year	104,921,999	11,292	104,921,999	11,292

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per ordinary share without restriction.

On 30 September 2024, 17,486,999 bonus shares have been allocated and issued pursuant to the share issue mandate granted by shareholders at the annual general meeting of the Company held on 24 April 2024. Accordingly, the Company's number of issued ordinary shares has increased from 87,435,000 ordinary shares to 104,921,999 ordinary shares.

On 11 July 2025, the Company issued 9,456,340 new ordinary shares for the acquisition of Anchor Technology Holdings Co., Ltd (Note 6).

On 13 November 2025, 22,875,667 bonus shares have been allocated and issued pursuant to the share issue mandate granted by shareholders at the annual general meeting of the Company held on 25 April 2025. Accordingly, the Company's number of issued ordinary shares has increased from 114,378,339 ordinary shares to 137,254,006 ordinary shares.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. Reserves

	Group	
	2025	**2024**
	RM'000	**RM'000**
Merger reserve	2,180	2,180
Foreign currency translation reserve	(196)	36
	1,984	2,216

The merger reserve relates to the difference between the consideration paid to the controlling parties of the Group and the issued and fully paid share capital of subsidiaries acquired under common control that are accounted for by applying the "pooling-of-interest" method.

The foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operation whose functional currency is different from the Group's presentation currency and is non-distributable.

The movement of reserves of the Group is presented in consolidated statement of changes in equity.

14. Retained earnings

Movements in retained earnings of the Company were as follows:

	Company	
	2025	**2024**
	RM'000	**RM'000**
Balance at the beginning of the financial year	4,299	5,081
Total comprehensive income for the financial year	5,070	3,261
Dividends paid (Note 27)	(3,816)	(4,043)
Balance at the end of the financial year	5,553	4,299

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. Trade and other payables

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Contingent consideration payable	1,474	-	-	-
Deferred consideration payable	370	-	-	-
Deferred grant income	122	160	-	-
	1,966	160	-	-
Current				
Trade payables				
- Third parties	246	187	-	-
- Subsidiaries	-	-	-	18
Other payables				
- Third parties	256	445	-	2
- Subsidiaries	-	-	23	2,058
Deferred consideration payable	377	-	-	-
Accrued expenses	2,640	1,193	576	432
Deferred grant income	38	61	-	-
Sales and service tax	702	615	-	-
	4,259	2,501	599	2,510
	6,225	2,661	599	2,510

Trade payables are unsecured, non-interest bearing and are normally settled within the credit terms of 30 to 60 (2024: 30 to 60) days.

The non-trade amounts due to third parties and subsidiaries are unsecured, non-interest bearing, repayable on demand and expected to be settled in cash.

Deferred grant income is a government grant received from SME Corporation Malaysia and Malaysian Investment Development Authority for capital expenditure incurred for purchase of laboratory related equipment. Government grant is recognised as income over the periods necessary to match them with the costs for which they intended to compensate, on a systematic basis.

The currency profiles of trade and other payables (excluding deferred grant income and sales and service tax) at the end of the reporting period are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	1,300	1,395	288	2,138
Singapore dollar	388	430	311	372
United States dollar	2,221	-	-	-
Chinese renminbi	1,454	-	-	-
	5,363	1,825	599	2,510

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. Bank borrowings

	Group	
	2025	**2024**
	RM'000	**RM'000**
Non-current		
Term loan	791	883
Current		
Term loan	97	93
	888	976
Effective interest rate per annum		
Term loan	4.12%	4.37%

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

The term loan is secured by freehold land and building as disclosed in Note 3 to the financial statements and is supported by a guarantee provided by the Executive Directors of the Group.

Term loans are arranged at floating rates, thus exposing the Group to interest rate risk as set out in Note 32.3 to the financial statements.

The currency profile of bank borrowings as at the end of the reporting date is Ringgit Malaysia.

17. Lease liabilities

	Motor vehicles RM'000	**Office premises RM'000**	**Total RM'000**
Group			
At 1 January 2025	351	1,170	1,521
Additions	-	401	401
Interest expense (Note 23)	21	80	101
Lease payments			
- Principal portion	(47)	(406)	(453)
- Interest portion	(21)	(80)	(101)
Currency realignment	-	(2)	(2)
At 31 December 2025	304	1,163	1,467
At 1 January 2024	-	1,643	1,643
Lease termination	-	(234)	(234)
Additions	367	-	367
Interest expense (Note 23)	41	103	144
Lease payments			
- Principal portion	(16)	(239)	(255)
- Interest portion	(41)	(103)	(144)
At 31 December 2024	351	1,170	1,521

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. Lease liabilities (Continued)

The maturity analysis of lease liabilities of the Group at end of the reporting date are as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Contractual undiscounted cash flows		
Within one financial year	755	362
After one financial year but within five financial years	846	1,383
More than five financial years	-	-
	1,601	1,745
Less: Future interest expense	(134)	(224)
Present value of lease liabilities	1,467	1,521
Presented in consolidated statement of financial position		
- Non-current	774	1,254
- Current	693	267
	1,467	1,521

As at 31 December 2025, the average incremental borrowing rate applied was 6.24% (2024: 7.15%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Rental of tools and equipment, machinery and office equipment of the Group qualifies as low value assets or short-term leases. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operations whereas the low-value lease exemption is made on lease-by-lease basis.

The total cash outflows for all leases including low asset value and short-term leases were RM585,000 (2024: RM430,000) for the financial year ended 31 December 2025.

The currency profiles of lease liabilities as at the end of the reporting period are as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Ringgit Malaysia	1,255	1,521
Chinese renminbi	212	-
	1,467	1,521

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. Deferred tax liabilities

The movement in deferred tax liabilities position is as follows:

	Group 2025 RM'000	Group 2024 RM'000
Balance at beginning of financial year	428	406
Acquisition of subsidiaries (Note 6)	486	-
(Credit)/Charges to profit or loss	(228)	22
Balance at end of financial year	686	428

Deferred tax liabilities are attributable to temporary differences arising from accelerated tax depreciation computed at the respective countries' statutory income tax rate.

The following are the major deferred tax liabilities and assets recognised by the Group and the movements during the year.

	Deferred tax liabilities			Deferred tax assets	Net deferred tax liabilities
	Property, plant and equipment RM'000	Right-of-use assets RM'000	Other temporary difference RM'000	Lease liabilities RM'000	Total RM'000
Group					
As at 1 January 2025	514	455	-	(541)	428
Acquisition of subsidiaries	-	-	486	-	486
Charge/(Credit) to profit or loss	106	(116)	(333)	119	(224)
Currency realignment	-	-	(4)	-	(4)
As at 31 December 2025	620	339	149	(422)	686
As at 1 January 2024	500	527	-	(621)	406
Charge/(Credit) to profit or loss	14	(72)	-	80	22
As at 31 December 2024	514	455	-	(541)	428

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. Revenue

	Group	
	2025	**2024**
	RM'000	**RM'000**
Type of goods or services		
Laboratory testing services	25,550	23,753
Certification and consultancy services	7,097	481
Training and assurance	518	390
Sales of goods	282	569
Conformity assessment technology services	188	191
	33,635	25,384
Timing of transfer of goods and services		
Point in time	32,560	25,193
Over time	1,075	191
	33,635	25,384

(a) Material accounting policy

Rendering of services

The Group provides services including testing and assessment services ("Laboratory Testing Services"), management system, certification and consultancy services ("Certification and Consultancy Services"), training and assurance services and provision of conformity assessment technology services to its customers. Certain revenue contracts with customers consist of multiple services under one contract. The management assessed each contract and unbundled these services as distinct performance obligations. The Group allocated transaction price to each performance obligation based on its relative stand-alone selling price.

Revenue from rendering laboratory testing services, certification and consultancy services and training and assurance services, is recognised at a point in time upon services rendered. Revenue will only be recognised to the extent that it is highly probable that a significant reversal will not occur, net of discounts. A receivable is recognised upon billing net of deposits received.

Revenue from provision of conformity assessment technology services and certain consultancy services is satisfied over time because the customer simultaneously receives and consumes the benefits. Revenue is recognised over time over the service contract term. Limited judgement is needed to identify when the point of control passes to customers.

Sale of goods

Revenue from the sale of goods including analytical instruments, testing equipment and chemicals is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

The amount of revenue recognised is based on the estimated transaction price which comprises the contractual price. The Group retains control of the good and satisfies its performance obligation only when the good is accepted by the customer.

There is limited judgement needed to identify when the point of control passes to customers. There is no element of financing component in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 90 days. In situation where payments are collected prior to provision of goods, a contract liability is recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. Revenue (Continued)

(b) Contract assets and contract liabilities

The information about contract assets and contract liabilities from contracts with customers are disclosed as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Contract assets				
- Laboratory testing services	165	90	-	-
- Conformity assessment technology services	-	5	-	5
- Certification and consultancy services	47	-	-	-
- Training and assurance	7	-	-	-
	219	95	-	5
Contract liabilities				
- Laboratory testing services	313	251	-	-
- Certification and consultancy services	511	52	-	-
- Sale of goods	-	1	-	-
- Conformity assessment technology services	34	79	40	51
	858	383	40	51

Contract assets arise from the Group's and the Company's rights to consideration for laboratory testing services and conformity assessment technology services but not billed at the reporting date.

Contract liabilities arise from unsatisfied performance obligations when the Group and the Company issue billing to customers. This liability is recognised as revenue upon satisfaction of each performance obligation.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. Revenue (Continued)

(b) Contract assets and contract liabilities (Continued)

The Group recognises lifetime ECL for contract assets. At the reporting period, the analysis of contract assets and the carrying amount of allowances for impairment loss are as follows:

	ECL weightage %	Gross carrying amount RM'000	Loss allowance on receivables RM'000	Net carrying amount RM'000
Group				
2025				
Not past due	0.01	219	-	219
2024				
Not past due	0.02	95	*	95
Company				
2025				
Not past due	-	-	-	-
2024				
Not past due	-	5	-	5

* Amount is less than RM1,000

Changes in contract assets and contract liabilities are highlighted as follows:

	Contract assets			
	Group		**Company**	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Balance at beginning of financial year	95	116	5	5
Transfer to trade receivables	(95)	(106)	(5)	(5)
Excess of revenue recognised over cash (or rights to cash)	219	85	-	5
Balance at end of financial year	219	95	-	5

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. Revenue (Continued)

(b) Contract assets and contract liabilities (Continued)

Changes in contract assets and contract liabilities are highlighted as follows: (Continued)

	Contract liabilities			
	Group		**Company**	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Balance at beginning of financial year	383	350	51	23
Cash received in advance of performance and not recognised as revenue	858	383	40	51
Amount recognised as revenue	(383)	(350)	(51)	(23)
Balance at end of financial year	858	383	40	51

The vast majority of the Group's and the Company's short-term contracts are within the next 12 months, hence the allocation of aggregate transaction price to the remaining performance obligations and explanation on when the Group and the Company expect the revenue to be recognised are not disclosed.

20. Other income

	Group	
	2025	**2024**
	RM'000	**RM'000**
Gain on lease termination	-	40
Gain on disposal of property, plant and equipment	-	124
Government grant income	73	76
Fair value gain on financial assets at FVTPL	66	-
Management fee income from third party	151	-
Gain on bargain purchase (Note 6)	70	-
Others	81	112
	441	352

Government grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures. Grants related to an asset is capitalised in the statements of financial position. It is recognised as income over the periods necessary to match them with the costs for which they intended to compensate, on a systematic basis.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. Depreciation expenses

	Group	
	2025	2024
	RM'000	RM'000
Depreciation of property, plant and equipment	1,153	959
Depreciation of right-of-use assets	489	321
	1,642	1,280

22. Employee benefits expense

	Group	
	2025	2024
	RM'000	RM'000
Directors' fee		
- Directors of the Company	206	277
Salaries, bonuses and other staff benefits	11,195	8,081
Contributions to defined contribution plans	1,118	902
	12,519	9,260

Included in the employee benefits expense were the remuneration of Directors of the Company and other key management personnel as disclosed in Note 30 to the financial statements.

23. Finance costs and interest income

	Group	
	2025	2024
	RM'000	RM'000
Finance costs		
Lease liabilities interest	101	144
Bank borrowings interest	45	50
Fair value changes on contingent consideration payable (Note 6)	68	-
Interest expense on deferred consideration	7	-
	221	194
Interest income		
Money market funds interest	92	153
Fixed deposits interest	56	49
	148	202

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. Profit before income tax

In addition to the charges disclosed elsewhere in the notes to the financial statement, the above includes the following charges:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Materials, consumables and subcontractor costs		
Purchases	1,467	1,814
Outsourcing costs	2,690	576
Short-term and low asset value lease expenses		
- Tools and equipment	10	11
Other expenses		
Audit fee		
- Auditors of the Company	342	323
- Auditors of the subsidiaries – network firm	193	96
Non-audit fee		
(i) Audit related services		
- Auditors of the subsidiaries – network firm	-	5
(ii) Non-audit related services		
- Auditors of the subsidiaries – network firm	25	27
Bad debt written off	56	*
Property, plant and equipment written off	53	11
Loss on foreign exchange difference, net	302	649
Fair value loss on financial assets at FVTPL	-	54
Professional fee	1,023	1,027
Short-term and low asset value lease expenses		
- Office equipment	21	20
Computer and information technology expenses	108	134
Courier and postages	55	43
Cleaning charges	77	65
Utilities	356	353
Insurance	197	181
Printing and stationery	133	125
Telephone charges	43	42
Upkeep of property, plant and equipment	273	229
Advertisement	208	221
Mileage claims	139	137
Petrol, toll and parking	131	131
Travelling and accommodation	312	178

*Amount is less than RM1,000

There are no audit-related services and non-audit related services fee paid/payable to the auditors of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. Income tax expense

	Group	
	2025	**2024**
	RM'000	**RM'000**
Current income tax expense		
- current year	2,906	2,601
- over provision of income tax expense in respect of prior financial years	(11)	(23)
	2,895	2,578
Deferred tax expenses		
- relating to origination and reversal of temporary differences	(71)	20
- (over)/under provision of deferred tax expense in respect of prior financial year	(153)	2
	(224)	22
Total income tax expense recognised in profit or loss	2,671	2,600

Reconciliation of effective income tax rate

	Group	
	2025	**2024**
	RM'000	**RM'000**
Profit before income tax	9,432	7,808
Income tax calculated at Malaysia's statutory income tax rate of 24% (2024: 24%)	2,263	1,874
Tax effects in respect of		
- expenses not deductible for tax purposes	436	548
- income not subjected to tax	(65)	(90)
- effect of different tax rates in other countries	122	215
Deferred tax assets not recognised	113	94
Utilisation of deferred tax assets previously not recognised	(89)	(20)
(Over)/Under provision of deferred tax expenses in respect of prior financial years	(153)	2
Over provision of income tax expenses in respect of prior financial years	(11)	(23)
Others	55	-
	2,671	2,600

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. Income tax expense (Continued)

Unrecognised deferred tax assets

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Balance at beginning of financial year	94	20	91	-
Acquisition of subsidiaries	89	-	-	-
Additions during the financial year	113	94	55	91
Utilisation during the financial year	(89)	(20)	-	-
Balance at end of financial year	207	94	146	91

Unrecognised deferred tax assets of approximately RM146,000 (2024: RM91,000) are attributable to unutilised tax losses, computed at Singapore's statutory income tax rate of 17% for the Group and the Company, subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation. These tax losses have no expiry date.

As at 31 December 2025, the Group has unrecognised deferred tax assets of RM61,000 (2024: RM3,000) attributable to other deductible temporary differences that are available to offset against future taxable profits of the Group. No deferred tax asset has been recognised on these unutilised capital allowances and other deductible temporary differences as there is no certainty that there will be sufficient future taxable profits to realise these future benefits.

26. Earnings per share

The calculation for earnings per share is based on:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Profit attributable to owners of the Company (RM'000)	6,476	5,208
Weighted average number of ordinary shares	132,305,620	127,797,666
Earnings per share (in cents)		
- Basic and diluted	4.89	4.08

The calculation of basic earnings per share for the financial year is based on profit attributable to owners of the Company for the financial year divided by weighted average number of ordinary shares in issue during the financial year. The weighted average number of ordinary shares in issue was adjusted to 132,305,620 due to the issuance of 9,456,340 new ordinary shares on 11 July 2025 and 22,875,667 bonus shares on 13 November 2025 to existing shareholders, and the prior year's basic earnings per share was retrospectively adjusted for these bonus shares issued in the current year.

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. Dividends

	Group and Company	
	2025	**2024**
	RM'000	**RM'000**
Final tax exempt dividend of S$0.0035 which approximate to RM0.01226 per ordinary share for the financial year ended 31 December 2023	-	1,072
Special tax exempt dividend of S$0.0097 which approximate to RM0.03398 per ordinary share for the financial year ended 31 December 2023	-	2,971
Final tax exempt dividend of S$0.011 which approximate to RM0.03637 per ordinary share for the financial year ended 31 December 2024	3,816	-
	3,816	4,043

Dividends are recognised when they become legally payable. Final and special dividends are recorded in the financial year in which the dividends are approved by the shareholders.

The Board of Directors proposed a final tax exempt dividend of S$0.01, which approximate to RM0.0316 per ordinary share amounting to approximately S$1,373,000 which approximate to RM4,337,000 to be paid for the financial year ended 31 December 2025. It has not been recognised as a liability as at the end of the reporting period as it is subject to the approval of the shareholders at the Annual General Meeting.

28. Contingent liabilities

Company

As at the end of the reporting period, the Company has undertaken to provide continued financial support to certain subsidiaries which are in net current liability position and/or showing shareholder's deficit. In the opinion of the Directors, no significant actual losses are expected to arise from the contingent liabilities as at end of the financial year.

29. Capital commitments

	Group	
	2025	**2024**
	RM'000	**RM'000**
Capital expenditure contracted but not provided for		
- commitments for the acquisition of property, plant and equipment	1,315	479

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or *vice versa*, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the information disclosed elsewhere in the financial statements, the following were significant related party transaction at rates and terms agreed between the Group and the Company and their related parties during the financial years ended 31 December 2025 and 31 December 2024.

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
With directors of the Group				
Payment of expenses on behalf of the Group	377	209	75	38
Rental fee	294	294	-	-
With subsidiaries				
Dividend declared	-	-	7,300	6,200
Expenses paid on behalf of the Company	-	-	461	1,928
Management fee income	-	-	612	478
Hosting maintenance fee	-	-	660	684

As at 31 December, the outstanding balances in respect of the above related party transactions are disclosed in Notes 8 and 15 to the financial statements.

Compensation of key management personnel

Key management personnel are Directors of the Group and those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly and indirectly.

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Company				
- Directors' fees	206	277	206	277
- Short-term employee benefits	1,368	1,087	573	453
- Post-employment benefits	97	81	-	-
	1,671	1,445	779	730

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. Significant related party transactions (Continued)

Compensation of key management personnel (Continued)

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Subsidiaries				
- Short-term employee benefits	161	-	-	-
- Post-employment benefits	48	-	-	-
	209	-	-	-
Other key management personnel				
- Short-term employee benefits	1,233	1,161	-	-
- Post-employment benefits	154	131	-	-
	1,387	1,292	-	-

31. Segment Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Group has two reportable segments being:

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

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

"Others" segment includes training and assurance services, trading and provision of conformity assessment technology segments. These are not included within reportable segments as they are not separately reported to the chief operating decision maker and they contribute minor amounts of revenue to the Group.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The basis of accounting for transactions between reportable segments are consistent with those applied in the preparation of these financial statements and those material accounting policy information disclosed in respective notes. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Segment Information (Continued)

	Testing and assessment RM'000	Certification and consultancy RM'000	Others RM'000	Total RM'000
2025				
Revenue				
Total revenue	25,550	7,923	16,785	50,258
Inter-segmental revenue	-	(826)	(15,797)	(16,623)
Revenue from external customers	25,550	7,097	988	33,635
Other income	273	-	168	441
Materials and consumables	(2,013)	(2,305)	(230)	(4,548)
Depreciation expenses	(1,354)	(230)	(58)	(1,642)
Amortisation of intangible assets	-	(437)	-	(437)
Loss allowance on receivables, net	56	(151)	(14)	(109)
Employee benefits expense	(8,957)	(2,239)	(1,323)	(12,519)
Other expenses	(2,270)	(714)	(2,295)	(5,279)
Segment profit	11,285	1,021	(2.764)	9,542
Interest income				148
Interest expenses				(221)
Share of profit of associates				(37)
Income tax expenses				(2,671)
Profit for the year				6,761
Reportable segment assets	15,403	23,417	4,819	43,639
Corporate office's property				4,110
Investment in associate				512
Short term funds				11,405
Total Group's assets				59,666
Included in the segment assets:				
Additions:				
- Property, plant and equipment	1,323	272	-	1,595
- Intangible assets	-	15,543	-	15,543
- Right-of-use assets	-	388	-	388
Reportable segment liabilities	3,163	2,232	3,155	8,550
Borrowing				888
Income tax payables				456
Deferred tax liabilities				686
Total Group's liabilities				10,580

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Segment Information (Continued)

	Testing and assessment RM'000	Certification and consultancy RM'000	Others RM'000	Total RM'000
2024				
Revenue				
Total revenue	23,754	481	15,540	39,775
Inter-segmental revenue	-	-	(14,391)	(14,391)
Revenue from external customers	23,754	481	1,149	25,384
Other income	213	-	139	352
Materials and consumables	(2,060)	(74)	(451)	(2,585)
Depreciation expenses	(1,172)	-	(108)	(1,280)
Loss allowance on receivables, net	144	-	-	144
Employee benefits expense	(7,784)	(220)	(1,256)	(9,260)
Other expenses	(2,108)	(96)	(2,811)	(5,015)
Segment profit	10,987	91	(3,338)	7,740
Interest income				202
Interest expenses				(194)
Share of profit of associates				60
Income tax expenses				(2,600)
Profit for the year				5,208
Reportable segment assets	13,947	199	9,738	23,884
Corporate office's property				4,139
Investment in associate				602
Short term funds				10,091
Total Group's assets				38,716
Included in the segment assets:				
Additions:				
- Property, plant and equipment	2,330	-	418	2,748
- Right-of-use assets	408	-	-	408
Reportable segment liabilities	3,797	84	684	4,565
Borrowing				976
Income tax payables				355
Deferred tax liabilities				428
Total Group's liabilities				6,324

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. Segment Information (Continued)

Geographical information

Revenues from external customers

The Group has disaggregated revenue based on primary geographical market. Revenue is based on the country in which the customer is located.

	Group	
	2025	**2024**
	RM'000	**RM'000**
Malaysia	26,737	25,179
China	6,549	20
Singapore	210	174
Others	139	11
	33,635	25,384

Non-current assets consist of property, plant and equipment, right-of-use assets, intangible assets and investment in associate.

	Group	
	2025	**2024**
	RM'000	**RM'000**
Malaysia	11,053	11,282
China	15,366	-
	26,419	11,282

32. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to credit risk, market risks (including interest rate risk and foreign currency risk) and liquidity risk arising in the ordinary course of business. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establishes the detailed process as risk identification and measurement, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which the risks are managed and measured. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Financial instruments, financial risks and capital management (Continued)

32.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals.

Trade receivables and contract assets

The Group and the Company have significant credit risk exposure to two customers (2024: nil) which represented more than 5% each of the total trade receivables balance as at 31 December 2025. The Company has outstanding other receivables from a subsidiary, wholly consisting of dividend receivable that represent 95.9% (2024: 98.5%) of the total other receivables balance as at 31 December 2025.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risks. The Group and the Company do not hold any collateral.

The Group's and the Company's major classes of financial assets are trade and other receivables, financial assets at FVTPL and cash and cash equivalents.

As at 31 December 2025, the Group's and the Company's bank balances and fixed deposits held with banks are rated A1 to Aa1 or P-2 to P-1 (2024: Aa1 or P-1), based on Moody's ratings. The Board of Directors monitors the credit rating on regular basis and considers that its bank balances and short term deposits have low credit risk based on the external credit ratings of the counterparties. The bank balances and short term deposits are measured based on 12-month credit loss model and subject to immaterial credit loss.

32.2 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based in the earlier of the contractual date or when the Group and the Company are expected to pay.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Financial instruments, financial risks and capital management (Continued)

32.2 Liquidity risk (Continued)

	Within one financial year RM'000	After one financial year but within five financial years RM'000	More than five financial years RM'000	Total RM'000
Group				
2025				
Financial liabilities				
Trade and other payables (excluding deferred grant income and sales and service tax)	3,519	1,844	-	5,363
Bank borrowings	132	527	380	1,039
Lease liabilities	755	846	-	1,601
Total undiscounted financial liabilities	4,406	3,217	380	8,003
2024				
Financial liabilities				
Trade and other payables (excluding deferred grant income and sales and service tax)	1,825	-	-	1,825
Bank borrowings	133	533	507	1,173
Lease liabilities	362	1,383	-	1,745
Total undiscounted financial liabilities	2,320	1,916	507	4,743
Company				
2025				
Financial liabilities				
Trade and other payables, representing total undiscounted financial liabilities	599	-	-	599
2024				
Financial liabilities				
Trade and other payables, representing total undiscounted financial liabilities	2,510	-	-	2,510

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Financial instruments, financial risks and capital management (Continued)

32.3 Market risks

(i) Interest rate risk

The Group's exposure to market risks for changes in interest rates relates primarily to interest-bearing borrowings as shown in Note 16 to the financial statements.

The Group's results are affected in interest rates due to the impact of such changes on interest expenses from interest-bearing borrowings which are floating interest rates. It is the Group's policy to obtain quotes from reputable banks to ensure that the most favourable rates are available to the Group.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 0.5% (2024: 0.5%) change in the interest rates from the end of each reporting period, with all variables held constant.

As at the end of the reporting period, if interest rates had been 0.5% (2024: 0.5%) higher or lower with all other variables held constant, the profit before tax of the Group will be lower or higher by approximately RM4,000 (2024: RM5,000) as a result of higher or lower interest expense on borrowings.

(ii) Foreign currency risk

The Group and the Company incur foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group and of the Company. The Group and the Company are exposed to foreign exchange risk mainly from Singapore dollar transactions.

As at the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the functional currencies of the entities within the Group are as follows:

	Group			
	Monetary assets		**Monetary liabilities**	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Singapore dollar	6,373	11,674	323	430
SGD Intragroup balance	313	82	-	-
United States dollar	398	96	2,221	-

	Company			
	Monetary assets		**Monetary liabilities**	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Singapore dollar	6,338	11,444	311	372

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Financial instruments, financial risks and capital management (Continued)

32.3 Market risks (Continued)

(ii) Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The Group's and the Company's exposure to foreign currency risks is mainly in the Singapore dollar and United States dollar.

The following table details the Group's and the Company's sensitivity to a 5% (2024: 8%) change in the Singapore dollar against the functional currencies respectively. The sensitivity analysis assumes an instantaneous change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in Singapore dollar are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Group Increase/(Decrease) Profit or Loss before tax	
	2025	**2024**
	RM'000	**RM'000**
Group		
Singapore dollar		
Strengthens against Ringgit Malaysia	303	900
Weakens against Ringgit Malaysia	(303)	(900)
SGD Intragroup balance		
Strengthens against Ringgit Malaysia	16	4
Weakens against Ringgit Malaysia	(16)	(4)
United states dollar		
Strengthens against Ringgit Malaysia	(91)	8
Weakens against Ringgit Malaysia	91	(8)
Company		
Singapore dollar		
Strengthens against Ringgit Malaysia	301	886
Weakens against Ringgit Malaysia	(301)	(886)

*Amount is less than RM1,000

The Company has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's risk management policies to ensure that the net exposure is at an acceptable level.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Financial instruments, financial risks and capital management (Continued)

32.4 Capital management policies and objectives

The Group and the Company manage capital to ensure that they are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management reviews the capital structure to ensure that the Group and the Company are able to service any debt obligations (including principal repayment and interest) based on operating cash flows.

Overall strategy remains unchanged during the financial years ended 31 December 2025 and 31 December 2024.

The Group and the Company monitor capital based on a gearing ratio, which is net debt divided by total equity plus net debts. The Group's and the Company's net debt includes trade and other payables (excluding deferred grant income), bank borrowings and lease liabilities less cash and cash equivalents. Equity attributable to the owners of the Company comprises share capital, reserves and retained earnings.

The gearing ratio of the Group and the Company were not presented as the Group and the Company were in net cash position at 31 December 2025 and 31 December 2024.

The Group and the Company did not have externally imposed capital requirements for the financial years ended 31 December 2025 and 31 December 2024.

32.5 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and other financial liabilities are determined in accordance with generally pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Financial instruments, financial risks and capital management (Continued)

32.5 Fair value of financial assets and financial liabilities (Continued)

Fair value of financial instruments carried at fair value

The fair value of financial assets and financial liabilities carried at fair value in relation to financial assets at FVTPL and contingent consideration payable is disclosed in Note 10 and Note 15 to the financial statements respectively.

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group			
2025			
Financial assets			
Financial assets at FVTPL	11,405	-	-
Financial liabilities			
Contingent consideration payable	-	-	1,474
2024			
Financial assets			
Financial assets at FVTPL	10,091	-	-
Company			
2025			
Financial assets			
Financial assets at FVTPL	3,340	-	-
2024			
Financial assets			
Financial assets at FVTPL	3,400	-	-

There were no transfers between levels during the financial years ended 31 December 2025 and 31 December 2024 and no changes in the valuation techniques of the various classes or financial assets and financial liabilities.

Fair value of financial instruments that are not carried at fair value and whose carrying amounts approximate their fair values.

The carrying amounts of current financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of the bank borrowings approximate their fair values as they are subjected to floating interest rates.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. Financial instruments, financial risks and capital management (Continued)

32.5 Fair value of financial assets and financial liabilities (Continued)

Fair value of financial instruments carried at fair value (Continued)

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of the level 3 financial instrument, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below:

Financial instrument	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Contingent consideration payable	Monte Carlo Simulation	Weighted average cost of capital (11.2%)	The higher the discount rate, the lower the fair value.
		Expected annual growth rate of net income (2% to 39%)	The higher the expected annual growth rate of net income, the higher the fair value.

32.6 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial assets				
At amortised cost	21,099	16,769	10,411	14,414
At FVTPL	11,405	10,091	3,340	3,400
	32,504	26,860	13,751	17,814
Financial liabilities				
At amortised cost	6,244	4,322	599	2,510
At FVTPL	1,474	-	-	-
	7,718	4,322	599	2,510

STATISTICS OF **SHAREHOLDINGS**

AS AT 16 MARCH 2026

ISSUED AND FULLY PAID-UP CAPITAL	:	S$3,918,885.00
NUMBER OF SHARES ISSUED	:	137,254,006
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	ONE VOTE PER ORDINARY SHARE
NO. OF TREASURY SHARES AND SUBSIDIARY HOLDINGS	:	Nil

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	2	4.44	160	0.00
100 – 1,000	5	11.11	2,404	0.00
1,001 – 10,000	14	31.11	66,576	0.05
10,001 – 1,000,000	20	44.45	1,678,652	1.22
1,000,001 and above	4	8.89	135,506,214	98.73
TOTAL	45	100.00	137,254,006	100.00

TOP TWENTY SHAREHOLDERS

	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1.	DBS NOMINEES PTE LTD	106,408,030	77.53
2.	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	16,511,752	12.03
3.	SPLENDOR CERTIFICATION INC	11,347,608	8.27
4.	PHILLIP SECURITIES PTE LTD	1,238,824	0.9
5.	ONG POH LIM @ ONG PAO LIM	476,080	0.35
6.	LEONG FO SEONG	325,872	0.24
7.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	193,672	0.14
8.	YONG YUEN PUN MICHAEL	120,000	0.09
9.	YONG SUI LI ALYSSA	120,000	0.09
10.	IFAST FINANCIAL PTE LTD	93,464	0.07
11.	TAN SEE HONG	86,400	0.06
12.	YOO LEONG CHUAN	34,000	0.02
13.	NG SONG WEY OR TAN LAY PENG	30,000	0.02
14.	ONG ENG JOO	27,360	0.02
15.	TAN LAY PENG	25,000	0.02
16.	GWEE CHIN MENG	24,000	0.02
17.	QUEK NAM KEE	20,380	0.01
18.	ANG CHIN KEONG (HONG ZHENQIANG)	18,000	0.01
19.	TAN LIAN SAN	16,800	0.01
20.	UOB KAY HIAN PTE LTD	14,424	0.01
		137,131,666	99.91

STATISTICS OF **SHAREHOLDINGS**

AS AT 16 MARCH 2026

SUBSTANTIAL SHAREHOLDERS

(as shown in the Company's register of Substantial Shareholders)

		DIRECT INTEREST		DEEMED INTEREST	
NAME OF SUBSTANTIAL SHAREHOLDER		No. of shares	%	No. of shares	%
1	Louis May Pte. Ltd. [1]	96,495,752	70.31	-	-
2	Fitcorp Value Pte. Ltd. [1]	9,680,678	7.05	-	-
3	Splendor Certification Inc	11,347,608	8.27		
4	Dr. Ooi Shu Geok [1]	-	-	106,176,430	77.36%
5	Ms. Chong Moi Me [1]	-	-	106,176,430	77.36%
6	Mr. Deng Yubiao [2]	-	-	11,347,608	8.27%

Notes:

(1) Dr. Ooi and Ms. Chong each owns 50.00% of the issued and paid-up share capital of Louis May Pte. Ltd., and together, owns the entire issued and paid-up share capital of Louis May Pte. Ltd.. Dr. Ooi and Ms. Chong also each owns 50.00% of the issued and paid-up share capital of Fitcorp Value Pte. Ltd., and together, owns the entire issued and paid-up share capital of Fitcorp Value Pte. Ltd.. Accordingly, pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore, both Dr. Ooi and Ms. Chong are deemed interested in all the shares of the Company held by Louis May Pte. Ltd. and Fitcorp Value Pte. Ltd..

(2) Mr. Deng Yubiao is deemed to have an interest in the 11,347,608 shares held by Splendor Certification Inc by virtue of Section 7 of the Companies Act 1967 of Singapore.

Public Shareholdings

Based on the information available to the Company as at 16 March 2026, approximately 14.13% of the Company's issued ordinary shares are held in the hands of the public.

Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B : Rules of Catalist of the Singapore Exchange Securities Trading Limited, which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the **"Meeting"**) of **LMS COMPLIANCE LTD.** (the "**Company**", and together with its subsidiaries, the "**Group**") will be convened and held at Function Room @ LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 on Monday, 27 April 2026 at 11.00 a.m. for the purposes of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2025 ("**FY2025**"), together with the Independent Auditors' Report thereon.

(Resolution 1)

2. To declare and approve the payment of a final tax exempt (one-tier) dividend of S$0.01 per ordinary share in respect of FY2025.

(Resolution 2)

3. To re-elect Dr. Ooi Shu Geok, who is retiring pursuant to Regulation 100 of the Constitution of the Company (the "**Constitution**") and who, being eligible, offered himself for re-election, as a Director of the Company ("**Director**").

[See Explanatory Note (i)]

(Resolution 3)

4. To approve the payment of Directors' fees of up to RM326,494 for the financial year ending 31 December 2026, to be paid quarterly in arrears (FY2025: RM206,400).

(Resolution 4)

5. To appoint Messrs. PKF-CAP LLP as Auditors of the Company in place of the retiring Auditors of the Company, Messrs. BDO LLP, to hold office until the conclusion of the next AGM and to authorise the Directors of the Company to fix their remuneration.

[See Explanatory Note (ii)]

(Resolution 5)

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:-

7. **Authority to allot and issue shares in the capital of the Company**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), the Constitution and Rule 806 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:-

(a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

NOTICE OF **ANNUAL GENERAL MEETING**

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

PROVIDED ALWAYS that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (the "**Shareholders**") (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution), shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-

(i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities which are outstanding or subsisting at the time this Resolution is passed;

(ii) (where applicable) new Shares arising from the exercise of share options or vesting of share awards, provided that such share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

and provided also that adjustments in accordance with sub-paragraph (2)(i) or subparagraph (2)(ii) above are only to be made in respect of new Shares arising from the Instruments, convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provision of the Catalist Rules (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution for the time being of the Company; and

NOTICE OF **ANNUAL GENERAL MEETING**

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments."

[See Explanatory Note (iii)]

(Resolution 6)

8. **Authority to offer and grant awards, and to allot and issue Shares under the LMS Performance Share Plan ("LMS PSP")**

"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to offer and grant awards in accordance with the provisions of the LMS PSP, and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of awards granted under the LMS PSP (including but not limited to the allotment and issuance of Shares at any time, whether during the continuance of this authority or thereafter, pursuant to awards made or granted by the Company whether granted during the subsistence of this authority or otherwise), provided that the total number of new Shares which may be allotted and issued pursuant to the LMS PSP when aggregated with the total number of Shares over which options and awards are granted under any other share option schemes, share award schemes or share incentive schemes of the Company then in force, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

(Resolution 7)

[See Explanatory Note (iv)]

9. **Authority to offer and grant options, and to allot and issue Shares under the LMS Employee Share Option Scheme ("LMS ESOS")**

"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to offer and grant options in accordance with the provisions of the LMS ESOS, and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the exercise of the options under the LMS ESOS (including but not limited to the allotment and issuance of Shares at any time, whether during the continuance of this authority or thereafter, pursuant to options made or granted by the Company whether granted during the subsistence of this authority or otherwise), provided that the aggregate number of Shares to be allotted and issued pursuant to the LMS ESOS (including options granted under the LMS ESOS and all outstanding options or awards granted under any other share option schemes, share award schemes or share-based incentive schemes of the Company) shall not at any time exceed fifteen per cent (15%) of the total number of issued Shares (including treasury shares and subsidiary holdings, if any) from time to time. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

(Resolution 8)

[See Explanatory Note (v)]

10. **The Proposed Participation by Ms. Ooi Wan Koon, an Associate of Dr. Ooi Shu Geok, a Controlling Shareholder, in the LMS PSP**

*Unless otherwise defined, all capitalised terms herein shall bear the meanings ascribed to them in the Addendum dated 10 April 2026 to the Annual Report for the financial year ended 31 December 2025 ("**Annual Report 2025**").*

NOTICE OF **ANNUAL GENERAL MEETING**

"(i) That pursuant to Rule 852 of the Catalist Rules, approval be and is hereby given for the participation by Ms. Ooi Wan Koon, an Associate of a Controlling Shareholder, in the LMS PSP; and

(ii) That the Directors of the Company and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors of the Company or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit."

(Resolution 9)

[See Explanatory Note (vi)]

11. **The Proposed Participation by Mr. Chong Tze Kean, an Associate of Ms. Chong Moi Me, a Controlling Shareholder, in the LMS PSP**

Unless otherwise defined, all capitalised terms herein shall bear the meanings ascribed to them in the Addendum dated 10 April 2026 to the Annual Report 2025.

"(i) pursuant to Rule 852 of the Catalist Rules, approval be and is hereby given for the participation by Mr. Chong Tze Kean, an Associate of a Controlling Shareholder, in the LMS PSP; and

(ii) the Directors of the Company and each of them be and are hereby authorised to implement, effect, complete and do all such acts and things (including without limitation executing all such documents as may be required) as the Directors of the Company or any of them may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution as they or he may think fit."

(Resolution 10)

[See Explanatory Note (vi)]

12. **The Proposed Grant of Awards to Ms. Ooi Wan Koon, an Associate of Dr. Ooi Shu Geok, a Controlling Shareholder, under the LMS PSP**

Unless otherwise defined, all capitalised terms herein shall bear the meanings ascribed to them in the Addendum dated 10 April 2026 to the Annual Report 2025.

"Subject to and contingent upon the passing of Ordinary Resolutions 9:

(i) approval be and is hereby given for the proposed grant of an Award to Ms. Ooi Wan Koon, an Associate of a Controlling Shareholder, in accordance with the rules of the LMS PSP and on the following terms;

Proposed date of grant of the Award	Within three (3) months from the date of the AGM
Number of Shares which are the subject of the Award	15,480
Performance Condition of the Award	Nil
Vesting period of the Award	The Shares which are the subject of the Award shall be vested equally over four (4) years on a quarterly basis (i.e., 6.25% each quarter)
Retention Period	Nil

(ii) the Directors be and are hereby authorised to allot and issue new Shares and/or transfer existing Shares to Ms. Ooi Wan Koon, pursuant to the vesting of the Award, in accordance with the rules of the LMS PSP and on the terms of the Award; and

(iii) the Directors of the Company and each of them be and is hereby authorised and empowered to complete and do all such acts and things, and to approve and execute all such documents as they or he may consider necessary, desirable, expedient or appropriate to give effect to this Resolution, with such modifications thereto (if any) as they or he may think fit in the interests of the Company."

(Resolution 11)

[See Explanatory Note (vii)]

13. **The Proposed Grant of Awards to Mr. Chong Tze Kean, an Associate of Ms. Chong Moi Me, a Controlling Shareholder, under the LMS PSP**

Unless otherwise defined, all capitalised terms herein shall bear the meanings ascribed to them in the Addendum dated 10 April 2026 to the Annual Report 2025.

"Subject to and contingent upon the passing of Ordinary Resolutions 10:

(i) approval be and is hereby given for the proposed grant of an Award to Mr. Chong Tze Kean, an Associate of a Controlling Shareholder, in accordance with the rules of the LMS PSP and on the following terms;

Proposed date of grant of the Award	Within three (3) months from the date of the AGM
Number of Shares which are the subject of the Award	1,352
Performance Condition of the Award	Nil
Vesting period of the Award	The Shares which are the subject of the Award shall be vested equally over four (4) years on a quarterly basis (i.e., 6.25% each quarter)
Retention Period	Nil

(ii) the Directors be and are hereby authorised to allot and issue new Shares and/or transfer existing Shares to Mr. Chong Tze Kean, pursuant to the vesting of the Award, in accordance with the rules of the LMS PSP and on the terms of the Award; and

(iii) the Directors of the Company and each of them be and is hereby authorised and empowered to complete and do all such acts and things, and to approve and execute all such documents as they or he may consider necessary, desirable, expedient or appropriate to give effect to this Resolution, with such modifications thereto (if any) as they or he may think fit in the interests of the Company."

(Resolution 12)

[See Explanatory Note (vii)]

By Order of the Board

Shirley Tan Sey Liy
Company Secretary
Singapore, 10 April 2026

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes:

(i) Dr. Ooi Shu Geok ("**Dr. Ooi**") will, upon re-election as a Director, remain as the Executive Director and Chief Executive Officer of the Company. Detailed information of Dr. Ooi can be found under the sections entitled "Board of Directors" and "Corporate Governance Report" in the Company's Annual Report 2025.

(ii) **Ordinary Resolution 5** proposed in item 5, if passed, will approve the appointment of Messrs. PKF-CAP LLP (**"PFK"**) as Independent Auditor of the Company in place of the retiring Auditors, Messrs. BDO LLP ("**BDO**"), and to authorise the Directors to fix their remuneration (the "**Proposed Change of Auditors**"). A Second Addendum dated 10 April 2026 is attached to the Annual Report 2025 ("**Second Addendum**") to provide shareholders with information and the rationale regarding the Proposed Change of Auditors.

In accordance with Rule 712(3) of the Catalist Rules:

(a) the outgoing Auditors of the Company, BDO, have confirmed by way of its professional clearance letter dated 8 April 2026 to PKF that they are not aware of any professional reasons why PKF, being the new Auditors, should not accept appointment as Auditors;

(b) the Company confirms that there were no disagreements with BDO, being the outgoing Auditors, on accounting treatments within the last twelve (12) months up to the Latest Practicable Date;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in the Second Addendum;

(d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Section 2.1 of the Second Addendum and that the Proposed Change of Auditors is not due to the dismissal or resignation of BDO, or BDO declining to continue to serve as Auditors, or was BDO dismissed or directed by the SGXST to be replaced under Rule 305(1)(eb) of the Catalist Rules;

(e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of PKF as its new Auditors; and

(f) there is no need for the appointment of an additional auditing firm to meet the SGX-ST's requirements in Rule 712(2A) of the Catalist Rules.

(iii) **Ordinary Resolution 6** proposed in item 7 above, if passed, will empower the Directors from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) may be issued other than on a *pro-rata* basis to existing Shareholders.

For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF **ANNUAL GENERAL MEETING**

(iv) **Ordinary Resolution 7** proposed in item 8 above, if passed, will empower the Directors, from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to offer and grant share awards under the LMS PSP in accordance with the provisions of the LMS PSP and to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of the share awards subject to the maximum number of Shares prescribed under the terms and conditions of the LMS PSP. The aggregate number of Shares which may be issued pursuant to the LMS PSP and any other share option schemes, share award schemes or share-based schemes (if applicable) shall not exceed, in total (for the entire duration of the scheme), fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

(v) **Ordinary Resolution 8** proposed in item 9 above, if passed, will empower the Directors, from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to offer and grant options, and to allot and issue Shares pursuant to the exercise of options granted, under the LMS ESOS. The maximum number of new Shares to be issued under the LMS ESOS (including options granted under the LMS ESOS and all outstanding options or awards granted under such other share option schemes, share award schemes or share-based incentive schemes of the Company) shall not exceed, in aggregate (for the entire duration of the scheme), fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

(vi) **Ordinary Resolutions 9 and 10** proposed in items 10 and 11 above, if passed, will approve the participation by Ms. Ooi Wan Koon and Mr. Chong Tze Kean, each an Associate of a Controlling Shareholder of the Company, in the LMS PSP, on the terms as set out in the Rules of the LMS PSP and the Addendum dated 10 April 2026 to the Annual report 2025. Please refer to the said Addendum for further details regarding the Proposed Participation by Ms. Ooi Wan Koon and Mr. Chong Tze Kean in the LMS PSP.

(vii) **Ordinary Resolutions 11 and 12** proposed in items 12 and 13 above, if passed, will authorise the Directors of the Company to (a) grant an Award of up to 15,480 Shares to Ms. Ooi Wan Koon on the terms as set out in the Rules of the LMS PSP and the Addendum dated 10 April 2026 to the Annual Report 2025, as well as allot and issue new Shares and/or transfer existing Shares to Ms. Ooi Wan Koon pursuant to the vesting of the said Award, and (b) grant an Award of up to 1,352 Shares to Mr. Chong Tze Kean on the terms as set out in the Rules of the LMS PSP and the Addendum to the Annual Report 2025, as well as allot and issue shares and/or transfer existing Shares to Mr. Chong Tze Kean pursuant to the vesting of the said Award. Please refer to the said Addendum for further details regarding the Proposed Grant to Ms. Ooi Wan Koon and Mr. Chong Tze Kean.

[#] "subsidiary holdings" has the meaning ascribed to it in the Catalist Rules.

Notes:

The AGM will be held in a wholly physical format at Function Room @ LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 on Monday, 27 April 2026 at 11.00 a.m. for considering and, if thought fit, passing the resolutions set out in this Notice of AGM. There will be no option for members of the Company to participate virtually.

This Notice of AGM, Proxy Form, Request Form, the Annual Report 2025, Addendum dated 10 April 2026 (in relation to the proposed participation in, and grant of awards to, Ooi Wan Koon and Chong Tze Kean, each an associate of a controlling shareholder, under the LMS PSP) ("Addendum") and Second Addendum have been published on the Company's corporate website at the URL: https://lmscompliance.com/investor.html, and the SGXNet at the URL: https://www.sgx.com/securities/company-announcements. Printed copies of this Notice of AGM, the accompanying Proxy Form and the Request Form will also be sent by post to members.

NOTICE OF **ANNUAL GENERAL MEETING**

Printed copies of the Annual Report 2025, Addendum and Second Addendum will not be despatched to members. Members who wish to request for a printed copy of the Annual Report 2025, Addendum and Second Addendum may do so by completing and submitting the Request Form. The duly completed Request Form may be submitted via post to the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, or via email to main@zicoholdings.com **by Wednesday, 15 April 2026.**

Members should take note of the following arrangements for the AGM:-

(a) **Physical Participation in the AGM**

Members (including Supplementary Retirement Scheme investors ("**SRS Investors**")), may participate in the AGM by:-

(i) attending the AGM in person;

(ii) submitting questions in relation to any agenda items in this Notice of AGM in advance of, or at the AGM; and/or

(iii) voting at the AGM by (1) themselves personally; or (2) through duly appointed proxy(ies).

SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective SRS Operators to submit their votes by 11.00 a.m. on Wednesday, 15 April 2026, being at least seven (7) working days before the AGM. Please refer to Proxy Voting under item (c) below for details.

Members, including SRS Investors, or, where applicable, their appointed proxy(ies) who are attending the AGM in person should bring along their NRIC/passport to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members who are unwell are strongly encouraged to exercise social responsibility to rest at home and to consider appointing a proxy(ies) to attend the Meeting.

(b) **Submission of Questions**

Members may raise questions at the AGM or submit questions in advance of the AGM via the following means by 11.00 a.m. on Sunday, 19 April 2026, in the following manner:-

(i) by email, to connect@gem-comm.com; or

(ii) by post, to be deposited with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896.

(iii) For verification purpose, when submitting any questions by post or via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the Company shall be entitled to regard the submission as invalid.

(iv) Members are strongly encouraged to submit their questions by email in advance of the AGM. The Company will publish its responses to the substantial and relevant questions submitted by members prior to the abovementioned deadline, by 11:00 a.m. on Wednesday, 22 April 2026, which is at least 48 hours before the deadline of the Proxy Form.

(v) For questions received after 11.00 a.m. on Sunday, 19 April 2026, the Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. For questions addressed during the AGM, the Company will publish the responses to such questions together with the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of the AGM.

NOTICE OF **ANNUAL GENERAL MEETING**

(c) **Proxy Voting**

Members will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf. A Member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. A proxy need not be a Member.

Duly completed Proxy Forms must be submitted in the following manner:-

(i) by email, to be received by the Company's Share Registrar, B.A.C.S. Private Limited, at main@zicoholdings.com; or

(ii) by post, to be deposited with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896,

in either case, by 11.00 a.m. on Friday, 24 April 2026 (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

A Member who wishes to submit an instrument appointing proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post, or download a copy of the Proxy Form from the SGXNet at the URL: https://www.sgx.com/securities/company-announcements or from the Company's corporate website at the URL: https://lmscompliance.com/investor.html, and subsequently, to complete and sign the Proxy Form before submitting it by (i) post to the address provided above, or (ii) scanning and sending it to the email address provided above in paragraph (c)(i).

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Where a member appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/its discretion, as he/she/it may on any other matter arising at the AGM.

Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the AGM.

Please refer to the detailed instructions set out in the Proxy Form.

Persons who hold Shares through relevant intermediaries, other than SRS investors, and who wish to participate in the AGM should contact the relevant intermediary through which they hold such Shares as soon as possible. Persons who hold Shares through relevant intermediaries, other than SRS investors, may (i) vote at the AGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to/arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.

In addition, SRS investors may (a) vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to/arrange for their votes to be submitted with their respective SRS Operators, and should approach their respective SRS Operators by **11.00 a.m. on Wednesday, 15 April 2026**, being at least seven (7) working days before the date of the AGM, to ensure their votes are submitted.

A Member who is not a relevant intermediary (as defined below) and entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

NOTICE OF **ANNUAL GENERAL MEETING**

A member who is a relevant intermediary and entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than one proxy, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore:-

(a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

Personal Data Privacy

"Personal data" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 of Singapore, which includes his/her name, address and NRIC/Passport number.

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:-

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty; and

(iv) agrees and consents to such photographic, sound and/or video recordings of the AGM as may be made by the Company (or its respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member (such as his/her/its name, his/her/its presence at the AGM and any questions he/she/it may raise or motions he/she/it may propose and/or second) may be recorded by the Company (or its respective agents or service providers) for such purpose.

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

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

PROXY **FORM**

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

PROXY FORM - ANNUAL GENERAL MEETING
(Please see notes overleaf before completing this form)

IMPORTANT

1. The Annual General Meeting of the Company ("**AGM**" or the "**Meeting**") will be held in a wholly physical format at Function Room @ LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 on Monday, 27 April 2026 at 11.00 a.m.. There will be no option to participate virtually. The printed copies of the Notice of AGM dated 10 April 2026, this Proxy Form and the Request Form will be sent by post to members of the Company.
2. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
3. For SRS investors who have used their SRS monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors should contact their respective SRS Operators if they have any queries regarding their appointment as proxies or appointment of the Chairman of the Meeting as proxy.
4. Please read the notes to this Proxy Form.

PERSONAL DATA PRIVACY

By submitting this Proxy Form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2026.

I/We* ______________________(Name) ______________________(NRIC/Passport Number/Company Registration No.*______________________) of______________________
______________________(Address)
being a *member/ members of **LMS COMPLIANCE LTD.** (the "**Company**", and together with its subsidiaries, the "**Group**"), hereby appoint:

Name	**NRIC/Passport No.**	**Email Address**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

*and / or

Name	**NRIC/Passport No.**	**Email Address**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

or failing *him/her/them, the Chairman of the AGM as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM to be held on Monday, 27 April 2026 at 11.00 a.m. at Function Room @ LR Floor, 380 Jalan Besar, ARC 380, Singapore 209000 and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/ their discretion. Where the Chairman of the AGM is appointed as proxy and the absence of specific directions as to voting, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

PROXY **FORM**

The Resolutions proposed at the AGM as indicated hereunder will be put to vote at the AGM by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For", "Against", or "Abstain" for each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy, not to vote on that Resolution.

No.	Resolutions relating to:	For	Against	Abstain
AS ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2025 ("FY2025"), together with the Independent Auditors' Report thereon.			
2.	Declaration and approval of the payment of a final tax exempt (one-tier) dividend of S$0.01 per ordinary share in respect of FY2025.			
3.	Re-election of Dr. Ooi Shu Geok as a Director of the Company ("Director") retiring under Regulation 100 of the Constitution of the Company.			
4.	Approval of the payment of Directors' fees of up to RM326,494 for the financial year ending 31 December 2026, to be paid quarterly in arrears.			
5.	To appoint Messrs. PKF-CAP LLP in place of retiring Messrs. BDO LLP as the Auditors of the Company.			
AS SPECIAL BUSINESS				
6.	Authority for Directors to allot and issue shares in the capital of the Company.			
7.	Authority to offer and grant awards, and to allot and issue shares under the LMS Performance Share Plan.			
8.	Authority to offer and grant options, and to allot and issue shares under the LMS Employee Share Option Scheme.			
9.	The proposed participation of Ms. Ooi Wan Koon in the LMS PSP.			
10.	The proposed participation of Mr. Chong Tze Kean in the LMS PSP.			
11.	The proposed grant of awards to Ms. Ooi Wan Koon under the LMS PSP.			
12.	The proposed grant of awards to Mr. Chong Tze Kean under the LMS PSP.			

Dated this ____________ day of ________________________ 2026.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of member(s) and/or
Common Seal of corporate member

* Delete if not applicable

PROXY **FORM**

IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. Please insert the total number of ordinary shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy shall be deemed to relate to all the Shares held by you.

2. The Proxy Form appointing the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as proxy to vote on the member's behalf at the AGM, duly executed, must be submitted through any of the following means to the Company in the following manner:-

   (a) if submitted by email, to be received by the Company's Share Registrar, B.A.C.S. Private Limited, at main@zicoholdings.com; or

   (b) if sent by post, to be deposited with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896,

   in either case, by **11.00 a.m. on Friday, 24 April 2026** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. A Member who wishes to submit an instrument appointing proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the SGXNet or the Company's corporate website, and subsequently complete and sign the Proxy Form before submitting it by post to the address provided above, or scanning and sending it to the email address provided above in Notes 2(a).

3. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him / her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the AGM.

4. This Proxy Form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.

   (a) Where this Proxy Form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.

   (b) Where this Proxy Form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this Proxy Form, failing which the instrument of proxy may be treated as invalid.

5. A member entitled to attend and vote at the AGM is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a member of the Company.

6. A Member who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than one (1) proxy to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Member. Where such Member appoints more than one (1) proxy, the appointments shall be invalid unless the Member specifies the number of Shares in relation to which each proxy has been appointed. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

7. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it was an individual.

8. SRS Investors may attend and vote at the AGM if they are appointed as proxies by their SRS Operators and should contact their SRS Operators if they have any queries regarding their appointment as proxies. For SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their SRS Operators to submit their votes no later than 11.00 a.m. on Wednesday, 15 April 2026 (being not less than seven (7) working days before the AGM).

PROXY **FORM**

General

The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 10 April 2026.

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Annual Report

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

380 Jalan Besar, #07-10 ARC 380, Singapore 209000.

https://lmscompliance.com/

A Group Member of LMS COMPLIANCE LTD. (SGX:LMS)

LMS COMPLIANCE INTERNATIONAL PTE. LTD. 201930639N **SG CO2 PTE. LTD.** 202410767R	380 Jalan Besar, #07-10 ARC 380, Singapore 209000.
MY CO2 GROUP SDN. BHD. 202201032134 (1477831-M) **MY CO2 SDN. BHD.** 200601024684 (744438-M) **EMPIRIC SCIENCE SDN. BHD.** 201301043397 (1073219-T) **MY CO2 (PG) SDN. BHD.** 201701042071 (1256244-P) **MY CO2 CERTIFICATION SDN. BHD.** 201601026813 (1197752-X) **MY CO2 INSPECTION SDN. BHD.** 202501046001 (1647409-P) **ACCLAB MALAYSIA SDN. BHD.** 202501004890 (1606304-K)	16, Lengkok Kikik 1, Taman Inderawasih, 13600 Perai, Penang, Malaysia. +604-380 8282 enquiry@myco2.com.my www.myco2.com.my
MY CO2 (KL) SDN. BHD. 201501029820 (1155142-M)	40, 46, 48 & 50, Jalan Sepadu B25/B, 40400 Shah Alam, Selangor, Malaysia. +603-5122 3366
MY CO2 (JB) SDN. BHD. 201501029979 (1155302-A)	15, Jalan Molek 1/8, Taman Molek, 81100 Johor Bahru, Johor, Malaysia. +607-355 8811
PRISMATIC TECHNOLOGIES SDN. BHD. 202101028084 (1428384-P)	19, Jalan Green Hall, 10200 George Town, Pulau Pinang, Malaysia. https://prismatic.asia/
ANCHOR TECHNOLOGY HOLDINGS CO., LIMITED ROC No. 2240952 / BRN. 64792330	Room 1801, Easey Comm. Bldg, 253-261 Hennessy Road, Wan Chai, Hong Kong.
美安康质量检测技术(上海)有限公司 **ANCHOR CENTER FOR R&D AND CERTIFICATION** USCC No. 913101153246072394	No. 1295 Chuan Qiao Road, Building 2, Suite 302, Pudong, Shanghai, China. http://www.acclab.cn
美安康科技(海南)有限公司 **ANCHOR TECHNOLOGY (HAINAN) CO., LTD** USCC No. 91460000MAC6NC5556	5/F, Yazhou Center Fishing Port Complex, Yazhou District, Sanya City, Hainan Province, China