



**LS 2 HOLDINGS LIMITED**  
**(Registration. No. 202016972G)**  
**(Incorporated in Singapore)**

**UNAUDITED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**For the six months  
ended 30 June 2025**

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## A. Condensed interim consolidated statement of comprehensive income

The Group				
6 months ended				
Note	30 Jun 25	30 Jun 24	Change	
	(Unaudited)	(Unaudited)	S\$	%
Revenue	E4	34,383,961	33,937,961	1.3
Other Income:				
- Interest income-Bank deposit		32,852	26,592	23.5
- Others		70,295	91,054	(22.8)
		103,147	117,646	(12.3)
Other gains and losses, net		(7,579)	(714)	N.M
<u>Expenses:</u>				
- Purchases and related costs		(3,800,189)	(5,810,210)	(34.6)
- Employee benefits		(22,362,447)	(19,266,664)	16.1
Direct operating costs		(26,162,636)	(25,076,874)	4.3
- Depreciation of property, plant and equipment		(2,000,026)	(1,714,086)	16.7
- Other expenses		(5,053,946)	(5,183,547)	(2.5)
- Finance expenses		(67,539)	(92,747)	(27.2)
Total expenses		(33,284,147)	(32,067,254)	3.8
Share of the loss of joint venture		(313)	-	N.M
<b>Profit before income tax</b>	E6	1,195,069	1,987,639	(39.9)
Income tax expense	E7	(166,928)	(369,717)	(54.8)
<b>Total comprehensive income, representing net profit for the financial period</b>		1,028,141	1,617,922	(36.5)
<b>Total comprehensive income, representing net profit/(loss) attributable to:</b>				
- Equity holders of the Company		1,022,839	1,638,884	(37.6)
- Non-controlling interests		5,302	(20,962)	N.M
		1,028,141	1,617,922	(36.5)
<b>Earnings per share ("EPS") for net profit attributable to equity holders of the Company:</b>				
Basic and diluted (in cents) <sup>1</sup>		0.55	0.89	(38.2)

### Notes:

- The earnings per share have been calculated based on the net profit attributable to equity holders of the Company over weighted average share capital of 185,000,000 shares (1HY2024 share capital of 185,000,000).

N.M denotes not meaningful

## B. Condensed interim statements of financial position

		The Group As at		The Company As at	
	Note	30 Jun 25 (Unaudited)	31 Dec 24 (Audited)	30 Jun 25 (Unaudited)	31 Dec 24 (Audited)
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		7,514,770	4,968,717	900,742	107,638
Trade and other receivables		20,800,233	22,998,752	3,479,838	3,452,548
Inventories		137,603	98,935	-	-
		28,452,606	28,066,404	4,380,580	3,560,186
<b>Non-current assets</b>					
Investment in subsidiary corporations		-	-	715,598	715,598
Investment in joint venture		24,037	24,350	24,037	24,350
Property, plant and equipment		6,977,038	7,581,065	1,561	2,336
Deferred income tax assets		92,685	86,907	67,253	67,253
		7,093,760	7,692,322	808,449	809,537
<b>Total assets</b>		35,546,366	35,758,726	5,189,029	4,369,723
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		9,848,115	10,503,842	1,276,195	260,730
Borrowings	E10	2,527,576	2,600,812	-	-
Current income tax liabilities		452,115	369,841	-	-
		12,827,806	13,474,495	1,276,195	260,730
<b>Non-current liabilities</b>					
Borrowings	E10	782,240	1,285,875	-	-
Deferred income tax liabilities		230,037	320,214	-	-
		1,012,277	1,606,089	-	-
<b>Total liabilities</b>		13,840,083	15,080,584	1,276,195	260,730
<b>Net assets</b>		<b>21,706,283</b>	<b>20,678,142</b>	<b>3,912,834</b>	<b>4,108,993</b>
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital	E11	5,363,897	5,363,897	5,363,897	5,363,897
Retained profits/ (Accumulated losses)		13,251,349	12,228,510	(1,561,038)	(1,364,879)
Merger reserve		3,000,001	3,000,001	-	-
Share option reserve	E12	109,975	109,975	109,975	109,975
		21,725,222	20,702,383	3,912,834	4,108,993
Non-controlling interests		(18,939)	(24,241)	-	-
<b>Total equity</b>		<b>21,706,283</b>	<b>20,678,142</b>	<b>3,912,834</b>	<b>4,108,993</b>

### C. Condensed interim statements of changes of equity

← Attributable to equity holder of the Company →

	Share capital	Retained profits	Merger reserve	Share option reserve	Total	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b><u>The Group</u></b>							
<b>2025 (Unaudited)</b>							
Balance as at 1 January 2025	5,363,897	12,228,510	3,000,001	109,975	20,702,383	(24,241)	20,678,142
Total comprehensive income - Net profit for the financial period	-	1,022,839	-	-	1,022,839	5,302	1,028,141
<b>Balance as at 30 June 2025</b>	<b>5,363,897</b>	<b>13,251,349</b>	<b>3,000,001</b>	<b>109,975</b>	<b>21,725,222</b>	<b>(18,939)</b>	<b>21,706,283</b>
<b>2024 (Unaudited)</b>							
Balance as at 1 January 2024	5,363,897	9,606,595	3,000,001	27,514	17,998,007	27,962	18,025,969
Employee share option scheme - Value of employee service	-	-	-	54,974	54,974	-	54,974
Total comprehensive income - Net profit/(loss) for the financial period	-	1,638,884	-	-	1,638,884	(20,962)	1,617,922
<b>Balance as at 30 June 2024</b>	<b>5,363,897</b>	<b>11,245,479</b>	<b>3,000,001</b>	<b>82,488</b>	<b>19,691,865</b>	<b>7,000</b>	<b>19,698,865</b>

	Share capital	Accumulated losses	Share option reserve	Total equity
	S\$	S\$	S\$	S\$
<b><u>The Company</u></b>				
<b>2025 (Unaudited)</b>				
Balance as at 1 January 2025	5,363,897	(1,364,879)	109,975	4,108,993
Total comprehensive loss - Net loss of the financial period	-	(196,159)	-	(196,159)
<b>Balance as at 30 June 2025</b>	<b>5,363,897</b>	<b>(1,561,038)</b>	<b>109,975</b>	<b>3,912,834</b>
<b>2024 (Unaudited)</b>				
Balance as at 1 January 2024	5,363,897	(1,189,802)	27,514	4,201,609
Employee share option scheme - Value of employee service	-	-	54,974	54,974
Total comprehensive loss - Net loss of the financial period	-	(157,348)	-	(157,348)
<b>Balance as at 30 June 2024</b>	<b>5,363,897</b>	<b>(1,347,150)</b>	<b>82,488</b>	<b>4,099,235</b>

#### D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		6 months ended	
		30 Jun 25 (Unaudited)	30 Jun 24 (Unaudited)
		S\$	S\$
<b>Cash flows from operating activities</b>			
Profit before income tax		1,195,069	1,987,639
Adjustment for:-			
- Depreciation of property, plant and equipment	E6	2,000,026	1,714,086
- Employee share option scheme-value of employee service		-	54,974
- Property, plant, and equipment written-off	E6	7,579	2,814
- Gain on disposal of property, plant, and equipment	E6	-	(2,100)
- Share of losses from investment in a joint venture		313	-
- Interest expenses	E6	67,539	92,747
- Interest income		(32,852)	(26,592)
		3,237,674	3,823,568
Change in working capital:			
- Inventories		(38,668)	(47,161)
- Trade and other receivables		2,198,519	(4,313,047)
- Trade and other payables		(655,727)	4,843
<b>Cash generated from/(used in) operations</b>		4,741,798	(531,797)
Income tax paid		(180,609)	(141,415)
<b>Net cash provided by / (used in) operating activities</b>		4,561,189	(673,212)
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment	E9	-	2,100
Additions to property, plant and equipment	E9	(325,991)	(1,037,612)
<b>Net cash used in investing activities</b>		(325,991)	(1,035,512)
<b>Cash flows from financing activities</b>			
Principal repayment of lease liabilities		(1,279,458)	(1,085,986)
Repayment of borrowings		(375,000)	(375,000)
Proceeds from borrowings		-	790,000
Repayment of trade receivables factoring		-	(790,000)
Interest income received		32,852	26,592
Interest paid		(67,539)	(92,747)
<b>Net cash used in financing activities</b>		(1,689,145)	(1,527,141)
<b>Net increase/decrease in cash and cash equivalents</b>		2,546,053	(3,235,865)
<b>Cash and cash equivalents</b>			
Beginning of the financial period		4,968,717	7,856,584
<b>End of the financial period</b>		7,514,770	4,620,719

#### D. Condensed interim consolidated statement of cash flows (Cont'd)

##### Reconciliation of liabilities arising from financing activities

				<u>Non-cash changes</u>		
	1 Jan 2025	Proceeds from borrowings	Principal and interest payments	Interest expense	Additions	30 Jun 2025
	S\$	S\$	S\$	S\$	S\$	S\$
Bank borrowings	1,562,500	-	(396,548)	21,548	-	1,187,500
Lease liabilities	2,324,187	-	(1,325,450)	45,991	1,077,588	2,122,316

				<u>Non-cash changes</u>		
	1 Jan 2024	Proceeds from borrowings	Principal and interest payments	Interest expense	Additions	30 Jun 2024
	S\$	S\$	S\$	S\$	S\$	S\$
Bank borrowings	2,312,500	790,000	(1,200,272)	35,272	-	1,937,500
Lease liabilities	2,096,607	-	(1,143,461)	57,475	1,787,241	2,797,862

## **E. Notes to the condensed interim consolidated financial statements**

### **1. General Information**

#### **The Company**

LS 2 Holdings Limited (the “Company”) is listed on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited (“SGX-ST”), which is incorporated and domiciled in Singapore. The address of its registered office is at 1 Bukit Batok Crescent, #04–11 WCEGA Plaza, Singapore 658064.

The principal activity of the Company is an investment holding and provide management services to its subsidiary corporations.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2024.

The accounting policies adopted are consistent with those adopted in the Group’s audited financial statements for the financial years ended 31 December which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note E2.1.

The condensed interim financial statements are presented in Singapore Dollar (S\$), except when otherwise indicated.

The condensed interim consolidated financial statements have been prepared on a going concern basis, since management has verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the financial period.

#### **2.1 New and amended standards adopted by the Group**

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the condensed interim financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**2. Basis of Preparation (Cont'd)**

**2.2 Use of judgements and estimates (Cont'd)**

Expected credit losses ("ECL") on trade receivables

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of other receivables.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. No loss allowances on trade receivables are recognised by the Group for the financial period ended 30 June 2025.

**3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**4. Segment and revenue information**

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group's reportable operating segments under SFRS(I) 8 *Operating Segments* are as follows:

- a) The cleaning services include conservancy services, facilities cleaning services, and pandemic disinfection services. This reportable segment has been formed by aggregating various cleaning services which are regarded by management to exhibit similar economic characteristics.
- b) Pest control services comprise rubbish chute cleaning and fogging services.
- c) Machinery relates to design, manufacture and repair of machinery and equipment in relation to the cleaning industry.
- d) Integrated Facilities Management ("IFM") relates to provision of management services of physical workplaces and infrastructure which include overseeing the maintenance, operation, and enhancement of workplace and its facilities.
- e) Others relate to cost incurred in investment activities and provision of treasury and administrative services.

Except as indicated above, no operating segments have been aggregated to form the above operating segment.

Management monitors the operating results of its reporting segments for the purpose of making decisions in order to assess the respective reporting segments' performances. This is evaluated based on operating profit or loss which in certain respects, as explained in the table below and is measured differently from operating profit or loss in the interim consolidated statement of comprehensive income. Group income taxes are managed on a group basis and are not allocated to reporting units.



**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**4. Segment and revenue information**

**4.1 Reportable segments**

The following table present revenue and profit information for the Group's business segments for the six months ended 30 June 2025.

	6 months ended 30 Jun 2025					
	<b>Cleaning S\$</b>	<b>Pest S\$</b>	<b>Machinery S\$</b>	<b>IFM S\$</b>	<b>Others S\$</b>	<b>Total S\$</b>
<b>Revenue</b>	<b>33,119,823</b>	<b>566,338</b>	<b>-</b>	<b>697,800</b>	<b>-</b>	<b>34,383,961</b>
Other Income	41,868	19,200	2,000	2,000	38,079	103,147
Other gains and (losses), net	(7,579)	-	-	-	-	(7,579)
Purchases and related costs	(3,254,562)	(505,011)	(30)	(40,586)	-	(3,800,189)
Employee benefits	(21,757,182)	-	-	(536,586)	(68,679)	(22,362,447)
Depreciation of property, plant and equipment	(1,864,094)	-	(18,540)	(5,928)	(111,464)	(2,000,026)
Other expenses	(3,348,636)	(5,930)	(25,758)	(6,755)	(1,666,867)	(5,053,946)
Finance expenses	(67,539)	-	-	-	-	(67,539)
<b>Segment profit/(loss) before income tax</b>	<b>2,862,099</b>	<b>74,597</b>	<b>(42,328)</b>	<b>109,945</b>	<b>(1,808,931)</b>	<b>1,195,382</b>
Share of losses from investment in a joint venture						(313)
Income tax expense						(166,928)
<b>Net profit</b>						<b>1,028,141</b>
<b>Segment assets</b>	<b>30,294,730</b>	<b>552,846</b>	<b>136,284</b>	<b>501,430</b>	<b>4,061,076</b>	<b>35,546,366</b>
Addition to:						
Property, plant and equipment	1,105,203	-	-	-	298,375	1,403,578
<b>Segment liabilities</b>	<b>9,706,342</b>	<b>549,418</b>	<b>12,405</b>	<b>48,482</b>	<b>3,523,436</b>	<b>13,840,083</b>

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4. Segment and revenue information (Cont'd)

#### 4.1 Reportable segments (Cont'd)

The following table present revenue and profit information for the Group's business segments for the six months ended 30 June 2024.

	6 months ended 30 Jun 2024					
	Cleaning S\$	Pest S\$	Machinery S\$	IFM S\$	Others S\$	Total S\$
<b>Revenue</b>	<b>33,170,014</b>	<b>557,672</b>	<b>4,250</b>	<b>206,025</b>	<b>-</b>	<b>33,937,961</b>
Other Income	65,737	-	-	-	51,909	117,646
Other gains and (losses), net	(714)	-	-	-	-	(714)
Purchases and related costs	(5,236,739)	(493,932)	(3,145)	(76,394)	-	(5,810,210)
Employee benefits	(19,130,306)	-	(33,516)	(102,842)	-	(19,266,664)
Depreciation of property, plant and equipment	(1,665,102)	-	(18,540)	(3,119)	(27,325)	(1,714,086)
Other expenses	(3,360,376)	(2,425)	(33,227)	(8,554)	(1,778,965)	(5,183,547)
Finance expenses	(92,747)	-	-	-	-	(92,747)
<b>Segment profit/(loss) before income tax</b>	<b>3,749,767</b>	<b>61,315</b>	<b>(84,178)</b>	<b>15,116</b>	<b>(1,754,381)</b>	<b>1,987,639</b>
Income tax expense						(369,717)
<b>Net profit</b>						<b><u>1,617,922</u></b>
<b>Segment assets</b>	<b>30,561,670</b>	<b>415,161</b>	<b>193,259</b>	<b>540,654</b>	<b>2,955,094</b>	<b>34,665,838</b>
Addition to:						
Property, plant and equipment	2,296,129	-	-	84,210	28,014	2,408,353
<b>Segment liabilities</b>	<b>10,895,748</b>	<b>400,940</b>	<b>8,988</b>	<b>46,386</b>	<b>3,614,911</b>	<b>14,966,973</b>

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities as at 30 June 2025 and 31 December 2024 respectively:

	The Group		The Company	
	30 Jun 25	31 Dec 24	30 Jun 25	31 Dec 24
	S\$	S\$	S\$	S\$
<b><u>Financial assets</u></b>				
At amortised cost:				
- Cash and bank balances	7,514,770	4,968,717	900,742	107,638
- Trade receivables	18,414,469	20,840,443	13,904	62,851
- Other receivables	544,186	595,606	3,400,515	3,361,300
	<b>26,473,425</b>	<b>26,404,766</b>	<b>4,315,161</b>	<b>3,531,789</b>
<b><u>Financial liabilities</u></b>				
At amortised cost:				
- Borrowings	3,309,816	3,886,687	-	-
- Trade and other payables	8,447,532	9,121,839	1,167,755	227,179
	<b>11,757,348</b>	<b>13,008,526</b>	<b>1,167,755</b>	<b>227,179</b>

### 6. Profit before income tax

#### 6.1 Significant items

	The Group 6 months ended	
	30 Jun 25	30 Jun 24
	S\$	S\$
<b><u>Expenses / (Income)</u></b>		
Depreciation of property, plant and equipment	2,000,026	1,714,086
Gain on disposal of property, plant, and equipment	-	(2,100)
Interest expenses	67,539	92,747
Property, plant and equipment written off	7,579	2,814
Share of the losses from investment in Joint venture	313	-

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**6.2 Related party transactions**

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 25</b>	<b>30 Jun 24</b>
	<b>S\$</b>	<b>S\$</b>
(a) Purchase of Services		
- Training course	83,765	337,252

The Group's subsidiary corporations engaged Integrated Training Consultants Pte Ltd, an associate company of Mr. Ong Khong Weng, Alvin, to provide training services to the Group.

- (b) The remuneration of the Group's executive directors and other members of key management during the respective financial periods as follows

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 25</b>	<b>30 Jun 24</b>
	<b>S\$</b>	<b>S\$</b>
Salaries and bonuses	1,440,821	1,473,053
Employer's contribution to Central Provident Fund	71,159	65,389
	<u>1,511,980</u>	<u>1,538,442</u>
Comprised of amounts paid to:		
- Executive directors	1,054,357	1,087,954
- Other key management personnel	457,623	450,488
	<u>1,511,980</u>	<u>1,538,442</u>

The salaries and bonuses disclosed above include S\$456,921 (30 Jun 2024: S\$558,931) of bonuses payable which are unpaid during the financial period and are included in accrued expenses.

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**7. Income tax**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 25</b>	<b>30 Jun 24</b>
	<b>S\$</b>	<b>S\$</b>
Tax expense/(credit) attributable to profit is made up of:		
- Current income tax	262,883	409,194
- Deferred income tax	(95,955)	(39,477)
	<u>166,928</u>	<u>369,717</u>

**8. Net asset value**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 Jun 25</b>	<b>31 Dec 24</b>	<b>30 Jun 25</b>	<b>31 Dec 24</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Net assets per ordinary share (cents)	<u>11.73</u>	<u>11.18</u>	<u>2.12</u>	<u>2.22</u>

Note:

Net assets per ordinary share is calculated based on number of issued 185,000,000 ordinary shares (excluding treasury shares) as at 30 June 2025 (31 December 2024: 185,000,000 (excluding treasury shares)).

**9. Property, plant, and equipment ("PPE")**

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30 Jun 25</b>	<b>30 Jun 24</b>
	<b>S\$</b>	<b>S\$</b>
<b><u>Purchase of PPE</u></b>		
Total additions in the financial period	1,403,579	2,408,354
Less: Acquired under lease arrangements	(1,077,588)	(1,787,241)
Add: Movement in receivables grants	-	416,500
Net cash outflow (refer to <b>Note D</b> )	<u>325,991</u>	<u>1,037,613</u>
<b><u>Proceeds from disposal of PPE</u></b>		
Total net book value of disposal in the financial period	-	-
Add: Gain on disposal of PPE	-	2,100
Net cash inflow (refer to <b>Note D</b> )	<u>-</u>	<u>2,100</u>

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**10. Loans and borrowings consist of bank loans and lease liabilities**

	<b>The Group</b>	
	<b>30 Jun 25</b>	<b>31 Dec 24</b>
	<b>S\$</b>	<b>S\$</b>
<b><u>Secured borrowing</u></b>		
Amount repayable in one year or less, or on demand	750,000	754,583
Amount repayable after one year	437,500	812,500
	<u>1,187,500</u>	<u>1,567,083</u>
<b><u>Unsecured borrowing</u></b>		
Amount repayable in one year or less, or on demand	1,777,576	1,846,229
Amount repayable after one year	344,740	473,375
	<u>2,122,316</u>	<u>2,319,604</u>
	<b><u>3,309,816</u></b>	<b><u>3,886,687</u></b>

Analyses as:

**Current**

Term loan (secured)	750,000	750,000
Lease liabilities	1,777,576	1,850,812
	<u>2,527,576</u>	<u>2,600,812</u>

**Non-current**

Term loan (secured)	437,500	812,500
Lease liabilities	344,740	473,375
	<u>782,240</u>	<u>1,285,875</u>
	<b><u>3,309,816</u></b>	<b><u>3,886,687</u></b>

**Security granted**

**a Lease liabilities**

Secured lease liabilities amounting to NIL (31 December 2024: S\$4,583) are secured by motor vehicles of the Group;

**b Term loan**

Temporary bridge of S\$1,187,500 (31 December 2024: S\$1,562,500) is secured by a corporate guarantee from the Company; and

**c Banker's guarantee**

Banker's guarantee is granted to the Group during the financial year ended 31 December 2023 and is secured by the Group's leasehold properties and a corporate guarantee of the Company. Banker's guarantee has not been drawn down and there is no outstanding balance owing to the bank as at reporting date.

**E. Notes to the condensed interim consolidated financial statements (Cont'd)**

**11. Share Capital**

Issued and fully paid	The Group 30 June 2025		The Company 30 June 2025	
	No. of shares	S\$	No. of shares	S\$
Beginning and End of financial period	185,000,000	5,363,897	185,000,000	5,363,897

Issued and fully paid	The Group 30 June 2024		The Company 30 June 2024	
	No. of shares	S\$	No. of shares	S\$
Beginning and End of financial period	185,000,000	5,363,897	185,000,000	5,363,897

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the respective companies. All ordinary shares rank equally with regards to the respective companies' residual assets.

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2025 and 30 June 2024. There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares and subsidiary holdings during the financial period ended 30 June 2025.

Share options

On 27 May 2022, the Company obtained the shareholders' approval on the adoption of the LS 2 Employee Share Option Scheme ("**LS2 ESOS**" / "**Scheme**") at the annual general meeting.

LS2 ESOS is administered by the Remuneration Committee. Options are exercisable at the agreed exercise price.

On 2 October 2023, the Company announced that it had granted 5,500,000 Share Options pursuant to the LS 2 ESOS ("**2023 Option**"). The 2023 Options are exercisable from 2 October 2024 and expire on 1 October 2029.

Movements in the number of unissued ordinary shares under the LS 2 ESOS and their exercise prices are as follows:

	No. of ordinary shares under option						
	Beginning of the financial period	Granted during the financial period	Cancelled/ lapsed during the financial period	Exercised during the financial period	End of financial period	Exercise price	Exercisable period
<b>Group and Company 2025</b>							
2023 Option	5,500,000	-	-	-	5,500,000	\$0.20	2 October 2024 to 1 October 2029

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 11. Share Capital (Cont'd)

#### Share options (Cont'd)

The fair value of the share options granted, determined using the Black Scholes model, and the significant inputs into the model are as follows:

Option grant date	Fair value of share options	Share price at the grant date	Exercise price of the options granted	Average expected life	Historical volatilities <sup>(1)</sup>	Singapore risk-free rate
2 October 2023	\$109,948	\$0.076	\$0.20	3.5 years	68.0%	3.43%

<sup>(1)</sup> Expected volatility was determined by calculating the historical volatility of the Company's share price over the most recent period that is commensurate with the contractual life of the share options. As there is limited trading history of the Company, references to the historical volatilities of comparable companies have been made.

### 12. Share option reserve

	Group		Company	
	2025 S\$	2024 S\$	2025 S\$	2024 S\$
Beginning of financial period	109,975	27,514	109,975	27,514
Employee share option scheme – Value of employee services.	-	54,974	-	-
Employee share option scheme – Capital contribution to subsidiary corporations	-	-	-	54,974
End of financial period	<u>109,975</u>	<u>82,488</u>	<u>109,975</u>	<u>82,488</u>

The share option reserve represents equity-settled share options granted to employees of the Group. The reserve is made up of the cumulative value of services received from the Group's employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the cancellation/lapse or exercise of the share option.

### 13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statement as of the reported date.



## **F. Other Information Required by Appendix 7C of the Catalyst Rules**

### **1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The condensed interim statements of financial position of LS 2 Holdings Limited and its subsidiary corporations as at 30 June 2025 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### **1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- a) Updates on the efforts taken to resolve each outstanding audit issue.**
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable

### **2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

#### **Revenue**

Total revenue marginally increased by S\$0.5 million or 1.3% from S\$33.9 million in the six months ended 30 June 2024 ("1HY2024") to S\$34.4 million in the six months ended 30 June 2025 ("1HY2025"). The increase was primarily driven by contractual rate adjustment on some public and private sector projects.

#### **Other income**

Other income remained stable at approximately S\$0.1 million for both reporting periods.

#### **Direct operating costs**

Direct operating costs rose by S\$1.1 million, or 4.3%, from S\$25.1 million in 1HY2024 to S\$26.2 million in 1HY2025. These costs comprised: (i) purchases and related expenses, which declined by S\$2.0 million from S\$5.8 million in 1HY2024 to S\$3.8 million in 1HY2025; and (ii) employee benefits, which increased by S\$3.1 million from S\$19.3 million to S\$22.4 million over the same period. The increase in employee benefits and the corresponding decrease in purchases and related costs were mainly attributable to a shift in the Group's contract mix, as well as wage adjustments arising from the Progressive Wage Model, which led to higher employee benefits expenses during the financial period.

#### **Depreciation expenses**

Depreciation expenses relating to property, plant and equipment ("PPE") increased by S\$0.3 million from S\$1.7 million in 1HY2024 to S\$2.0 million in 1HY2025, which was mainly due to additions to PPE and renewed accommodation leases secured by the Group in 1HY2025.

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

**2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (Cont'd)**

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (Cont'd)**

**Other expenses**

Other expenses declined by S\$0.1 million, from S\$5.2 million in 1HY2024 to S\$5.1 million in 1HY2025. The decrease was mainly due to lower training costs, as the majority of workers had already attended the required mandatory training in prior years.

**Finance expenses**

Finance expenses is relatively constant at S\$0.1 million for both reporting financial period.

**Income tax expense**

Income tax expense in 1HY2025 was S\$0.2 million compared to S\$0.4 million in 1HY2024, mainly due to lower taxable income estimated in 1HY2025.

- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Non-current assets**

Total non-current assets declined by S\$0.6 million, from S\$7.7 million as at 31 December 2024 to S\$7.1 million as at 30 June 2025. This was mainly due to depreciation of S\$2.0 million charged to the income statement during 1HY2025, partially offset by additions to property, plant and equipment of S\$0.3 million and remeasurement of right-of-use assets of S\$1.1million arising from lease modification.

As at 30 June 2025, PPE of the Group with aggregated carrying amount of S\$1,782,350 are pledged as collateral for bank facilities compared to S\$1,802,500 as at 31 December 2024.

**Trade and other receivables**

Trade and other receivables decreased by S\$2.2 million, from S\$23.0 million as at 31 December 2024 to S\$20.8 million as at 30 June 2025. The decrease was mainly due to the settlement of long outstanding amounts from the customers during the period.

**Trade and other payables**

Trade and other payables decreased by S\$0.7 million from S\$10.5 million as at 31 December 2024 to S\$9.8 million as at 30 June 2025, primarily due to fluctuations in the timing of payments made to suppliers.

**Borrowing**

The Group's total loans and borrowings decreased by S\$0.6 million from S\$3.9 million as at 31 December 2024 to S\$3.3 million as at 30 June 2025. The decrease was due to scheduled repayment of S\$0.4 million to term loans and repayment of lease liabilities of S\$1.3 million, partially offset by recognition of modified and new lease liabilities amounting to S\$1.1 million.

**Deferred tax liabilities**

Deferred tax liabilities decreased by S\$0.1 million, from S\$0.3 million as at 31 December 2024 to S\$0.2 million as at 30 June 2025, mainly due to the reversal of temporary differences, between the accounting and tax treatment of certain assets, which are expected to result in lower taxable amounts in future periods.

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

- 2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (Cont'd)**
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

**Statement of cash flows of the Group**

The Group recorded a net cash provided by operating activities of S\$4.6 million in 1HY2025; comprising S\$3.2 million from operating results before working capital changes, a net working capital inflow of S\$1.6 million, and tax payments of S\$0.2 million.

Net cash used in investing activities was S\$0.3 million in 1HY2025, solely due to additions to property, plant, and equipment.

Net cash used in financing activities was S\$1.7 million in 1HY2025, mainly due to a repayment of lease liabilities of S\$1.3 million and net repayment term loans of S\$0.4 million and net interest amount paid of S\$0.1 million during 1HY2025.

- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

- 4. A commentary on the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

To remain competitive in Singapore's fast-evolving cleaning industry, the Company remains committed to driving innovation, sustainability, and workforce transformation. Beyond maintaining current operational strengths, the Company is strategically positioning itself to anticipate and adapt to regulatory changes, evolving customer expectations, and emerging technological trends.

The Company is continuously investing in smart technologies such as robotic cleaning equipment, IoT-enabled monitoring systems, and digital workflow tools to enhance efficiency and service quality.

A key strategic approach is active participation in Job Redesign Programmes, which restructure traditional cleaning roles into higher-value, technology-enabled positions. By incorporating responsibilities such as equipment handling, data monitoring, and hygiene assurance into redesigned roles, the Company aims to enhance employee productivity, improve job satisfaction, and attract a younger, tech-savvy workforce. This strategy positions the Company as an industry leader in workforce modernisation.

In parallel, targeted upskilling initiatives will equip employees with competencies in safety standards, disinfection protocols, and the effective use of smart cleaning tools. By collaborating with industry training providers, the Company ensures its workforce remains future-ready while improving service delivery to meet the heightened hygiene expectations in post-pandemic operations. The Company also intends to expand flexible and outcome-based service models, enabling a more agile response to evolving client needs and hybrid workplace arrangements.

By integrating technology adoption, sustainable practices, job redesign, and continuous workforce development, the Company is well-positioned to raise service standards, strengthen client partnerships, improve talent retention, and secure sustainable growth.

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

**5. If a decision regarding dividend has been made:**

- a) **Whether an interim (final) ordinary dividend has been declared (recommended):**  
and  
None
- b) (i) **Amount per share:** Not applicable  
(ii) **Previously corresponding period:** Not applicable
- c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**  
Not applicable
- d) **The date the dividend is payable**  
Not applicable
- e) **The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**  
Not applicable

**6. If no dividend has been declared(recommended), as statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period ended 30 June 2025. The available fund will be retained for working capital use.

**7. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained a general mandate from shareholders for Interested Person Transaction ("IPT"). The Group's subsidiary corporations engaged Integrated Training Consultants Pte Ltd, an associate company of Mr. Ong Khong Weng, Alvin, the Chief Executive Officer and Executive Director of the Company, to provide training services to the Group and total transaction amount was less than S\$100,000 during the financial period.

**8. Negative confirmation pursuant to Rule 705(5).**

On behalf of the Board of Directors of the Company, Mr. Tan Hoo Kiat, Executive Chairman and Executive Director and Mr. Ong Khong Weng Alvin, Chief Executive Officer and Executive Director hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months period ended 30 June 2025 to be false or misleading in any material aspect.

**9. Disclosure on Acquisitions and Sales of Shares pursuant to Catalist Rule 706A**

There were no acquisition or realisation of shares resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group, or (ii) an entity becoming or ceasing to be a subsidiary or associated company of the Group during the financial period under review.

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

**10. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720(1)).**

The Company confirmed that it has received undertakings from all of its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

**BY ORDER OF THE BOARD**

On Behalf of LS 2 Holdings Limited

Tan Hoo Kiat  
Executive Chairman and Executive Director  
14 August 2025

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This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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