



LMS Compliance Ltd.

(Company Registration Number: 202225544C)
(Incorporated in the Republic of Singapore on 22 July 2022)

PLACEMENT IN RESPECT OF 14,000,000 PLACEMENT SHARES AT S\$0.26 EACH BY WAY OF PLACEMENT, PAYABLE IN FULL ON APPLICATION

Prior to making a decision to subscribe for the Placement Shares, you should carefully consider all the information contained in the offer document dated 22 November 2022 (the “Offer Document”) issued by LMS Compliance Ltd. (the “Company”) in respect of the Placement. This Product Highlights Sheet should be read in conjunction with the Offer Document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Placement Shares, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choice.

This Product Highlights Sheet¹ is an important document.

- It highlights the key information and risks relating to the offer of the Placement Shares contained in the Offer Document. It complements the Offer Document².
- You should **not** subscribe for the Placement Shares if you do not understand the nature of an investment in the Placement Shares, our business or are not comfortable with the accompanying risks.
- If you wish to subscribe for the Placement Shares, you will need to make an application in the manner set out in the Offer Document. If you do not have a copy of the Offer Document, please contact our Company or the Sponsor and Issue Manager or the Placement Agent to ask for one.

Company	LMS Compliance Ltd.	Place of incorporation	Republic of Singapore
Details of this offer	Placement of 14,000,000 Placement Shares	Total amount to be raised in this offer	Gross proceeds of approximately S\$3.64 million, with net proceeds estimated to be approximately S\$2.04 million to be raised from the Placement.
Placement Price	S\$0.26 for each Placement Share	Listing status of Issuer and the Securities	An application has been made to the SGX-ST for permission to deal in, and the quotation of, all our Shares that are already issued, the Placement Shares, the ZC Shares, the Award Shares and the Option Shares on Catalist. The Shares are expected to be listed on 1 December 2022.
Sponsor and Issue Manager	ZICO Capital Pte. Ltd.		
Placement Agent	CGS-CIMB Securities (Singapore) Pte. Ltd.		

OVERVIEW

¹ This Product Highlights Sheet does not constitute, or form any part of any offer for sale or subscription of, or solicitation of any offer to buy or subscribe for, any securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information in this Product Highlights Sheet is based on information found in the Offer Document. Any decision to subscribe for securities must be made solely on the basis of information contained in the Offer Document. Capitalised terms used in this Product Highlights Sheet, unless otherwise defined, shall bear the meanings as defined in the Offer Document.

² The Offer Document, registered by the SGX-ST, acting as agent on behalf of the Authority on 22 November 2022, may be obtained on request, subject to availability during office hours from ZICO Capital Pte. Ltd., at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 and CGS-CIMB Securities (Singapore) Pte. Ltd., at 10 Marina Boulevard, #09-01 Marina Bay Financial Centre Tower 2, Singapore 018983. An electronic copy of the Offer Document (together with this Product Highlights Sheet) is also available at the SGX-ST’s website at <http://www.sgx.com>.

WHO ARE WE AND WHAT DO WE DO?

Our Company was incorporated in Singapore on 22 July 2022 under the Companies Act as a private company limited by shares under the name of “LMS Compliance Pte. Ltd.”. Pursuant to the Restructuring Exercise, our Company has become the holding company of our Group for the purpose of the Listing. On 18 November 2022, our Company was converted into a public company and was renamed as “LMS Compliance Ltd.”.

Leveraging on our expertise and know-how, we offer quality testing and certification services for our customers across a gamut of industries, ranging from food and healthcare to industrial and greentech. Currently operating in Penang, Shah Alam and Johor Bahru, and with a sales office in Kota Bahru, we have been in the testing and/or certification business for over fifteen (15) years. Our laboratory testing adheres to both local and international standard methods, and has been accredited by the Department of Standards Malaysia based on the ISO/IEC 17025 standards recognised by the International Laboratory Accreditation Cooperation. Our business segments broadly comprise the following:

(a) **Provision of testing and assessment services**

Through our ISO/IEC 17025 accredited laboratories, we provide laboratory testing and assessment services including chemical, microbiology, nucleic acid and physical analyses, for clients in the food, feed, fertiliser, pharmaceutical, medical devices, healthcare, industrial and greentech industries. We assist our customers to achieve compliance with industry standards and ensure consumer products’ safety.

(b) **Provision of certification services**

Our subsidiary, MY CO2 Certification Sdn. Bhd., is an ISO/IEC 17021 accredited certification body providing audit and management system certification services such as ISO 9001-2015 (Quality Management Systems), ISO 22000 2018 (Food Safety Management System certification), ISO 45001 2018 (Occupational Health & Safety Management System certification) and MS 1480 2019 (Food Safety according to the Hazard Analysis Critical Control Points system).

(c) **Trading**

Our Group trades and distributes a broad range of analytical instruments, testing equipment, chemicals, glassware and laboratory consumable items.

(d) **Distribution of conformity assessment technology**

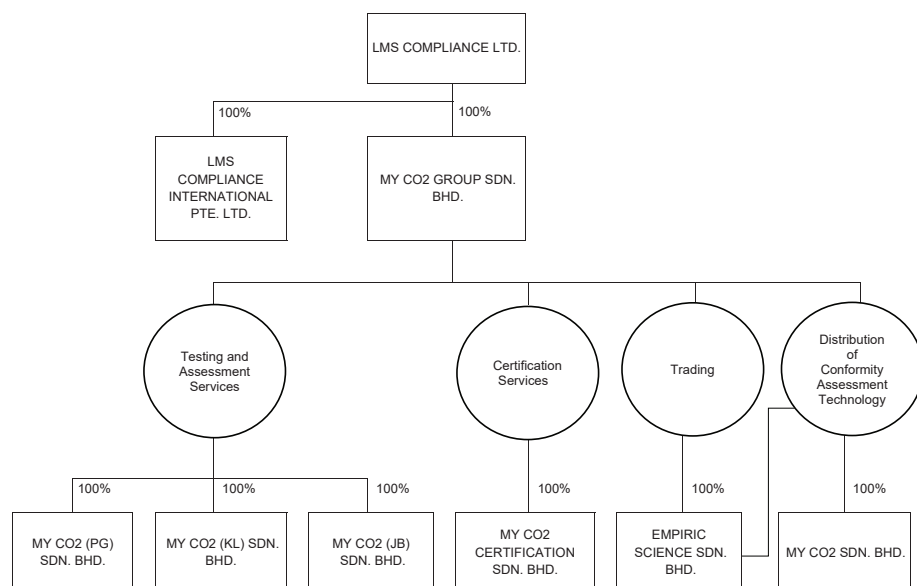
Our Group markets and distributes our online cloud-based applications which are developed in-house, such as “aikinz-LIMS”, and “aizenz”. Our “aikinz-LIMS” application is a digital laboratory information management system, which helps our customers to streamline and digitalise laboratory operations. Our “aizenz” application is a one-stop ISO certification platform that enhances the efficiency of certification process for businesses.

In 2022, 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.

During the Period Under Review, the testing and assessment segment was our largest revenue contributor, contributing approximately 96% to 98% of our Group’s total revenue.

Refer to the sections entitled “General Information on our Group – History of Our Group” on pages 86 to 87, “General Information on our Group – Business Overview” on pages 88 to 96, “Group Structure” on pages 66 to 67 and “Restructuring Exercise” on pages 63 to 65 of the Offer Document for more information.

The structure of our Group after the Restructuring Exercise will be as follows:



WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

The members of our Board of Directors are:

- (a) Dr. Ooi Shu Geok – Executive Director and Chief Executive Officer
- (b) Ms. Chong Moi Me – Executive Director and Chief Development Officer
- (c) Dr. Chong Juin Kuan – Non-Executive Non-Independent Director
- (d) Datuk Fadilah – Independent Chairman
- (e) Dato (Dr.) Gooi – Independent Director
- (f) Mr. Ong Beng Chye – Independent Director
- (g) Ms. Wong Wan Chin – Independent Director

Our Executive Officers are:

- (a) Mr. Kuan Pin Seah – Financial Controller
- (b) Mr. Poh Tze Kye – Chief Operation Officer
- (c) Mr. Nyeoh Yeong Sheng – Chief Compliance Officer
- (d) Mr. Chua Siong Wei – Chief Strategy Officer
- (e) Ms. Ooi Wan Koon – Chief People Officer
- (f) Mr. Teh Huat Chooi – Chief Technology Officer

Refer to section entitled “Directors, Executive Officers and Staff” on pages 138 to 147 of the Offer Document for more information.

WHO ARE OUR CONTROLLING SHAREHOLDERS?

Our Controlling Shareholders are Louis May Pte. Ltd. (“**Louis May**”), Dr. Ooi Shu Geok and Ms. Chong Moi Me. Louis May is held by Dr. Ooi Shu Geok (50%) and Ms. Chong Moi Me (50%). Accordingly, Dr. Ooi Shu Geok and Ms. Chong Moi Me are deemed interested in the Shares held by Louis May.

Immediately before the Placement, Louis May holds 91.00% of the issued share capital of our Company. Immediately after the Placement, Louis May will hold approximately 75.52% of the issued share capital of our Company respectively.

Refer to section entitled “Shareholders – Ownership Structure” on pages 56 to 57 of the Offer Document for more information.

**HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND
WHAT IS OUR CURRENT FINANCIAL POSITION?**

Selected items from the Combined Statements of Comprehensive Income of our Group

(RM'000)	← Audited →			← Unaudited →	
	FY2019	FY2020	FY2021	3M2021	3M2022
Revenue	14,526	15,839	16,988	4,003	4,419
Profit before income tax	5,119	6,194	6,610	1,409	1,799
Profit for the financial year/ period	3,946	4,690	4,948	1,085	1,437
Pre-Placement EPS (sen) ⁽¹⁾	5.44	6.46	6.82	1.50	1.98
Post-Placement EPS (sen) ⁽²⁾	4.51	5.36	5.66	1.24	1.64

Refer to sections entitled "Offer Document Summary – Financial Highlights" on pages 27 to 28, "Summary of our Financial Information" on pages 68 to 69, "Management's Discussion and Analysis of Results of Operations and Financial Condition" on pages 70 to 85 of the Offer Document for more information.

Notes:

- (1) For comparative purposes, our pre-Placement EPS for the Period Under Review have been computed based on the profit for the financial year/period and our pre-Placement share capital of 72,560,000 Shares.
- (2) For comparative purposes, our post-Placement EPS for the Period Under Review have been computed based on the profit for the financial year/period and our post-Placement share capital of 87,435,000 Shares.

Selected items from the Combined Statements of Financial Position of our Group

(RM'000)	← Audited →			Unaudited
	As at 31 December 2019	As at 31 December 2020	As at 31 December 2021	As at 31 March 2022
Non-current assets	8,957	9,508	9,266	9,177
Current assets	8,235	13,562	11,717	12,667
Total assets	17,192	23,070	20,983	21,844
Non-current liabilities	2,595	2,675	2,411	2,356
Current liabilities	3,512	4,537	4,266	3,745
Total liabilities	6,107	7,212	6,677	6,101
Total equity	11,085	15,858	14,306	15,743
NAV per Share (sen) ⁽¹⁾	15.28	21.86	19.72	21.70

Note:

- (1) NAV per Share for the Period Under Review have been computed based on our pre-Placement share capital of 72,560,000 Shares.

Selected items from the Combined Statements of Cash Flows of our Group

(RM'000)	← Audited →			Unaudited
	FY2019	FY2020	FY2021	3M2022
Net cash from operating activities	5,793	6,917	5,195	489
Net cash (used in)/from investing activities	(3,968)	(6,236)	2,327	(313)
Net cash used in financing activities	(3,506)	(549)	(7,150)	(158)
Net changes in cash and bank balances	(1,681)	132	372	18
Cash and bank balances at beginning of financial year/period	2,283	602	734	1,106
Cash and bank balances at end of financial year/period	602	734	1,106	1,124

The most significant factors contributing to our financial performance in FY2020 as compared to FY2019 are as follows:

- (a) Revenue increased by RM1.31 million or 9.0%, from RM14.53 million in FY2019 to RM15.84 million in FY2020. Revenue from our laboratory testing services increased by RM1.13 million or 8.0%, from RM14.22 million in FY2019 to RM15.35 million in FY2020, mainly due to an increase in revenue contribution from our laboratory in Perai (Pulau Pinang), as a result of increased demand for our laboratory testing services from our customers in the healthcare, environmental, food and medical devices industries. In FY2020, our Group also begun the provision of certification services and recorded revenue of RM0.13 million from such services during the year.
- (b) Other income increased by RM0.51 million or 313.9%, from RM0.16 million in FY2019 to RM0.67 million in FY2020, mainly due to government wage subsidy of RM0.47 million, as compared to nil in FY2019.
- (c) Materials, consumables and subcontractor costs increased by RM0.44 million or 41.0%, from RM1.05 million in FY2019 to RM1.49 million in FY2020, mainly due to an increase in fees paid to subcontractors attributable mainly to (i) travel restrictions from the Movement Control Order in Malaysia which prevented us from travelling to our customers' sites located in different states in Malaysia, and (ii) tapping on the technical expertise of subcontractors in new sectors such as face mask testing.
- (d) Depreciation expenses increased by RM0.20 million or 27.50%, from RM0.69 million in FY2019 to RM0.89 million in FY2020, mainly due to an increase in depreciation of right-of-use assets by RM0.13 million. The increase in depreciation of right-of-use assets was due to the addition of leased office premises in FY2020 and full year of depreciation in FY2020 as compared to less than a full year of depreciation in FY2019 for certain office premises.
- (e) As a result of the above, our profit before income tax increased by RM1.07 million or 21.0%, from RM5.12 million in FY2019 to RM6.19 million in FY2020.
- (f) Income tax expense increased by RM0.33 million or 28.2%, from RM1.17 million in FY2019 to RM1.50 million in FY2020, mainly due to an increase in current income tax expense in line with the increase in profit before tax and deferred tax expenses.

The most significant factors contributing to our financial performance in FY2021 as compared to FY2020 are as follows:

- (a) Revenue increased by RM1.15 million or 7.3%, from RM15.84 million in FY2020 to RM16.99 million in FY2021, mainly due to an increase in revenue from laboratory testing services by RM0.92 million, an increase in revenue from sale of goods by RM0.20 million and an increase in revenue from certification services by RM0.03 million. The increase in revenue from laboratory testing services was mainly due to an increase in demand from our customers in the food, pharmaceutical, environmental, and medical devices industries, on the back of greater economic activities following the easing of restrictions pertaining to the COVID-19 pandemic in Malaysia.
- (b) Other income decreased by RM0.16 million or 24.4%, from RM0.67 million in FY2020 to RM0.51 million in FY2021, mainly due to a decrease in government wage subsidy of RM0.23 million and partially offset by an increase in interest income of RM0.08 million as a result of a higher average monthly balance of financial assets at fair value through profit or loss in FY2021.
- (c) Employee benefits expense increased by RM0.12 million or 2.0%, from RM6.07 million in FY2020 to RM6.19 million in FY2021, mainly due to an increase in salaries, bonuses and other staff benefits of RM0.24 million and partially offset by a decrease in directors' fee of RM0.15 million.

- (d) Other expenses increased by RM0.34 million or 21.0%, from RM1.63 million in FY2020 to RM1.97 million in FY2021, mainly due to the provision of sales and services tax expense. Please refer to section entitled “Risk Factors – Risks relating to our overseas operations and operations in Malaysia – We may be subject to tax audit and investigations in Malaysia” for further details on the provision of sales and services tax.
- (e) As a result of the above, our profit before tax increased by RM0.42 million or 6.7%, from RM6.19 million in FY2020 to RM6.61 million in FY2021.
- (f) Income tax expense increased by RM0.16 million or 10.5%, from RM1.50 million in FY2020 to RM1.66 million in FY2021, mainly due to an increase in current income tax expense in line with the increase in profit before tax and adjustments due to an underprovision of income tax expense in respect of prior financial years.

The most significant factors contributing to our financial performance in 3M2022 as compared to 3M2021 are as follows:

- (a) Revenue increased by RM0.42 million or 10.4%, from RM4.00 million in 3M2021 to RM4.42 million in 3M2022, mainly due to a general increase in demand for laboratory testing services by RM0.38 million and an increase in revenue from certification services by RM0.04 million. The increase in revenue from laboratory testing services was mainly due to general recovery in the economy with the easing of COVID-19 restrictions.
- (b) Other income increased by RM0.10 million or 226.1%, from RM0.04 million in 3M2021 to RM0.14 million in 3M2022, mainly due to government wage subsidy of RM0.11 million in 3M2022 as compared to nil in 3M2021.
- (c) Materials, consumables and subcontractor costs increased by RM0.09 million or 23.9%, from RM0.36 million in 3M2021 to RM0.45 million in 3M2022, in line with the increase in revenue.
- (d) Employee benefits expense decreased by RM0.11 million or 6.4%, from RM1.62 million in 3M2021 to RM1.51 million in 3M2022, mainly due to absence of underprovision of bonus in FY2020 which was expensed off in 3M2021.
- (e) Other expenses increased by RM0.08 million or 20.7%, from RM0.40 million in 3M2021 to RM0.48 million in 3M2022, mainly due to an increase in professional fees, printing and stationery expenses, and advertisement expenses.
- (f) As a result of the above, our profit before income tax increased by RM0.39 million or 27.7%, from RM1.41 million in 3M2021 to RM1.80 million in 3M2022.

The above factors are not the only factors contributing to our financial performance in FY2019, FY2020, FY2021, and 3M2022. Please refer to the other factors set out in the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Condition” on pages 70 to 85 of the Offer Document.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

Our business strategies and future plans are as follows:

Expanding the scale of our testing and assessment services

- We plan to increase the range of our accredited and non-accredited tests in our existing industry sectors and expand into new industry sectors such as oil and gas by *inter alia*, investing in new laboratory equipment, cleanrooms and instruments, and hiring new chemists and marketing staff.

Refer to section entitled “General Information on our Group – Business Strategies and Future Plans” on page 128 of the Offer Document for more information.

- We may also set up new laboratories in other states of Malaysia where we do not have a footprint in to capture demand from these locations, subject to our assessment of the commercial viability of such investments.

Boosting our certification services segment and conformity assessment technology distribution segment

- We intend to expand the scope of our certification services to new industry sectors such as agriculture, basic metals, machinery and equipment, recycling, and hotels and restaurants. We will collaborate with companies that offer such certifications at the initial stage and then seek accreditation from the Department of Standards Malaysia after we gain the relevant experience in these sectors.
- We intend to enhance the features and capabilities of our digital laboratory solutions, namely “aizenz” and “aikinz-LIMS” by adding amongst others, artificial intelligence, data analytics, data mining or benchmarking capabilities to analyse customer behaviour patterns to assist in decision-making. We will also increase our efforts in marketing and promotion of these digital laboratory solutions, via various communication strategies such as online advertisements, conducting webinars, and encouraging referrals by offering sales commission to our Group’s employees. We also intend to leverage on our existing customer base to cross-sell our digital laboratory solutions.

Growing through acquisitions, joint ventures and strategic alliances

- Our Group intends to expand through acquisitions, investments, joint ventures and strategic alliances as part of our long-term growth strategy, and may also consider strategic partnerships or alliances with parties which are synergistic with our existing businesses, in countries such as Malaysia, Indonesia and China. This will enable us to strengthen our market position and/or expand into new areas and geographies that are complementary to our existing business.

WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?

As at the Latest Practicable Date and barring unforeseen circumstances, our Directors have observed the following trends which may have an impact on our Group’s business and financial prospects for the next twelve (12) months from the Latest Practicable Date:

- (a) our revenue for FY2022 and FY2023 is expected to increase from an increase in demand for our laboratory testing services as economic activity is expected to increase with the further easing of restrictions in Malaysia pertaining to the COVID-19 pandemic, and as we continue to increase our sales and marketing efforts to boost revenue;
- (b) our materials, consumables and subcontractor costs are expected to increase in FY2022 and FY2023, in tandem with the increase in expected revenue;
- (c) depreciation expenses are expected to increase in FY2022 and FY2023 as we expect to make additions to our property, plant and equipment in both financial years;
- (d) our employee benefits expenses are expected to increase in FY2022 mainly due to an increase in headcount and salary increments. Employee benefits expenses are expected to increase in FY2023 mainly due to our Executive Directors’ remuneration pursuant to the Service Agreements, a full 12-month period of directors’ fees for our independent and non-executive Directors, an increase in headcount and salary increments; and

Refer to section entitled “General Information on our Group – Trend Information” pages 131 to 132 of the Offer Document for more information.

(e) our other expenses are expected to increase in FY2022, mainly due to expenses in connection with the Listing. Other expenses are expected to decrease in FY2023 mainly due to the absence of expenses in connection with the Listing and partially offset by a full 12-month period of compliance costs for a public listed company.

Based on the foregoing, there is no assurance that our Group can maintain a profit position in FY2022.

The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in the sections entitled “Risk Factors” on pages 33 to 47, “Management’s Discussion and Analysis of Results of Operations and Financial Condition” on pages 70 to 85, “General Information on our Group – Prospects” on pages 129 to 131 and “General Information on our Group – Trend Information” on pages 131 to 132 of the Offer Document.

WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?

KEY RISKS

We consider the following to be the most important key risks which had materially affected or could materially affect our business operations, financial position and results, and your investment in the Placement Shares:

- **We are subject to the risk of changes in the relevant laws and regulations in the countries we operate**

There is no assurance that the regulatory environments in which our Group operates will not change significantly or become more stringent in the future. An increase in compliance costs to comply with changes in existing or new laws and regulations may adversely affect our business, operations, financial performance and prospects. There is also no assurance that we would be able to comply with such amended or new laws and regulations. In the event that we fail to do so, we may be penalised for such breaches of law or regulation, and our business, operations, financial performance and prospects may be adversely affected as a result.

- **We are subject to registration requirements and require certain accreditations, licences, registrations, permits and approvals for certain business operations**

We are required to obtain various accreditations, licences, registrations, permits and approvals to carry out certain business operations, in particular for our laboratory testing and assessment services. Our customers may also require evidence of various professional licensing and accreditation as part of their selection of a provider of testing services and various governmental and regulatory authorities may mandate certain accreditations and professional licensing in connection with the performance of various services.

There is no assurance that we will be able to obtain and/or maintain all required accreditations, licences, permits and certificates and approvals in a timely manner or at all.

Furthermore, certain licences are held by individuals who are directors and/or employees of our Group, and they are responsible for ensuring compliance with all the conditions under said licenses and are liable in the event of non-compliance with these conditions. There is no assurance that we will be able to retain these individuals and the loss of these individuals (and the relevant licences) without suitable and timely replacements may have an adverse impact on our business, operations, financial performance and prospects.

Refer to section entitled “Risk Factors” on pages 33 to 47 of the Offer Document for more information.

● **We are dependent on our key management personnel**

Our continued success is dependent to a large extent on our key management personnel, in particular, our CEO, Dr. Ooi, and our Chief Development Officer, Ms. Chong, set out in the section entitled “Directors, Executive Officers and Staff – Directors” of the Offer Document. Their technical know-how, industrial knowledge and relationships with our customers and suppliers have been instrumental to the growth of our Group. Our key management personnel are collectively responsible for implementing our expansion plans and business strategies and driving our growth. There is no assurance that we will be able to retain our key management personnel. The loss of any key management personnel without suitable and timely replacements will have an adverse impact on our business, operations, financial performance and prospects.

The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and your investment in our Placement Shares. Please refer to “Risk Factors” on pages 33 to 47 of the Offer Document for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our Placement Shares, you should consider all the information contained in the Offer Document.

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

As at the date of the Offer Document, the total issued and paid-up share capital of our Company is S\$51,385, comprising 72,560,000 Shares.

Refer to “Appendix D – Description of our Shares” on pages D-1 to D-6 of the Offer Document for more information.

As at the Latest Practicable Date, we have only one (1) class of shares, being ordinary shares, and the Placement Shares will have the same rights as our other existing issued Shares, including voting rights. Subject to our Constitution, Shareholders will be entitled to all rights attached to their Shares in proportion to their shareholding, such as any cash dividends declared by the Company and any distribution of assets of the Company. There is no restriction on the transfer of fully paid-up Shares except where required by law or Catalist Rules or the rules or byelaws of the SGX-ST.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The gross proceeds to be raised from the Placement will be approximately S\$3.64 million. The net proceeds to be raised from the Placement, after deducting the estimated expenses in relation to the Placement of approximately S\$1.60 million, will be approximately S\$2.04 million.

Refer to section entitled “Use of Proceeds and Listing Expenses” on pages 48 to 49 of the Offer Document for more information.

The allocation of each principal intended use of proceeds is set out below:

Use of proceeds	Amount (S\$'000)	Estimated amount for each dollar of the gross proceeds from the issuance of the Placement Shares (cents)
Expansion of our certification services segment and conformity assessment technology distribution segment	300	8.24
Acquisitions, joint ventures and strategic alliances to expand our business	1,200	32.97
General working capital	538	14.78
Net proceeds from the issue of the Placement Shares	2,038	55.99
Total listing expenses	1,602	44.01
Gross proceeds from the issue of the Placement Shares	3,640	100.00

WILL WE BE PAYING DIVIDENDS AFTER THE OFFER?

Although our Company currently does not have a fixed dividend policy, our Directors intend to recommend and distribute dividends of a minimum of 20.0 per cent of our profit attributable to owners of the Company in respect of FY2022, FY2023 and FY2024 (the “**Proposed Dividends**”). However, investors should note that all the foregoing statements, including the statements on the Proposed Dividends, are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) at our Directors’ sole and absolute discretion. Any dividends declared will be disclosed in our Company’s financial results announcement as required by Appendix 7C of the Catalist Rules.

Refer to section entitled “Dividend Policy” on pages 50 to 51 of the Offer Document for more information.

The form, frequency and amount of future dividends that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as any other factors deemed relevant by our Directors:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and other investment plans;
- (d) our working capital requirements and general financing condition;
- (e) restrictions on payment of dividends imposed on us by our financing arrangements (if any); and
- (f) the general economic and business conditions in countries in which we operate.

The amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. Investors should not make any inference from the foregoing statements as to our actual future profitability or our ability to pay any future dividends. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future. Payment of any dividends shall be in S\$.

DEFINITIONS

Group Companies

- “Company” : LMS Compliance Ltd.
- “Group” : Our Company and our subsidiaries as at the date of the Offer Document

Other Corporations and Agencies

- “Authority” : The Monetary Authority of Singapore
- “SGX-ST” : Singapore Exchange Securities Trading Limited

General

- “Award” : An award of Shares granted pursuant to the LMS Performance Share Plan
- “Award Shares” : The Shares which may be allotted and issued and/or transferred from time to time pursuant to the vesting of the Awards granted under the LMS Performance Share Plan
- “Board” or “Board of Directors” : The board of Directors of our Company as at the date of the Offer Document, unless otherwise stated
- “Catalist” : The Catalist Board of the SGX-ST
- “Catalist Rules” : The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time

<i>“Companies Act”</i>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Constitution”</i>	:	The constitution of our Company, as amended or modified from time to time
<i>“Controlling Shareholder”</i>	:	As defined in the Catalist Rules: (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over our Company
<i>“Directors”</i>	:	The directors of our Company as at the date of the Offer Document, unless otherwise stated
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive directors of our Company as at the date of the Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of the Offer Document, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or ending 31 December, as the case may be
<i>“Independent Directors”</i>	:	The non-executive independent directors of our Company as at the date of the Offer Document, unless otherwise stated
<i>“Latest Practicable Date”</i>	:	16 September 2022, being the latest practicable date prior to the lodgment of the Offer Document with the SGX-ST acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of our Company and the quotation of our Shares on Catalist
<i>“LMS Employee Share Option Scheme”</i>	:	The employee share option scheme of our Company known as the “LMS Employee Share Option Scheme”, which was approved by our Shareholders on 15 November 2022, the details of which are set out in the sections entitled “LMS Employee Share Option Scheme” and “Appendix G – Rules of the LMS Employee Share Option Scheme” of this Offer Document
<i>“LMS Performance Share Plan”</i>	:	The performance share plan of our Company known as the “LMS Performance Share Plan”, which was approved by our Shareholders on 15 November 2022, the details of which are set out in the sections entitled “LMS Performance Share Plan” and “Appendix F – Rules of the LMS Performance Share Plan” of this Offer Document
<i>“NAV”</i>	:	Net asset value
<i>“Offer Document”</i>	:	The offer document dated 22 November 2022 issued by our Company in respect of the Placement
<i>“Option Shares”</i>	:	The Shares which may be allotted and issued and/or transferred upon the exercise of the Options granted pursuant to the LMS Employee Share Option Scheme
<i>“Options”</i>	:	The options which may be granted pursuant to the LMS Employee Share Option Scheme
<i>“Period Under Review”</i>	:	The period which comprises FY2019, FY2020 and FY2021 and 3M2022
<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company for subscription of the Placement Shares at the Placement Price, subject to and on the terms and conditions of the Offer Document
<i>“Placement Price”</i>	:	S\$0.26 for each Placement Share
<i>“Placement Shares”</i>	:	The 14,000,000 new Shares for which our Company invites applications to subscribe for pursuant to the Placement, subject to and on the terms and conditions set out in the Offer Document

“Restructuring Exercise”	:	The corporate restructuring exercise undertaken in connection with the Placement, as described in the section entitled “Restructuring Exercise” of the Offer Document
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Service Agreements”	:	The service agreements entered into between our Company and Dr. Ooi and Ms. Chong, as described in the section entitled “Directors, Executive Officers and Staff – Service Agreements” of the Offer Document
“Shares”	:	Ordinary shares in the capital of our Company
“Share Split”	:	The share split of 51,385 Shares in the issued and paid-up capital of our Company into 72,560,000 Shares
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“ZC Shares”	:	The 875,000 new Shares (after the Share Split) to be allotted and issued to ZICO Capital by our Company as part satisfaction of ZICO Capital’s management fee as the Sponsor and Issue Manager
“3M”	:	Three (3)-month financial period ended 31 March

Name used

“Dato (Dr.) Gooi”	:	Wee Hoe Soon @ Gooi Hoe Soon
“Dr. Ooi”	:	Ooi Shu Geok
“Ms. Chong”	:	Chong Moi Me
“Datuk Fadilah”	:	Fadilah Binti Baharin

Glossary of Technical Terms

“conformity assessment technology”	:	Cloud-based applications such as “aikinz-LIMS” and “aizenz”, and database hosting
“ISO/IEC 17021”	:	The international standard that provides certification bodies with a set of requirements that will enable them to ensure that their management system certification process is carried out in a competent, consistent and impartial manner, published by the International Organisation for Standardisation
“ISO/IEC 17025”	:	The international standard specifying general requirements for the competence of testing and calibration laboratories published by the International Organisation for Standardisation

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

The Issuer	:	LMS Compliance Ltd.
Registered Office	:	138 Robinson Road, #26-03, Singapore 068906
Telephone No. / Facsimile No.	:	+60 4-380 8282 / +60 4-380 8280
Email address	:	ir@lmscompliance.com
Sponsor and Issue Manager	:	ZICO Capital Pte. Ltd.
Address	:	77 Robinson Road #06-03, Robinson 77 Singapore 068896
Telephone No.	:	+65 6636 4201
Placement Agent	:	CGS-CIMB Securities (Singapore) Pte. Ltd.
Address	:	10 Marina Boulevard #09-01 Marina Bay Financial Centre Tower 2 Singapore 018983
Telephone No.	:	+65 6538 9889