

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

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

1. INTRODUCTION

- 1.1. The board of directors (the **"Board"** or **"Directors"**) of LMS Compliance Ltd. (the **"Company"**), and together with its subsidiaries, the **"Group"**) wishes to announce that, on 23 January 2025, LMS Compliance International Pte. Ltd. (**"Purchaser"**), a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement (**"SPA"**) with Splendor Certification Inc (**"Vendor"**), Anchor Technology Holdings Co., Limited (**"ACC HK"** or the **"Target Company"**) and several individuals, namely Deng Yubiao (邓育标), Yang Yanwei (杨彦伟), Cao Pei (曹沛), Si Rong (斯榕) and Zhan Junjie (詹俊杰) (the individuals shall collectively be referred to as the **"Warrantors"**, and individually, a **"Warrantor"**) to acquire 21,556,460 ordinary shares (**"Sale Shares"**), representing 75% of the total issued and paid-up share capital of the Target Company, from the Vendor (the **"Proposed Acquisition"**).
- 1.2. Upon completion of the Proposed Acquisition, ACC HK will become a 75%-owned indirect subsidiary of the Company. The remaining 25% of the total issued and paid-up share capital of ACC HK will continue to be held by the Vendor.
- 1.3. The Proposed Acquisition constitutes a discloseable transaction under Chapter 10 of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) Listing Manual Section B: Rules of Catalist (**"Catalist Rules"**).
- 1.4. In this announcement, unless otherwise stated, the exchange rate applied for the conversion of United States Dollar (**"USD"** or **"US\$"**) into Singapore Dollar (**"SGD"** or **"S\$"**) is US\$1.00: S\$1.3263, being the agreed upon rate between the parties to the SPA (**"Parties"**), as stipulated in the SPA (**"Agreed Exchange Rate"**).

2. INFORMATION ON THE VENDOR, THE WARRANTORS, AND THE TARGET COMPANY

Information on the Vendor and the Warrantors

- 2.1 The Vendor, a private company limited by shares incorporated under the laws of the British Virgin Islands, having its registered office at Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands, is an investment holding company which has an issued and paid-up share capital of US\$50,000 comprising 50,000 ordinary shares. The beneficial interests of the Warrantors in the ordinary shares in the capital of the Vendor as at the date of the SPA are set out as follows:

Name of Warrantor	Number of ordinary shares in the capital of the Vendor
DENG Yubiao (邓育标)	25,000
YANG Yanwei (杨彦伟)	9,000
CAO Pei (曹沛)	7,500
SI Rong (斯榕)	4,500
ZHAN Junjie (詹俊杰)	4,000
Total	50,000 (100%)

- 2.2 The Vendor, its directors and shareholders, the directors of the Target Company and the Warrantors are not related to the Company, the Group, the Directors and substantial shareholders of the Company and their respective associates. As at the date of this announcement, (i) none of the Vendor, its directors and shareholders, the Warrantors, the directors of the Target Company or their respective associates has any interest, direct or indirect, in the Company; and (ii) none of the Directors or substantial shareholders of the Company has any direct or indirect shareholding interests in the Vendor or the Target Company.

Information on the Target Company and the ACC Group (as defined below)

- 2.3 The Target Company, a private company limited by shares incorporated under the laws of Hong Kong, having its registered office at Room 1801, Easey Commercial Building, 253-261 Hennessy Road, Wanchai, Hong Kong, is an investment holding company where its wholly-owned subsidiaries, 美安康质量检测技术(上海)有限公司 (“**ACC Shanghai**”) and 美安康科技(海南)有限公司 (“**ACC Hainan**”) (collectively with the Target Company, the “**ACC Group**”), are engaged in the business of, among others, providing certification services for food and edible agricultural products, research and development services, focusing on product design and development for the food and beverage industry, and consulting services on quality, safety and regulatory compliance for food and beverage customers.
- 2.4 As at the date of the SPA, the Target Company has an issued and paid-up share capital of HK\$28,741,946, comprising 28,741,946 ordinary shares. The shareholders of the Target Company and their respective shareholding interest in the Target Company immediately before and after the completion of the Proposed Acquisition (“**Completion**”) are as follows:

Shareholder of the Target Company	Number of shares and shareholding percentage held before Completion	Number of shares and shareholding percentage held after Completion
Vendor	28,741,946 (100%)	7,185,486 (25%)
Purchaser	-	21,556,460 (75%)
Total	28,741,946 (100%)	28,741,946 (100%)

- 2.5 As at the date of this announcement, (i) none of the directors and shareholders of ACC Shanghai and ACC Hainan is related to the Group, the Company, the Directors and substantial

shareholders of the Company or their respective associates; and (ii) none of the Directors or substantial shareholders of the Company or their respective associates has any direct or indirect shareholding interests in ACC Shanghai and ACC Hainan.

2.6 Based on the management account of the ACC Group for the six-month financial period ended 30 June 2024 (“HY2024”) and an exchange rate of US\$1 : S\$1.3564 as at 30 June 2024:

- (a) the book value of the ACC Group as at 30 June 2024 was approximately US\$1,290 (equivalent to approximately S\$1,750);
- (b) the net tangible liabilities value (“NTL”) of the ACC Group as at 30 June 2024 was approximately US\$2,822,007 (equivalent to approximately S\$3,827,770); and
- (c) the net profits after tax of the ACC Group for HY2024 was approximately US\$176,500 (equivalent to approximately S\$239,404).

Accordingly, (i) the book value of the Sale Shares was approximately US\$968 (equivalent to approximately S\$1,312) as at 30 June 2024; (ii) the NTL attributable to the Sale Shares was approximately US\$2,116,505 (equivalent to approximately S\$2,870,827) as at 30 June 2024¹; and (iii) the net profits after tax attributable to the Sale Shares was approximately US\$132,375 (equivalent to approximately S\$179,553) for HY2024.

2.7 The open market value of the Sale Shares is not available as the ordinary shares of the Target Company are not publicly traded.

2.8 No independent valuation on the Sale Shares was carried out for the purpose of the Proposed Acquisition.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

Purchase Consideration

3.1 Pursuant to the SPA, the aggregate purchase consideration payable by the Purchaser to the Vendor for the purchase of the Sale Shares is US\$4,511,867 (approximately S\$5,984,089, based on the Agreed Exchange Rate) (“Purchase Consideration”).

3.2 The Purchase Consideration was determined pursuant to commercial negotiations between the Purchaser and the Vendor in good faith and on an arm’s length basis, taking into consideration, among others, (i) the profit recorded by the ACC Group for the financial year ended 31 December 2023 (after adjusting for tax and certain one-off other income), and (ii) the balance surplus working capital available to the ACC Group as at 31 December 2024 after accounting for, among others, the contribution to the paid-up capital of both ACC Shanghai and ACC Hainan such that the registered capital of both ACC Shanghai and ACC Hainan becomes fully paid-up.

¹ The NTL of the Target Company as at 30 June 2024 arose primarily from an outstanding shareholder loan amounting to approximately US\$3,467,696 (equivalent to approximately S\$4,703,583) owing by the Target Company (“Outstanding Shareholder Loan”). As at the date of this announcement, the Outstanding Shareholder Loan has been fully capitalized by way of issuance of new shares in the Target Company, eliminating the aforementioned NTL of the Target Company and resulting in an adjusted positive net tangible asset value of US\$645,689 (equivalent to approximately S\$875,813) as at 30 June 2024.

Satisfaction of Purchase Consideration

- 3.3 Pursuant to the SPA, the Purchase Consideration shall be satisfied by the Company partially in cash (utilising internal resources of the Group) and partially by the issuance and allotment of the Consideration Shares (as defined below), in the manner prescribed as follows:
- (a) US\$2,994,544 (equivalent to approximately S\$3,971,663, based on the Agreed Exchange Rate), representing approximately 66% of the Purchase Consideration, by way of an issuance of up to 13,372,603 new ordinary shares in the share capital of the Company in the name of the Vendor (the “**Consideration Shares**”), at an issue price per Consideration Share representing a premium of 15% to the six-month volume weighted average price (“**VWAP**”) of the share in the capital of the Company (“**Share**”) traded on the SGX-ST for the six-month period immediately prior to the Completion Date (as defined below), but subject to a minimum issue price of S\$0.297 (“**Minimum Issue Price**”) (representing a discount not exceeding 10% to the VWAP per Share of S\$0.33 on 22 January 2025, being the last market day on which the Shares were traded on the SGX-ST prior to the signing of the SPA), on Completion Date;
 - (b) US\$816,373 (equivalent to approximately S\$1,082,756, based on the Agreed Exchange Rate), representing approximately 18% of the Purchase Consideration in cash, by way of telegraphic transfer in favour of the Vendor on Completion Date;
 - (c) US\$93,800 (equivalent to approximately S\$124,407, based on the Agreed Exchange Rate), representing approximately 2% of the Purchase Consideration in cash, by way of telegraphic transfer in favour of the Vendor by no later than 31 March 2026;
 - (d) US\$93,800 (equivalent to approximately S\$124,407, based on the Agreed Exchange Rate), representing approximately 2% of the Purchase Consideration in cash, by way of telegraphic transfer in favour of the Vendor by no later than 31 March 2027; and
 - (e) US\$513,350 (equivalent to approximately S\$680,856, based on the Agreed Exchange Rate), representing approximately 12% of the Purchase Consideration in cash, by way of telegraphic transfer in favour of the Vendor upon and subject to the ACC Group achieving positive net profitability and retained earnings (being profits that have not been paid out as dividends) for any full financial year immediately after the Completion Date (including the financial year in which Completion occurs), but in any event no later than the full financial year immediately preceding the date which falls on the sixth anniversary of the Completion Date, based on the audited consolidated financial statements of the ACC Group for the relevant financial year (“**Tranche 4**”).

For the avoidance of doubt, in the event that the ACC Group is not able to achieve a net profit after tax and a positive retained earnings within the period set out in paragraph 3.1(e) of this announcement, the remaining Tranche 4 of the Purchase Consideration shall not be payable.

Completion

- 3.4 Completion of the Proposed Acquisition shall take place on such date no later than ten (10) business days after the date on which the last of the conditions precedent (as set out below)

has been satisfied or waived, in any event not later than the Long-Stop Date (as defined below), or such other date as the Parties may mutually agree in writing (the “**Completion Date**”).

- 3.5 In the event that Completion does not take place on or before the expiry of six (6) months from the date of the SPA, or such later date as the Parties may mutually agree in writing, the Agreement shall automatically lapse and terminate in accordance with the terms therein.

Conditions Precedent

- 3.6 Unless waived by the Purchaser in its sole and absolute discretion, Completion of the Proposed Acquisition is conditional on the fulfilment of the following conditions, among others, and includes all variations and supplements to the same as may be agreed in writing between the Purchaser, the Vendor, the Target Company, and the Warrantors, from time to time:

- (a) there being no outstanding amounts and other liabilities howsoever arising due and owing by the ACC Group to any of its present or past directors, the Vendor, the Warrantors and/or its past shareholders, including but not limited to the outstanding debt owing by the Target Company to its shareholders;
- (b) there being no outstanding amounts due and owing by the Vendor, the Warrantors and/or any of the directors of the ACC Group to the ACC Group;
- (c) the approval of the board of directors of the Purchaser for the transactions contemplated in the SPA to be completed in accordance with the terms and conditions set out in the SPA (including the allotment and issue of the Consideration Shares);
- (d) the completion of legal and financial due diligence investigations being conducted by the Purchaser and its professional advisers on the ACC Group, and the results of such investigations being satisfactory to the Purchaser in its sole and absolute discretion;
- (e) the completion of a legal and/or financial review on the ACC Group conducted by the Purchaser to ensure that all issues highlighted in the legal and/or financial due diligence report issued pursuant to the aforesaid legal and/or financial due diligence investigation have been adequately and appropriately addressed, the results of such legal and/or financial review being satisfactory to the Purchaser, in its sole and absolute discretion;
- (f) the execution and delivery of a shareholders’ agreement between the Purchaser, the Target Company and the Vendor;
- (g) the signing of a service agreement between each of Yang Nan (杨楠), Si Rong (斯榕) and Zhan Junjie (詹俊杰) with the Target Company for a fixed period of three (3) years with effect from the Completion Date;
- (h) no material adverse change or events, acts or omissions likely to lead to such change in the assets and business, prospects, performance, financial position or results of operations of the ACC Group (as determined by the Purchaser in its sole discretion) occurring on or before the Completion Date;
- (i) all licences, permits, consents, approvals, authorisations, waivers and exemptions which are required for the purposes of conducting and carrying on the business of ACC Group (“**Licences and Permits**”) remaining in force and not having expired or been revoked, and there being no occurrence of which could result in any of such Licences and Permits being revoked, as at Completion;

- (j) the purchase and transfer of the Sale Shares upon the terms and conditions of the SPA not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or authority of Singapore or any other relevant jurisdictions;
- (k) all waivers, approvals and consents from all relevant governmental, statutory, regulatory and other competent authorities in Singapore or any other relevant jurisdictions and any other third parties applicable to the Purchaser and/or the Vendor, as the case may be, for the sale and purchase of the Sale Shares, the completion of the terms of the SPA and the transactions contemplated hereunder and referred to hereunder having been granted or obtained and continuing to be in force and effect and not having been withdrawn, suspended, amended or revoked, and if such waivers, consents or approvals are granted or obtained subject to any conditions, such conditions being reasonably acceptable to the Purchaser;
- (l) there not having been at any time prior to or on Completion the occurrence of any of the following events:-
 - (i) liquidation, bankruptcy or insolvency of any entity in the ACC Group;
 - (ii) termination of substantially all or part of the business of any entity in the ACC Group by resolution of the general meeting of their respective shareholders;
 - (iii) appointment of any assignee, receiver or liquidator for substantially all or part of the assets or the business of any entity in the ACC Group; or
 - (iv) attachment, sequestration, execution or seizure of substantially all or part of the assets of any entity in the ACC Group;
- (m) the Purchaser being satisfied that the business of the ACC Group has been carried on in a satisfactory manner and all material approvals and consents (including any governmental, regulatory and/or corporate approvals and consents) required for the business of the ACC Group has been obtained, and are and shall remain valid and effect and not withdrawn or amended, on Completion;
- (n) the execution of the deed of indemnity in the form prescribed under the terms of the SPA by the Vendor and the Warrantors;
- (o) the execution of the warranty certificate in the form prescribed under the terms of the SPA by the Vendor and the Warrantors; and
- (p) the listing and quotation notice being granted by the SGX-ST pursuant to the additional listing application for the listing and quotation of the Consideration Shares on the Catalist of the SGX-ST, and such approval not having been revoked or amended, and if the approval is granted subject to conditions, such conditions being reasonably acceptable to the Purchaser and if required by the SGX-ST, such conditions being fulfilled or satisfied before Completion, and the SGX-ST not having made any ruling the effect of which is to restrict or impede the listing and quotation of the Consideration Shares.

Conditions Subsequent

- 3.7 The Parties agreed that the Target Company and the Purchaser shall, and the Parties shall procure each of their respective nominated directors and other representatives to, undertake the following as soon as practicable after Completion:
- (a) an aggregate amount of RMB1,639,236 (equivalent to approximately S\$305,226, based on an exchange rate of RMB1.00 : S\$0.1862) to be provided by the Purchaser in favour of the Target Company by way of an interest-free convertible loan with no fixed terms of repayment (“**Convertible Loan**”);
 - (b) an aggregate amount of RMB1,000,000, or such other amount as necessary, to be provided by the Target Company in favour of ACC Hainan as contribution to its paid-up capital such that the registered capital of ACC Hainan becomes fully paid-up; and
 - (c) an aggregate amount of RMB389,236, or such other amount as necessary, to be provided by the Target Company in favour of ACC Shanghai as contribution to its paid-up capital such that the registered capital of ACC Shanghai becomes fully paid-up.
- 3.8 As at the date of this announcement, the key terms of the Convertible Loan have not been agreed upon. The purpose of the Convertible Loan is for the working capital of the ACC Group, and to contribute to the paid-up capital of ACC Hainan and ACC Shanghai (as described in paragraphs 3.7(b) and 3.7(c) of this announcement).

Mandate for the issuance of the Consideration Shares and Moratorium

- 3.9 The Consideration Shares are intended to be allotted and issued pursuant to the Company’s general share issue mandate (“**General Mandate**”) approved by the shareholders of the Company at the annual general meeting of the Company held on 24 April 2024 (“**2024 AGM**”). Pursuant to the General Mandate, the Directors are authorised to, among others, allot and issue Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) after adjusting for (i) new Shares arising from the conversion or exercise of any offers, agreements or options, or any convertible securities; (ii) new Shares arising from the exercise of share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of Shares, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at 24 April 2024 after adjustments.
- 3.10 As at the date of 2024 AGM, the Company has 87,435,000 Shares in issue. On 30 September 2024, the Company allotted and issued 17,486,999 new Shares pursuant to a bonus issue exercise undertaken by the Company (“**Bonus Issue**”). Following the completion of the Bonus Issue, the Company has 104,921,999 Shares in issue (“**Existing Share Capital**”) and the limits of the General Mandate have been adjusted accordingly. The Company does not have any treasury shares or subsidiary holdings.
- 3.11 As at the date of this announcement, save for the allotment and issuance of 17,486,999 new Shares pursuant to the Bonus Issue, the Company has not issued any new Shares pursuant to the General Mandate. Accordingly, the allotment and issuance of up to 13,372,603 Consideration Shares will fall within the limits of the General Mandate. The maximum Consideration Shares to be issued represents approximately 12.75% of the Existing Share

Capital, and 11.30% of the enlarged issued and paid-up share capital of the Company of 118,294,602, assuming no other new Shares issued by the Company prior to the issuance of the Consideration Shares.

- 3.12 The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the then existing Shares. The Company will be making an additional listing application through its sponsor to the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares on the Catalist of the SGX-ST. The Company will make the necessary announcement when the SGX-ST has granted the notice for the listing of and quotation for the Consideration Shares.
- 3.13 Each of the Vendor and the Warrantors has provided an irrevocable undertaking to the Purchaser that for a period of three (3) years commencing from Completion Date, the Vendor will not, and the Warrantors shall procure that the Vendor will not, directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of, any part of his Consideration Shares.

4. RELATIVE FIGURES UNDER THE CATALIST RULE 1006

- 4.1 The relative figures in respect of the Proposed Acquisition as computed on the bases set out in Catalist Rule 1006, are based on the Group's latest announced unaudited condensed interim financial statements for HY2024 and the ACC Group's management account for HY2024, and are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	Not Applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	15.57 ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	19.44 ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	12.75
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not Applicable ⁽⁴⁾

Notes:-

- (1) Catalist Rule 1006(a) is not applicable as the Proposed Acquisition does not involve any disposal of assets.

- (2) Pursuant Catalyst Rule 1002(3)(b), “net profits” is defined to be profit or loss before income tax, non-controlling interests and extraordinary items.

The ACC Group recorded a net profits of approximately US\$176,500 (or approximately RM832,638, based on an exchange rate of US\$1 : RM4.7175 as at 30 June 2024). Accordingly, the net profit attributable to the Sale Shares is approximately RM624,479 for HY2024. The Group’s net profit for HY2024 was RM4,010,000.

- (3) Pursuant to Catalyst Rule 1003(3), where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value (“NAV”) represented by such shares, whichever is the higher.

Based on the latest announced unaudited condensed financial statements of the Group for HY2024, the NAV per Share is approximately RM0.28 (equivalent to S\$0.09, based on an exchange rate of RM1 : S\$0.3047), and the market value per Share (based on VWAP of Shares transacted on 22 January 2025, being the market day preceding the date of the SPA, in accordance with Catalyst Rule 1002(4)) is S\$0.33. As the market value per Share is higher than the NAV per Share, the value of the Consideration Shares shall be determined based on the market value per Share of S\$0.33. Accordingly, the market value of the 13,372,603 Consideration Shares is approximately S\$4,412,959.

Accordingly, for purposes of Catalyst Rule 1006(c) and pursuant to paragraph 3.2(b)(ii) under Practice Note 10A of the Catalyst Rules, the aggregate value of the consideration for the Proposed Acquisition is computed based on (i) the Purchase Consideration payable in cash of approximately S\$2,012,426; (ii) the market value attributable to the Consideration Shares of S\$4,412,959; and (iii) the Convertible Loan of approximately S\$305,226 to be advanced by the Purchaser to the Target Company (as described in paragraph 3.7(a) of this announcement).

The market capitalisation of the Company is approximately S\$34,624,260, determined by multiplying 104,921,999 Shares in issue as at the date of this announcement by the VWAP of S\$0.33 per Share on 22 January 2025 (being the last full market day on which the shares of the Company were traded on the SGX-ST preceding the date of the SPA).

- (4) Catalyst Rule 1006(e) is not applicable as the Company is not a mineral, oil and gas company.

- 4.2 As the relative figures computed on the bases set out in Catalyst Rules 1006(b), (c) and (d) exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules and accordingly, the approval of shareholders of the Company (“Shareholders”) is not required for the Proposed Acquisition.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

- 5.1 The *pro forma* financial effects of the Proposed Acquisition on the Group presented below are for illustrative purposes only and are not intended to reflect the actual or future financial performance and position of the Company or the Group after Completion.

- 5.2 The *pro forma* financial effects set out below are prepared based on the latest audited consolidated financial statements of the Group and the ACC Group for the financial year ended 31 December 2023 (“FY2023”), on the following bases and key assumptions:

- (a) the financial effects on the net tangible assets (“NTA”) per Share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2023;
- (b) the financial effects on the earnings per share (“EPS”) of the Group are computed assuming that the Proposed Acquisition were completed on 1 January 2023;
- (c) the Bonus Issue was completed on 31 December 2023;
- (d) the computation of the financial effects on the share capital, NTA per Share and EPS of the Group, where applicable, includes the satisfaction of the Consideration Shares; and

- (e) expenses incurred in connection with the Proposed Acquisition are estimated to be RM450,000.

5.3 Share Capital

	Before the Proposed Acquisition	After the Proposed Acquisition
Share Capital (RM'000)	11,292	24,517
Number of issued Shares (excluding treasury shares) ('000)	104,922	118,295

5.4 NTA per Share

As at 31 December 2023	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (RM'000)	31,181	34,104
Number of Shares (excluding treasury shares) ('000)	104,922	118,295
NTA per Share (RM)	0.30	0.29

5.5 EPS

For FY2023	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to equity holders of the Company (RM'000)	5,481	7,156
Weighted average number of Shares (excluding treasury shares) ('000)	104,922	118,295
EPS (RM)	0.05	0.06

6. **RATIONALE FOR THE PROPOSED ACQUISITION**

The Board is of the view that the Proposed Acquisition is in the best interests of the Company and its shareholders, taking into account, among others, the following:

- (a) the Proposed Acquisition is 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;
- (b) the Proposed Acquisition will generate future revenue streams and operating cash flow for the Group, thereby enhancing Shareholders' value; and

- (c) the partial satisfaction of the Purchaser Consideration by way of the allotment and issuance of the Consideration Shares will also reduce the cash outlay required by the Purchaser in relation to the Proposed Acquisition, thereby allowing the Group to conserve its cash resources to be utilised for other purposes such as its working capital needs and for future investment opportunities. As new Shareholders, the interests of the Vendors will also be aligned to that of the Group.

7. DISCLOSURE OF INTERESTS

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

8. SERVICE CONTRACTS

No service contracts will be entered into by the Company with any person in connection with the Proposed Acquisition.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 380 Jalan Besar, #07-10 ARC 380, Singapore 209000, for a period of three months from the date of this announcement:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2023; and
- (c) the SPA.

By Order of the Board

Ooi Shu Geok
Executive Director and Chief Executive Officer
27 January 2025

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

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.
