

## LGMS BERHAD (“LGMS” OR THE “COMPANY”)

### PROPOSED TRANSFER OF THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED SHARE CAPITAL OF LGMS FROM THE ACE MARKET TO THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“PROPOSED TRANSFER”)

#### 1. INTRODUCTION

On behalf of the Board of Directors of LGMS (“**Board**”), UOB Kay Hian Securities (M) Sdn Bhd (“**UOBKH**”) wishes to announce that the Company proposes to undertake the Proposed Transfer.

Further details of the Proposed Transfer are set out in the ensuing sections.

#### 2. DETAILS OF THE PROPOSED TRANSFER

The Proposed Transfer entails the transfer of the listing of and quotation for the entire issued share capital of LGMS from the ACE Market to the Main Market of Bursa Securities. As at 16 June 2025, being the latest practicable date prior to the date of this announcement (“**LPD**”), the issued share capital of the Company is RM66,249,578 comprising 456,000,000 ordinary shares in LGMS (“**LGMS Share(s)**” or “**Share(s)**”).

LGMS, its subsidiaries and associate company (“**LGMS Group**” or the “**Group**”) is deemed to have met the requirements for the Proposed Transfer as set out in the Equity Guidelines issued by the Securities Commission Malaysia (“**SC**”) (“**Equity Guidelines**”) and the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), which include, amongst others, the following:-

##### (i) Profit requirements

LGMS is seeking the transfer of its listing from the ACE Market to the Main Market of Bursa Securities based on the profit test pursuant to Paragraph 5.02(a) of the Equity Guidelines.

LGMS Group has achieved an audited consolidated profit after tax (“**PAT**”) of approximately RM12.34 million for the most recent financial year ended (“**FYE**”) 31 December 2024 and an aggregate consolidated PAT of approximately RM35.11 million for the past 3 audited FYEs 31 December 2022, 2023 and 2024 (collectively referred to as “**financial years under review**”).

The Group has also adjusted the PAT for any gains/losses which are non-recurring in nature or are not in the ordinary course of business of the Group. The PAT as presented in the audited financial statements of the Group and the PAT adjusted for the one-off items are set out in the table below:-

	Audited FYE 31 December			Aggregate
	2022	2023	2024	
	RM'000	RM'000	RM'000	RM'000
<b>PAT</b>	<b>11,547</b>	<b>11,222</b>	<b>12,340</b>	<b>35,109</b>
<b>Less: Other income</b>				
Fair value gain on other investments	-	204	127	331
Fair value gain on short-term investments	-	1,122	1,790	2,912
Gain on disposal of property and equipment	75	223	686	984
Government grant	44	47	-	91

	Audited FYE 31 December			Aggregate RM'000
	2022	2023	2024	
	RM'000	RM'000	RM'000	
Rental income from investment properties	110	69	75	254
Sundry income	22	25	103	150
Gain on foreign currency exchange:-				
- unrealised	105	126	59	290
- realised	8	-	-	8
<b>Adjusted PAT</b>	<b>11,183</b>	<b>9,406</b>	<b>9,500</b>	<b>30,089</b>

Based on the Group's aggregate adjusted PAT of approximately RM30.09 million for the financial years under review, LGMS has met the profit requirements under the Equity Guidelines in respect of the Proposed Transfer, which requires the Group to achieve an aggregate audited PAT of at least RM20.00 million for 3 to 5 full financial years and a PAT for the most recent financial year of at least RM6.00 million.

**(ii) Healthy financial position**

Based on the audited consolidated statement of financial position of the Group as at 31 December 2024, LGMS has:-

- (a) net assets ("**NA**") attributable to the owners of the Company of approximately RM94.36 million;
- (b) current assets and current liabilities of approximately RM82.17 million and RM11.35 million respectively, representing a current ratio of 7.24 times; and
- (c) cash and cash equivalents of approximately RM67.94 million (excluding fixed deposits pledged with licensed banks amounting to RM0.12 million).

In addition, the Group recorded positive net cash from operating activities for the financial years under review, as set out below:-

	Audited FYE 31 December		
	2022	2023	2024
	RM'000	RM'000	RM'000
Net cash from operating activities	12,823	10,855	12,756

Accordingly, the Group has met the healthy financial position requirements of the Equity Guidelines, which requires a corporation to have sufficient level of working capital for at least 12 months from the date of this announcement, positive cash flow from operating activities over the profit track record period and no accumulated losses based on its latest audited consolidated statement of financial position as at 31 December 2024.

**(iii) Public shareholding spread**

Pursuant to the Listing Requirements, the Company is required to meet the public shareholding spread of at least 25% of the total number of listed shares (excluding treasury shares) to be in the hands of a minimum number of 1,000 public shareholders holding not less than 100 shares each.

Based on the Record of Depositors of LGMS as at the LPD, approximately 27.74% of the issued share capital of LGMS is held by 1,981 public shareholders holding not less than 100 LGMS Shares each. As such, LGMS has met the public shareholding spread requirement of the Listing Requirements.

### **3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED TRANSFER**

The Proposed Transfer marks another milestone for the Group subsequent to its listing on the ACE Market of Bursa Securities on 8 June 2022. The Proposed Transfer signifies the growth, profitability and financial strength of the Group as it has met the profit track record requirements for a transfer to the Main Market of Bursa Securities.

Based on the 5-day volume-weighted average price of LGMS Shares up to and including the LPD of RM0.9334 the market capitalisation of LGMS is approximately RM425.63 million (having grown significantly from its listing market capitalisation of approximately RM228.00 million in 2022), reflecting the Group's current prospects, the growing size and scale of operations, as well as stakeholders' confidence and belief in LGMS. The Board believes that the Proposed Transfer will enhance the Company's credibility and reputation, better reflect its existing institutional shareholding base and at the same time accord LGMS greater recognition and appeal amongst investors.

Further, the Proposed Transfer is also expected to enhance the confidence of its business partners, employees and shareholders, through its profile as a company listed on the Main Market of Bursa Securities.

### **4. EFFECTS OF THE PROPOSED TRANSFER**

The Proposed Transfer will not have any effect on the issued share capital of the Company, substantial shareholders' shareholdings in the Company, NA and gearing of LGMS Group as well as the earnings and earnings per Share of LGMS Group.

### **5. APPROVALS REQUIRED**

The Proposed Transfer is subject to the following approvals being obtained:-

- (i) the SC, for the Proposed Transfer, and the equity compliance unit of the SC for the resultant equity structure of LGMS pursuant to the Proposed Transfer;
- (ii) Bursa Securities, for the transfer of the listing of and quotation for the entire issued share capital of LGMS from the ACE Market to the Main Market of Bursa Securities; and
- (iii) any other relevant authority, if required.

The Proposed Transfer is not conditional upon any other proposals undertaken or to be undertaken by the Company.

### **6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders, chief executive of LGMS and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Transfer.

### **7. DIRECTORS' STATEMENT**

The Board, having considered all aspects of the Proposed Transfer, is of the opinion that the Proposed Transfer is in the best interest of the Company.

**8. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Transfer to be completed by 4<sup>th</sup> quarter of 2025.

**9. APPLICATION TO THE AUTHORITIES**

Barring any unforeseen circumstances, the application to the relevant authorities for the Proposed Transfer shall be made within 2 months from the date of this announcement.

**10. PRINCIPAL ADVISER**

UOBKH has been appointed as the Principal Adviser to the Company for the Proposed Transfer.

**This announcement is dated 18 June 2025.**