



**LMS Compliance Ltd.**

(Company Registration Number: 202225544C)

FOR IMMEDIATE RELEASE

## **LMS Compliance to Acquire 75% Stake in Novel Food Certification and Registration Services Provider for Approximately US\$4.51 Million**

- **Approximately 66% of the purchase price will be settled through the issue of new LMS Compliance shares to the vendor at a 15% premium over LMS Compliance's 6-month VWAP prior to date of completion, but subject to a minimum issue price**
- **Approximately 34% of the purchase price will be paid to the vendor in cash from the Group's internal resources and will be disbursed in several tranches**
- **Post-acquisition, ACC HK will become a 75%-owned indirect subsidiary of the Company**
- **The acquisition is expected to boost the Group's future revenue streams and operating cash flows through expansion of its geographical presence**

**Singapore, January 27, 2025** – LMS Compliance Ltd. ("**LMS Compliance**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce its proposed acquisition of a 75% equity stake in Anchor Technology Holdings Co., Limited ("**ACC HK**" or the "**Target Company**"), a novel food certification and registration services provider, for approximately US\$4.51 million ("**Proposed Acquisition**").

The Group will settle approximately 66% of the purchase price through the issuance of new LMS Compliance shares to the vendor, with the issue price per share representing a premium of 15% over the six-month volume weighted average price (VWAP) per LMS share traded on the SGX-ST for the six-month period immediately prior to the completion date of the Proposed Acquisition, but subject to a minimum issue price of S\$0.297 (representing a discount not exceeding 10% to



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the VWAP per LMS share of S\$0.33 on 22 January 2025, being the last market day on which the LMS shares were traded on the SGX-ST prior to the signing of the sale and purchase agreement). The remaining 34% of the purchase price will be paid to the vendor in cash from the Group's internal resources and will be disbursed in several tranches.

LMS Compliance's wholly owned subsidiary, LMS Compliance International Pte. Ltd., has entered into a sale and purchase agreement with Splendor Certification Inc. ("**Splendor Certification**") as the vendor, ACC HK as the Target Company, and the following individuals – Deng Yubiao (邓育标), Yang Yanwei (杨彦伟), Cao Pei (曹沛), Si Rong (斯榕) and Zhan Junjie (詹俊杰), to acquire approximately 21.56 million ordinary shares of ACC HK, representing 75% of the total issued and paid-up share capital of ACC HK, from Splendor Certification. The aforementioned individuals are all shareholders of Splendor Certification and collectively represent its entire ownership.

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 Splendor Certification.

ACC HK and its wholly owned subsidiaries – 美安康质量检测技术(上海)有限公司 and 美安康科技(海南)有限公司 (collectively with the Target Company, the "**ACC Group**") – specialise in comprehensive novel food industry services that encompass certification, registration, research and development services for new product development, as well as consulting services on quality, safety and regulatory compliance. They also offer targeted regulatory support for Generally Recognized as Safe (GRAS) and New Dietary Ingredient (NDI) product registrations in the United States. The breadth of their offerings is highly complementary and synergistic with LMS Compliance's recent expansion into the regulatory consulting business segment and its efforts to enhance its certification presence in the Asia-Pacific region.

Overall, LMS Compliance believes the Proposed Acquisition of the ACC Group will boost its testing and certification business, as well as generate future revenue streams and operating cash flows for the Group, thereby enhancing shareholders' value. The Proposed Acquisition will further



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strengthen the Group's geographical footprint in the Asian region, as the ACC Group will be LMS Compliance's first overseas subsidiary with operations in Hong Kong, Shanghai and Hainan. Furthermore, by paying for the Proposed Acquisition in part with new LMS shares, the Group will also be able to conserve its cash resources for working capital needs and future investment opportunities as and when they arise.

Dr Louis Ooi, Executive Director and CEO of LMS Compliance commented: ***"We are thrilled to announce our strategic acquisition of a 75% stake in Anchor Technology Holdings Co., Limited, which represents a significant milestone in the Group's growth trajectory. By integrating their specialised certification and regulatory consulting services for the novel food development sector into our product offerings, we are expanding our geographical footprint and creating robust new revenue streams that will deliver enhanced value to all our stakeholders."***

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### About LMS Compliance Ltd

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

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

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

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

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

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

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

### Disclaimer

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expectations implied by these forward-looking statements. The Company makes no representation or warranty, express or implied, as to or endorsement of the accuracy or completeness of any information, statements, or representations contained in this press release with respect to the Company and the Group.

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

This press release 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 press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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