



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

**UNAUDITED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**For the six months and full financial year  
ended 31 December 2024**

Table of Contents

A	Condensed interim consolidated statements of comprehensive income...	Page 2
B	Condensed interim statements of financial position.....	Page 3
C	Condensed interim statements of changes of equity.....	Page 4
D	Condensed interim consolidated statement of cash flows.....	Page 5
E	Notes to condensed interim consolidated financial statements.....	Page 7
F	Other information required by Appendix 7C of the Catalist Rules.....	Page 16

## A. Condensed interim consolidated statements of comprehensive income

	Note	The Group			The Group		
		6 months ended			12 months ended		
		31 Dec 24	31 Dec 23	Change %	31 Dec 24	31 Dec 23	Change %
		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
		S\$	S\$		S\$	S\$	
Revenue	E4	34,663,123	31,994,294	8.4	68,601,084	61,433,328	11.7
Other income		149,178	140,599	6.1	268,924	253,433	6.1
<b>Expenses:</b>							
- Purchases and related costs		(3,986,566)	(7,132,668)	(44.1)	(9,796,776)	(15,417,964)	(36.5)
- Employee benefits		(22,932,217)	(17,956,222)	27.7	(42,198,881)	(33,563,634)	25.7
Direct operating costs		(26,918,783)	(25,088,890)	7.3	(51,995,657)	(48,981,598)	6.2
- Depreciation of property, plant and equipment		(1,910,118)	(1,517,981)	25.8	(3,624,204)	(2,777,840)	30.5
- Other expenses		(5,082,770)	(4,460,131)	14.0	(10,269,131)	(7,990,131)	28.5
- Finance costs		(89,052)	(94,103)	(5.4)	(181,799)	(189,428)	4.0
Total expenses		(34,000,723)	(31,161,105)	9.1	(66,070,791)	(59,938,997)	10.2
Share loss from investment in joint venture		(650)	-	N.M	(650)	-	N.M
<b>Profit before income tax</b>	E6	810,928	973,788	(16.7)	2,798,567	1,747,764	60.1
Income tax credit / (expense)	E7	110,862	(28,021)	N.M	(258,855)	(222,919)	16.1
<b>Total comprehensive income, representing net profit for the financial period/year</b>		921,790	945,767	(2.5)	2,539,712	1,524,845	66.6
<b>Total comprehensive income, representing net profit/(loss) attributable to:</b>							
- Equity holders of the Company		983,031	956,821	2.7	2,621,915	1,564,564	67.6
- Non-controlling interests		(61,241)	(11,054)	N.M	(82,203)	(39,719)	107.0
		921,790	945,767	(2.5)	2,539,712	1,524,845	66.6
<b>Earnings per share ("EPS") for net profit attributable to equity holders of the Company:</b>							
Basic (in cents)* <sup>1</sup>		0.53	0.52	1.9	1.42	0.85	67.1
Diluted (in cents)* <sup>2</sup>		0.52	0.51	2.0	1.38	0.84	64.3

### Notes:

1. The earnings per share have been calculated based on the net profit attributable to equity holders of the Company over the weighted average share capital of 185,000,000 shares (FY2023: 185,000,000 shares).
2. The earnings per share have been calculated based on the net profit attributable to equity holders of the Company the weighted average diluted share capital of 190,500,000 shares (FY2023: 186,375,000 shares). The fully diluted earnings per share and basic earnings per share are the same because there is no material weighted average dilutive share.

N.M defines as Not Meaningful

## B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at		As at	
		31 Dec 24 (Unaudited)	31 Dec 23 (Audited)	31 Dec 24 (Unaudited)	31 Dec 23 (Audited)
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		4,968,717	7,856,584	107,638	3,188,059
Trade and other receivables		22,998,752	17,115,735	3,452,548	830,163
Inventories		98,935	60,235	-	-
		28,066,404	25,032,554	3,560,186	4,018,222
<b>Non-current assets</b>					
Investment in subsidiary corporations		-	-	715,598	313,138
Investment in joint venture		24,350	-	24,350	-
Property, plant and equipment	E9	7,581,065	7,234,693	2,336	3,886
Deferred tax assets		86,907	153,237	67,253	77,515
		7,692,322	7,387,930	809,537	394,539
<b>Total assets</b>		<b>35,758,726</b>	<b>32,420,484</b>	<b>4,369,723</b>	<b>4,412,761</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		10,503,842	9,357,449	260,730	211,152
Borrowings	E10	2,600,812	2,234,910	-	-
Current income tax liabilities		369,841	318,490	-	-
		13,474,495	11,910,849	260,730	211,152
<b>Non-current liabilities</b>					
Borrowings	E10	1,285,875	2,174,197	-	-
Deferred tax liabilities		320,214	309,469	-	-
		1,606,089	2,483,666	-	-
<b>Total liabilities</b>		<b>15,080,584</b>	<b>14,394,515</b>	<b>260,730</b>	<b>211,152</b>
<b>Net assets</b>		<b>20,678,142</b>	<b>18,025,969</b>	<b>4,108,993</b>	<b>4,201,609</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	E11	5,363,897	5,363,897	5,363,897	5,363,897
Merger reserve		3,000,001	3,000,001	-	-
Share option reserve	E12	109,975	27,514	109,975	27,514
Retained profits/(Accumulated losses)		12,228,510	9,606,595	(1,364,879)	(1,189,802)
		20,702,383	17,998,007	4,108,993	4,201,609
Non-controlling interests		(24,241)	27,962	-	-
		<b>20,678,142</b>	<b>18,025,969</b>	<b>4,108,993</b>	<b>4,201,609</b>

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

←-----Attributable to equity holders of the Company-----→								
Note	Share Capital S\$	Merger reserve S\$	Share option reserve S\$	Retained profits S\$	Total S\$	NCI <sup>1</sup> S\$	Total equity S\$	
<b>The Group</b>								
<b>2024 (Unaudited)</b>								
Beginning of financial year	5,363,897	3,000,001	27,514	9,606,595	17,998,007	27,962	18,025,969	
Employee share option scheme – value of employee service	E12	-	-	82,461	-	82,461	-	82,461
Total comprehensive income – Net profit/(loss) of the financial year		-	-	-	2,621,915	2,621,915	(82,203)	2,539,712
Capital contribution to subsidiary corporation from non-controlling interests		-	-	-	-	-	30,000	30,000
<b>End of financial year</b>	<b>5,363,897</b>	<b>3,000,001</b>	<b>109,975</b>	<b>12,228,510</b>	<b>20,702,383</b>	<b>(24,241)</b>	<b>20,678,142</b>	
<b>2023 (Audited)</b>								
Beginning of financial year	5,363,897	3,000,001	-	8,042,031	16,405,929	37,681	16,443,610	
Employee share option scheme – value of employee service	E12	-	-	27,514	-	27,514	-	27,514
Total comprehensive income – Net profit/(loss) of the financial year		-	-	-	1,564,564	1,564,564	(39,719)	1,524,845
Capital contribution to subsidiary corporation from non-controlling interests		-	-	-	-	--	30,000	30,000
<b>End of financial year</b>	<b>5,363,897</b>	<b>3,000,001</b>	<b>27,514</b>	<b>9,606,595</b>	<b>17,998,007</b>	<b>27,962</b>	<b>18,025,969</b>	

\*1 NCI defines as Non-Controlling Interest

				Share Capital S\$	Share option reserve S\$	Accumulated losses S\$	Total equity S\$
<b>The Company</b>							
<b>2024 (Unaudited)</b>							
Beginning of financial year				5,363,897	27,514	(1,189,802)	4,201,609
Employee share option scheme – value of employee service	E12			-	82,461	-	82,461
Total comprehensive loss – Net loss of the financial year				-	-	(175,077)	(175,077)
<b>End of financial year</b>				<b>5,363,897</b>	<b>109,975</b>	<b>1,364,879</b>	<b>4,108,993</b>
<b>2023 (Audited)</b>							
Beginning of financial year				5,363,897	-	(1,039,434)	4,324,463
Employee share option scheme – value of employee service	E12			-	27,514	-	27,514
Total comprehensive loss – Net loss of the financial year				-	-	(150,368)	(150,368)
<b>End of financial year</b>				<b>5,363,897</b>	<b>27,514</b>	<b>(1,189,802)</b>	<b>4,201,609</b>

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

	Note	The Group	
		12 months ended	
		31 Dec 24 (Unaudited)	31 Dec 23 (Audited)
		S\$	S\$
<b>Cash flows from operating activities</b>			
Profit before income tax		2,798,567	1,747,764
Adjustment for:-			
- Depreciation of property, plant and equipment		3,624,204	2,777,840
- Property, plant and equipment written-off	E6	26,892	9,096
- (Gain)/Loss on disposal of property, plant and equipment	E6	(28,164)	51,415
- Gain on derecognition of leased asset	E6	(1,895)	-
- Employee share option scheme - value of employee service	E6	82,461	27,514
- Share of the loss from investment in joint venture		650	-
- Interest income		(42,423)	(72,448)
- Interest expense	E6	181,799	189,428
		6,642,091	4,730,609
Change in working capital:			
- Change of inventories		(38,698)	(60,235)
- Trade and other receivables		(5,466,517)	600,850
- Trade and other payables		1,146,390	7,145
<b>Cash generated from operations</b>		2,283,266	5,278,369
Income tax paid		(130,428)	(109,934)
<b>Net cash provided by operating activities</b>		2,152,838	5,168,435
<b>Cash flows from investing activities</b>			
Investment in joint venture		(25,000)	-
Proceeds from disposal of property, plant and equipment	E9	28,164	27,544
Additions to property, plant and equipment	E9	(1,766,818)	(1,108,102)
<b>Net cash used in investing activities</b>		(1,763,654)	(1,080,558)
<b>Cash flows from financing activities</b>			
Capital contribution to subsidiary corporation from non-controlling interests		30,000	30,000
Principal repayment of lease liabilities		(2,417,675)	(1,746,048)
Proceeds from borrowings		790,000	1,650,000
Repayment of borrowings		(750,000)	(3,621,156)
Repayment of trade receivables factoring		(790,000)	-
Interest paid		(181,799)	(189,428)
Interest received		42,423	72,447
<b>Net cash used in financing activities</b>		(3,277,051)	(3,804,185)
<b>Net (decrease) / increase in cash and bank balances</b>		(2,887,867)	283,692
<b>Cash and bank balances</b>			
Beginning of the financial year		7,856,584	7,572,892
<b>End of the financial year</b>		4,968,717	7,856,584

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

### Reconciliation of liabilities arising from financing activities

				←-----Non-cash changes-----→				
	1 January 2024	Proceeds from borrowings	Principal and Interest expenses	Interest expense	Additions	Lease modification	Effect of lease termination	31 December 2024
Bank borrowings	2,312,500	-	(812,061)	62,061	-	-	-	1,562,500
Trade receivables factoring	-	790,000	(791,525)	1,525	-	-	-	-
Lease liabilities	2,096,607	-	(2,535,888)	118,213	2,027,195	697,301	(79,241)	2,324,187

				←-----Non-cash changes-----→				
	1 January 2023	Proceeds from borrowings	Principal and Interest expenses	Interest expense	Additions	Lease modification		31 December 2023
Bank borrowings	4,283,656	-	(2,072,779)	101,623	-	-		2,312,500
Trade receivables factoring	-	1,650,000	(1,654,582)	4,582	-	-		-
Lease liabilities	1,653,805	-	(1,829,091)	83,043	1,582,027	606,823		2,096,607

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

### **1. General Information**

#### **1.1 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’ activities. (*refer to E4, Segment and revenue information*)

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

The condensed interim financial statements for the six months and full financial year ended 31 December 2024 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 2023.

The accounting policies adopted are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 December 2023 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**

On 1 January 2024, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRSs (“INT SFRS(I)s”) that are mandatory for application for the financial period.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial period.

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

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

**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 2023.

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:

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 six months and full financial year ended 31 December 2024.



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

### **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 rodent pest control and fogging services
- c) Machinery relates to equipment manufacturing and assemblies.
- 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 relates 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.

The 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 financing (including finance costs) and 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 (Cont'd)**

**4.1. Reportable segments**

The following table present revenue and profit information for the Group's business segments for the six months ended 31 December 2024 and 2023, respectively:

	<u>1 Jul 24 to 31 Dec 24</u>						<u>1 Jul 23 to 31 Dec 23</u>				
	Cleaning	Pest control	Machinery	IFM	Others	Total	Cleaning	Pest control	Machinery	Others	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Revenue</b>	33,125,937	620,028	-	917,158	-	34,663,123	31,556,048	433,321	4,925	-	31,994,294
Other income	86,945	39,660	-	2,000	20,573	149,178	124,139	16,460	-	-	140,599
Purchases and related costs	(3,367,821)	(582,876)	(46)	(35,823)	-	(3,986,566)	(6,699,704)	(424,000)	(8,964)	-	(7,132,668)
Employee benefits	(22,065,196)	-	-	(852,765)	(14,256)	(22,932,217)	(17,623,198)	-	-	(333,024)	(17,956,222)
Depreciation of property, plant and equipment	(1,673,902)	-	(18,540)	(4,887)	(212,789)	(1,910,118)	(1,152,738)	(11,214)	(18,540)	(335,489)	(1,517,981)
Other expenses	(3,436,115)	(23,132)	(110,398)	(4,302)	(1,508,823)	(5,082,770)	(3,390,946)	(6,462)	(21,734)	(1,040,989)	(4,460,131)
Finance costs	(89,052)	-	-	-	-	(89,052)	(4,686)	(293)	-	(89,124)	(94,103)
<b>Segment profit/(loss) before income tax</b>	<b>2,580,796</b>	<b>53,680</b>	<b>(128,984)</b>	<b>21,381</b>	<b>(1,715,295)</b>	<b>811,578</b>	2,808,915	7,812	(44,313)	(1,798,626)	973,788
Share of loss from investment in joint venture						(650)					-
Income tax credit/ (expense)						110,862					(28,201)
<b>Net profit</b>						<b>921,790</b>					<b>945,767</b>
<b>Segment assets</b>	<b>31,393,088</b>	<b>579,107</b>	<b>176,105</b>	<b>487,710</b>	<b>3,137,200</b>	<b>35,758,726</b>	24,828,900	324,768	160,828	7,105,988	32,420,484
Addition to:											
- Property, plant and equipment	3,794,881	-	-	91,711	188,222	4,074,814	2,168,027	21,350	-	720,692	2,910,069
<b>Segment liabilities</b>	<b>11,190,239</b>	<b>523,156</b>	<b>4,500</b>	<b>52,545</b>	<b>3,310,144</b>	<b>15,080,584</b>	10,545,236	-	4,860	3,844,419	14,394,515

## 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 full financial year ended 31 December 2024 and 2023, respectively:

	<u>1 Jan 24 to 31 Dec 24</u>						<u>1 Jan 23 to 31 Dec 23</u>				
	<u>Cleaning</u>	<u>Pest control</u>	<u>Machinery</u>	<u>IFM</u>	<u>Others</u>	<u>Total</u>	<u>Cleaning</u>	<u>Pest control</u>	<u>Machinery</u>	<u>Others</u>	<u>Total</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
<b>Revenue</b>	66,295,951	1,177,700	4,250	1,123,183	-	68,601,084	60,652,418	756,392	24,518	-	61,433,328
Other income	154,782	39,660	-	2,000	72,482	268,924	223,773	-	-	29,660	253,433
Purchases and related costs	(8,604,560)	(1,076,807)	(3,192)	(112,217)	-	(9,796,776)	(14,707,594)	(676,390)	(33,980)	-	(15,417,964)
Employee benefits	(41,229,018)	-	-	(955,607)	(14,256)	(42,198,881)	(32,985,472)	-	-	(578,162)	(33,563,634)
Depreciation of property, plant and equipment	(3,339,004)	-	(37,080)	(8,006)	(240,114)	(3,624,204)	(2,275,754)	(17,608)	(37,080)	(447,398)	(2,777,840)
Other expenses	(6,765,786)	(25,557)	(177,144)	(12,856)	(3,287,788)	(10,269,131)	(5,691,476)	(34,136)	(93,322)	(2,171,197)	(7,990,131)
Finance costs	-	-	-	-	(181,799)	(181,799)	(9,575)	(293)	-	(179,560)	(189,428)
<b>Segment profit/(loss) before income tax</b>	<b>6,512,365</b>	<b>114,996</b>	<b>(213,166)</b>	<b>36,497</b>	<b>(3,651,475)</b>	<b>2,799,217</b>	5,206,319	27,963	(139,864)	(3,346,657)	1,747,764
Share of loss from investment in joint venture	-	-	-	-	-	(650)	-	-	-	-	-
Income tax expense						(258,855)					(222,919)
<b>Net profit</b>						<b>2,539,712</b>					<b>1,524,845</b>
<b>Segment assets</b>	<b>31,393,088</b>	<b>579,107</b>	<b>176,105</b>	<b>487,710</b>	<b>3,137,200</b>	<b>35,758,726</b>	24,828,900	324,768	160,828	7,105,988	32,420,484
Addition to:											
-Property, plant and equipment	3,794,881	-	-	91,711	188,222	4,074,814	2,168,027	21,350	-	720,692	2,910,069
<b>Segment liabilities</b>	<b>11,190,239</b>	<b>523,156</b>	<b>4,500</b>	<b>52,545</b>	<b>3,310,144</b>	<b>15,080,584</b>	10,545,236	-	4,860	3,844,419	14,394,515

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

**4 Segment and revenue information (Cont'd)**

**4.1. Reportable segments (Cont'd)**

**4.2. A Breakdown of sales**

	<b>The Group</b>		
	<b>FY2024</b>	<b>FY2023</b>	<b>Change</b>
	<b>S\$</b>	<b>S\$</b>	<b>%</b>
Sales reported for first-half year	<b>33,937,961</b>	29,439,034	15.3
Net profit attributable to equity holder of the Company after tax expenses for first-half year	<b>1,638,884</b>	607,743	170.0
Sales reported for second-half year	<b>34,663,123</b>	31,994,294	8.4
Net profit attributable to equity holder of the Company after tax expenses for second-half year	<b>983,031</b>	956,821	2.7

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities as at 31 December 2024 and 2023 respectively:

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 24</b>	<b>31 Dec 23</b>	<b>31 Dec 24</b>	<b>31 Dec 23</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b><u>Financial assets</u></b>				
At amortised cost:				
- Cash and bank balances	<b>4,968,717</b>	7,856,584	<b>107,638</b>	3,188,059
- Trade receivables	<b>20,840,443</b>	15,485,303	-	163,292
- Other receivables	<b>595,606</b>	432,316	<b>3,424,151</b>	664,996
	<b>26,404,766</b>	23,774,203	<b>3,531,799</b>	4,016,347
<b><u>Financial liabilities</u></b>				
At amortised cost:				
- Borrowings	<b>3,886,687</b>	4,409,107	-	-
- Trade and other payables	<b>9,096,839</b>	8,342,617	<b>202,176</b>	190,876
	<b>12,983,526</b>	12,751,724	<b>202,176</b>	190,876

**6. Profit before income tax**

**6.1 Significant items**

	<b>The Group</b>			
	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>31 Dec 24</b>	<b>31 Dec 23</b>	<b>31 Dec 24</b>	<b>31 Dec 23</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b><u>Expenses / (Income)</u></b>				
Share of the loss joint venture	<b>650</b>	-	<b>650</b>	-
(Gain) / Loss on disposal of property, plant and equipment	<b>(26,064)</b>	51,415	<b>(28,164)</b>	51,415
Interest expenses	<b>89,052</b>	94,103	<b>181,799</b>	189,428
Property, plant and equipment written off	<b>24,078</b>	8,650	<b>26,892</b>	9,096
Gain on derecognition of leased asset	<b>(1,895)</b>	-	<b>(1,895)</b>	-
Employee share option scheme – value of employee service	<b>27,487</b>	27,514	<b>82,461</b>	27,514
Depreciation of property, plant and equipment	<b>1,910,117</b>	1,517,980	<b>3,624,204</b>	2,777,840

## 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:

	The Group			
	6 months ended		12 months ended	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	S\$	S\$	S\$	S\$
(a) Purchase of Services				
- Training courses <sup>(1)</sup>	160,760	219,127	498,011	230,190

(1) The Group's subsidiary corporation, LS 2 Services Pte Ltd and LS 2 Management Pte Ltd engaged Integrated Training Consultants Pte Ltd, an associate company of our Chief Executive Officer and Executive Director, 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:

	The Group			
	6 months ended		12 months ended	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	S\$	S\$	S\$	S\$
Salaries and bonuses	1,510,456	884,026	2,983,508	1,667,070
Employer's contribution to Central Provident Fund	64,333	62,658	129,722	116,988
	<b>1,574,789</b>	<b>946,684</b>	<b>3,113,230</b>	<b>1,784,058</b>
Comprised of amounts paid to:				
- Executive directors	1,207,055	578,744	2,295,009	1,167,284
- Other key management personnel	367,334	367,940	818,221	616,774
	<b>1,574,389</b>	<b>946,684</b>	<b>3,113,230</b>	<b>1,784,058</b>

## 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:

	The Group			
	6 months ended		12 months ended	
	31 Dec 24	31 Dec 23	31 Dec 24	31 Dec 23
	S\$	S\$	S\$	S\$
Tax expense / (credit) attributable to profit is made up of:				
Current income tax	(39,352)	143,618	369,842	351,437
Deferred income tax	9,504	(60,650)	(29,973)	(67,341)
	<b>(29,848)</b>	<b>82,968</b>	<b>339,869</b>	<b>284,096</b>
(Over) / under provision in prior financial years:				
Current income tax	(144,852)	(76,948)	(144,852)	(76,948)
Deferred income tax	63,838	22,001	63,838	15,768
	<b>(81,014)</b>	<b>(54,947)</b>	<b>(81,014)</b>	<b>(61,180)</b>
	<b>(110,862)</b>	<b>28,021</b>	<b>258,855</b>	<b>222,916</b>

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

**8. Net asset value**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 24</b>	<b>31 Dec 23</b>	<b>31 Dec 24</b>	<b>31 Dec 23</b>
Net assets per ordinary share (cents)	11.18	9.74	2.23	2.27

Net assets per ordinary share is calculated based on number of issued 185,000,000 ordinary shares (excluding treasury shares) as at 31 December 2024 and 31 December 2023. The Company has no treasury shares as at 31 December 2024 and 31 December 2023.

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

During the reported financial year ended 31 December 2024, the Group acquired PPE amounting to S\$4,074,814 (31 December 2023: S\$2,910,069) and net book value of disposed assets amounting to S\$ Nil (31 December 2023: S\$78,959).

The reconciliation of purchase of PPE and proceeds from disposal of PPE are presented below:

	<b>The Group</b>	
	<b>12 months ended</b>	
	<b>31 Dec 24</b>	<b>31 Dec 23</b>
	<b>S\$</b>	<b>S\$</b>
<b><u>Purchase of PPE</u></b>		
Total additions in the financial year	3,377,513	2,910,069
Less: Acquired under lease liabilities	(2,027,195)	(1,582,027)
(Less)/Add: Movement in down-payment to supplier of PPE	-	(8,492)
(Less)/Add: Movement in receivables grants	416,500	(211,448)
Net cash outflow	<b>1,766,818</b>	1,108,102
<b><u>Proceed from disposal of PPE</u></b>		
Total net book value of disposal in the financial year	-	78,959
Add: Gain on disposal of PPE	28,164	(51,415)
Net cash inflow	<b>28,164</b>	27,544

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

	<b>The Group</b>	
	<b>31 Dec 24</b>	<b>31 Dec 23</b>
	<b>S\$</b>	<b>S\$</b>
<b><u>Secured borrowing</u></b>		
Amount repayable in one year or less, or on demand	754,583	845,085
Amount repayable after one year	812,500	1,633,841
	<b>1,567,083</b>	2,478,926
<b><u>Unsecured borrowing</u></b>		
Amount repayable in one year or less, or on demand	1,846,229	1,389,825
Amount repayable after one year	473,375	540,356
	<b>2,319,604</b>	1,930,181
<b>Analyses as:</b>		
<b>Current</b>		
- Bank loans	750,000	750,000
- Leases liabilities	1,850,812	1,484,910
	2,600,812	2,234,910
<b>Non-current</b>		
- Bank loans	812,500	1,562,500
- Leases liabilities	473,375	611,697
	1,285,875	2,174,197
	<b>3,886,687</b>	4,409,107

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

**10 Loans and borrowings consist of bank loans and lease liabilities (Cont'd)**

**Details of any collaterals.**

As at the end of the financial year, the Group's secured lease liabilities and bank term loans are secured as follows:

- a) Secured lease liabilities amounting to S\$4,583 (31 December 2023: S\$166,426) are secured by the production equipment and motor vehicles of subsidiary corporations and
- b) Bank term loan amounting to S\$1,562,500 (31 December 2023: S\$2,312,500) are secured by property, plant and equipment.

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

11. Share capital

	<u>The Group</u>		<u>The Company</u>	
	31 Dec 2024		31 Dec 2024	
Issued and fully paid	No. of shares	S\$	No. of shares	S\$
Beginning and end of financial year	185,000,000	5,363,897	157,250,000	5,363,897
	31 Dec 2023		31 Dec 2023	
Issued and fully paid	No. of shares	S\$	No. of shares	S\$
Beginning and end of financial year	185,000,000	5,363,897	157,250,000	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.

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	
<b>Group and Company 2023</b>							
2023 Option	-	5,500,000	-	-	5,500,000	\$0.20	Note 1
<b>2024</b>							
2023 Option	5,500,000	-	-	-	5,500,000	\$0.20	Note 1

Note 1, 2 October 2024 to 1 October 2029

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.



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

**12 Share option reserve**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Beginning of financial period	27,514	-	27,514	-
Employee share option scheme – Value of employee services.	82,461	27,514	-	-
Employee share option scheme – Capital contribution to subsidiary corporations	-	-	82,461	27,514
End of financial period	<u><b>109,975</b></u>	<u><b>27,514</b></u>	<u><b>109,975</b></u>	<u><b>27,514</b></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 statements as of the reported date.

**E. 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 31 December 2024 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**

The Group's revenue increased by S\$7.2 million or 11.7% from S\$61.4 million in FY2023 to S\$68.6 million in FY2024. The increase was attributable to a higher revenue from public sector; S\$5.5 million from cleaning services rendered to education institution, and private sector; S\$1.7 million from cleaning services to commercial and hospitality sectors.

**Other income**

Other income remains relatively constant at S\$0.3 million in FY2023 and FY2024.

**Direct operating costs**

Direct operating costs increased by S\$3.0 million or 6.2% from S\$49.0 million in FY2023 to S\$52.0 million in FY2024. Direct operating costs comprised of: (i) purchases and related costs which decreased by S\$5.6 million from S\$15.4 million in FY2023 to S\$9.8 million in FY2024; and (ii) employee benefits which increased by S\$8.6 million from S\$33.6 million in FY2023 to S\$42.2 million in FY2024. The decrease in purchases and related costs and the increase in employee benefits were mainly due to changes in the contract mix of the Group's order book, where the Group secured more contracts from commercial, hospitality and educational institutions which require a greater workforce rather than a higher amount of purchases and related costs.

**Depreciation expenses**

Depreciation expenses relating to property, plant and equipment ("PPE") increased by S\$0.8 million from S\$2.8 million in FY2023 to S\$3.6 million in FY2024. This increase was mainly due to depreciation of right-of-use assets capitalised in PPE which has increased by S\$0.6 million from S\$1.6 million in FY2023 to S\$2.2 million in FY2024, as more accommodation leases were secured by the Group in FY2024 (refer to Note 9).

**Other expenses**

Other expenses increased by S\$2.3 million from S\$8.0 million in FY2023 to S\$10.3 million in FY2024. The increase was mainly due to (i) foreign worker levy increased by S\$0.9 million, (ii) higher insurance premium paid by S\$0.3 million, (iii) training cost incurred increased by S\$0.1 million and (iv) compensation paid and accrued performance-based bonuses increased by S\$0.8 million

**Finance costs**

Finance costs remain relatively constant at S\$0.2 million for both financial years

**Income tax expense**

Income tax expense increased by S\$0.1 million from S\$0.2 million in FY2023 to S\$0.3 million in FY2024, mainly due to higher taxable income estimated in FY2024.

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

**Non-current assets**

Total non-current assets increased by S\$0.3 million from S\$7.4 million as at 31 December 2023 to S\$7.7 million as at 31 December 2024 mainly due to S\$1.3 million of additional property plant and equipment acquired and S\$2.7 million capitalisation of right-of-use assets during the financial year before charging out its depreciation with total amount of S\$3.6 million during the financial year and S\$0.1 million net movement of deferred tax asset as of 31 December 2024.

**Trade and other receivables**

Trade and other receivables increased by S\$5.9 million from S\$17.1 million as at 31 December 2023 to S\$23.0 million as at 31 December 2024. The increase was mainly due to fluctuation arising from timing of payments made by customers and majority of outstanding amount have been settled in February 2025.

**Trade and other payables**

Trade and other payables increased by S\$1.1 million from S\$9.4 million in 31 December 2023 to S\$10.5 million mainly attributed to an accrued payable amount to employees benefits which comprise monthly payable amount and accrued performance-based bonuses.

**Borrowing**

The Group's total loans and borrowings decreased by S\$0.5 million from S\$4.4 million as at 31 December 2023 to S\$3.9 million as at 31 December 2024. This decrease was mainly due to scheduled repayment for working capital loan of S\$0.8 million and repayment of lease liabilities with total amount of S\$2.4 million before the offset against S\$2.0 million and S\$0.7 million for new lease liabilities and lease modification respectively recognised during the financial year.

**Deferred tax liabilities**

Deferred tax liabilities remained relatively constant with total payables amount of S\$0.3 million in FY2023 and FY2024.

**Statement of cash flows of the Group**

The Group recorded a net cash provided by operating activities of S\$2.3 million in FY2024; S\$6.6 million cash flows from operating activities and S\$4.2 million net cash outflow in working capital mainly due to a higher trade receivables amount before offset against S\$0.1 million tax amount paid.

Net cash used in investing activities was S\$1.7 million in FY2024 mainly due to additions to property, plant and equipment in FY2024.

Net cash used in financing activities was S\$3.3 million in FY2024 which comprising of repayment of S\$2.4 million to lease liabilities, S\$0.8 million to term loan borrowings. and its interest of S\$0.1 million during FY2024.

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 at 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.**

One of the strategies under the Environmental Services Industry Transformation Map (ES ITM) 2025 is to drive change in procurement practices from headcount-based to outcome-based contracting (OBC). OBC focuses on specifying desired outcomes and service quality instead of prescribing the required headcount. This approach encourages service providers to leverage innovative technologies, optimise processes, and deliver quality cleaning services with improved productivity.

As demand for cleaning services continues to rise, increasing manpower to meet service demand is not a sustainable solution given the manpower constraints in the cleaning sector. The environmental services industry generally faces a high attrition rate, primarily because a significant percentage of the cleaning workforce comprises elderly aged 60 and above. The aging population in Singapore has made the replacement of such workers upon their retirement increasingly challenging.

The Group is committed to enhancing the longevity of the aging workforce and attract younger workers by increasing productivity and delivering high-quality, professional cleaning services with a personal touch to service buyers. To achieve this, the Group is developing in-house capabilities in cleaning innovation through the adoption of the following:

- 1) Hardware innovations including Internet of Things (IoT) sensors such as human traffic counters, ammonia sensors, air quality sensors, fall detection sensors, toilet roll sensors, soap dispenser sensors, and occupancy sensors. Such technologies are changing the nature of cleaning works and the skills required to perform it. They reduce repetitive manual work and provide real-time data to cleaners to perform on-demand cleaning and improve response time; and
- 2) Software innovations which enable the collection of data points and integration of IoT data from various sensors. Our operation teams can gain real-time visibility and in turn make informed operational decisions, while service buyers can monitor and assess performance outcomes more effectively.

By combining advanced technologies with upskilling initiatives, the Group aims to improve productivity while creating higher-value jobs. This not only enhances service quality but may also translate into better career prospects and higher wages for frontline workers, ultimately fostering a more sustainable and competitive workforce in the environmental services sector.

**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.

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

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

No dividend has been declared or recommended for the financial period ended 31 December 2024. 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, LS 2 Services Pte Ltd and LS 2 Management Pte Ltd engaged Integrated Training Consultants Pte Ltd, an associate company of our Chief Executive Officer and Executive Director, Mr Ong Khong Weng, Alvin to provide trainings services to the Group and the total transaction amount was more than S\$100,000 but not more than 3% of the Group's latest audited net tangible assets.

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

The Company has increased its investment in Urban Cobots Pte Ltd (UCPL), 70% owned subsidiary on 31 December 2024 by subscribing its entitlement of 70,000 new ordinary shares issued by UCPL and the consideration S\$70,000 was funded by internal fund.

The effect on the issued and paid-up share capital of UCPL before and after the exercise is as follows:

	<b>LS 2 Holdings Limited</b>	<b>Goh Ek Ping</b>
Issued and paid-up share capital before exercise	<b>S\$235,520</b>	<b>S\$100,980</b>
No. of issued shares before exercise	<b>235,520</b>	<b>100,980</b>
Percentage shareholdings before exercise	<b>70%</b>	<b>30%</b>
<b>Issued and paid-up share capital after exercise</b>	<b>S\$305,520</b>	<b>S\$130,980</b>
<b>No. of issued shares after exercise</b>	<b>305,520</b>	<b>130,980</b>
<b>Percentage shareholdings after exercise</b>	<b>70%</b>	<b>30%</b>

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the aforesaid transactions, other than through their shareholdings in the Company.

**9. 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 procured 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.

**10. Use of IPO Proceeds**

**As at the date of this announcement, the utilization of net proceeds from the IPO are as follows:**

	<b>Amount allocated S\$'000</b>	<b>Amount utilised as of 29 February 2024 S\$'000</b>	<b>Amount utilised as of 8 August 2024 S\$'000</b>	<b>Balance S\$'000</b>
<b>Use of Proceeds</b>				
Business expansion (including strengthening our market position in Singapore, expanding the scope of our service offerings, engaging in strategic acquisitions and joint venture partnerships and investing in equipment and technology)	3,000	(2,070)	(930)	-
Working capital	1,356	-	(1,356)	-
<b>Total</b>	<b>4,356</b>	<b>2,070</b>	<b>(2,286)</b>	<b>-</b>

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

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiary corporations who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

<b>Name</b>	<b>Age</b>	<b>Family relationship with director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Tan Wei Ying	30	Daughter of our Executive Chairman and Executive Director, Mr Roger Tan	Chief operating officer and is responsible for, among others, implementing customer and business development strategies and managing clients relationship.	NA.
Tan Wei Li	30	Daughter of our Executive Chairman and Executive Director, Mr Roger Tan	Assistant Group financial controller and is responsible for, among others, preparation of management reports and performing analyses of company performance and ensure a compliance with internal controls policies, financial reporting standards and others relevant required compliances, governance and regulations.	NA
Tan Wei Qin	32	Son of our Executive Chairman and Executive Director, Mr Roger Tan	Facilities manager and is responsible for, among others; assist operations director to ensure all projects and maintenance works carried out as planned and oversee resources planning and management.	NA

**BY ORDER OF THE BOARD**

On Behalf of LS 2 Holdings Limited

Tan Hoo Kiat  
Executive Chairman and Executive Director  
28 February 2025

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.

The contact person for the Sponsor is Mr. Leong Weng Tuck at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com)