



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

---

## RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION

---

The board of directors (the “**Board**”) of LMS Compliance Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) sets out its responses to the following queries raised by the Singapore Exchange Regulation (“**SGX**”) in respect of the Company’s announcement dated 29 January 2024 (“**Announcement**”) titled “LMS Compliance Launches New ESG Disclosure and Sustainability Report Assurance Service”.

Unless otherwise stated, all capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement.

### SGX Query 1

**The Group is principally engaged in the provision of laboratory testing and assessment services, provision of certification services, trading of scientific instruments, chemicals, media and laboratory solutions, development of software and application pertaining to conformity assessment technology, and the promotion and marketing of the Group’s software and online applications (“Existing Businesses”).**

**The Company disclosed in the Announcement that “it has launched an environmental, social and governance (ESG) disclosure and sustainability report assurance service aimed at helping companies and businesses meet their regulatory obligations”. We also note that the Company had ventured into the provision of ESG reporting service in March 2023. Notwithstanding there is no acquisition, the entry into this new business segment could change the risk profile of the Company.**

**Did the Company consider seeking shareholders’ approval for a diversification into the sustainability reporting and assurance services business segment?**

### Response from the Company

The Group is leveraging on its existing resources and assets under its testing and assessment division and certification division, and other testing facilities owned by the Group to provide ESG disclosure and sustainability report assurance service. Accordingly, the Group’s expansion into the ESG disclosure and sustainability report assurance service does not require substantial capital injection or investments in resources and assets, and is not expected to have an adverse impact on the Group’s gearing and working capital in FY2024. In addition, the ESG disclosure and sustainability report assurance service complements the Existing Businesses, specifically in the testing and assessment division, and the certification division, and is not expected to expose the Group to significant new risks.

Based on the above, the Company is of the view that the provision of the ESG disclosure and sustainability report assurance service is an expansion of its Existing Businesses and it does not constitute a diversification of its Existing Businesses. In addition, the provision of the ESG disclosure and sustainability report assurance service does not change the Group's risk profile as it is an expansion of business offerings, which does not require substantial capital injection or investments in resources and assets, and as such, shareholders' approval is not required.

### **SGX Query 2**

**Does the Group have the relevant experience, expertise and track record, as well as certifications and licences where relevant, to run this new business segment of advising and providing assurance on ESG reporting? Please elaborate.**

#### Response from the Company

Firstly, the Group has over ten (10) years of track record of providing independent testing services for clients in Malaysia. The Group currently has more than hundred (100) full-time employees, including but not limited to Registered Chemists, Microbiologists, Environmental Scientists, and Engineers, to support discrete environmental data collection, product safety and health examination. In addition, the Group has over five (5) years of experience as registered hygienists to provide assessments on workplace safety and health in Malaysia across a gamut of industries, including the food, pharmaceutical, healthcare, greentech, and medical devices. The Group's testing division is able to provide relevant environmental testing data and workplace safety assessment data related to carbon footprint, water quality, air quality, noise pollution, workplace safety and hygiene to enhance ESG reporting services.

Secondly, the Group's certification division provides certification on various International Standard Organisation ("ISO") management systems, including but not limited to ISO45001 Occupational Health and Safety Management System ("OHSMS"), and ISO22000 Food Safety Management System ("FSMS") which are certified by the Group, and ISO14001 Environmental Management System ("EMS") under licensing from an international partner. The Group's certification services embodied the principle of assessing the environmental aspect and social impact on sustainability performance while meeting the requirements of major reporting and assurance standards.

Thirdly, the Group's wholly-owned subsidiary, MY CO2 Certification Sdn Bhd ("MYCT"), has obtained the license of AA1000 assurance standard ("AA1000AS") as a Licensed Provider from AccountAbility, a global consulting and standards firm that works with businesses, investors, governments, and multi-lateral organisations on ESG matters. As a licensed assurance provider for AA1000AS, MYCT can provide sustainability report assurance services in accordance to AA1000AS which includes evaluating the sustainability systems and processes, as well as evaluating the reliability of the disclosed performance information and the relevant data collection processes.

In view of the above, the Company is of the view that it has the necessary experience and expertise to run this new business. Where necessary, the Company will train new and suitably qualified talents to staff this new service offering. The Company expects its track record would grow with success in this new service.

### **SGX Query 3**

#### **What are the Group's future plans for its Existing Businesses?**

##### **Response from the Company**

As at the date of this announcement, the Group's future plans are as disclosed under the section entitled "General Information on our Group - Business Strategies and Future Plans" in the Company's offer document dated 22 November 2022 ("**Offer Document**"), as set out below:

- (a) expanding the scale of the Group's testing and assessment services;
- (b) boosting the Group's certification services segment and conformity assessment technology distribution segment; and
- (c) growing through acquisitions, joint ventures and strategic alliances.

Please refer to the Offer Document for more information on each of the abovementioned future plans.

The Company constantly explores potential mergers and acquisitions. As and when there is any material development, the Company will make the necessary announcements in compliance with the requirements of the Catalist Rules.

#### **By Order of the Board**

**Ooi Shu Geok**  
**Executive Director and Chief Executive Officer**  
**2 February 2024**

---

*This announcement has been prepared by LMS Compliance Limited (the "Company") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by 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, Chief Executive Officer, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.*