Appendix 1

LS 2 HOLDINGS LIMITED
(Company Registration No. 202016972G)
(Incorporated in Singapore)
("the Company")

QUESTIONS / COMMENTS RAISED AT THE ANNUAL GENERAL MEETING HELD ON 24 APRIL 2026

Comment/ Question 1 Shareholder No. 1 (Mr. Lin Yong Sheng, Desmond)	:	Reference was made to page 95 of the Company's Annual Report regarding employee benefits. The Company has enjoyed Special Employment Credit (SEC) when employing older Singaporean workers. He asked how this was factored into project tender pricing. The shareholder further asked whether the employment of older Singaporean workers was considered in tender pricing, and noted that if such workers subsequently left and were replaced by younger workers who did not qualify for SEC, this could result in margin compression. He enquired how the Group mitigated this risk.
Response 1 CEO (Mr. Ong Khong Weng, Alvin)	:	The CEO explained that from an operational perspective, the Group did not deliberately select workers based on specific age groups. Given the current labour shortage in the market, hiring was largely dependent on availability, and workers were employed based on their willingness to take on the job, regardless of demographic profile. As such, the Group could not specifically factor in the employment of older workers or the associated SEC benefits in tender pricing. There was also no certainty over workforce demographics throughout the project duration, including the possibility of younger workers replacing older workers, which would not disqualify the Company from receiving SEC.
Response 1 Chairman (Mr. Tan Siang Leng)		The Chairman added that while a reduction in SEC may have some impact on margins, the Group has mitigated this through the use of technology and productivity improvements, which helped offset any reduction in benefits and moderate the impact on margins.
Comment/ Question 2 Shareholder No. 1 (Mr. Lin Yong Sheng, Desmond)	:	Reference was made to page 73 of the Company's Annual Report, where purchases and related costs were about 11.5% of revenue last year, and given rising petrochemical prices and global developments, the shareholder asked whether the Group was able to lock in purchase prices to protect margins.
Response 2 CEO (Mr. Ong Khong Weng, Alvin)		In response, the CEO explained that the Group was able to hedge its costs to a certain extent, particularly for projects where contracts allowed for some price certainty over a fixed period. However, suppliers were generally unable to commit to long-term price guarantees due to their own cost uncertainties. While the Group could secure some short-term cost stability, this could not be extended over a prolonged period.
Comment/ Question 3 Shareholder No. 1 (Mr. Lin Yong Sheng, Desmond)	:	The shareholder asked when the Group last declared dividends and suggested that, given the improved business performance post-COVID, the Board consider implementing a dividend policy, for example, a payout of 15% to 25% to reward the Company's shareholders and enhance the valuation of the Company's share price.
Response 3 CEO (Mr. Ong Khong Weng, Alvin)	:	The CEO responded that the Group does not have a fixed dividend policy, and this has been disclosed in the IPO Offer Document.

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Response 3 Chairman (Mr. Tan Siang Leng)	:	The Chairman acknowledged Shareholder No. 1's suggestion and noted that while shareholders would welcome dividends, the Group remained cautious due to ongoing uncertainties, including geopolitical developments. He explained that the Group did not adopt a fixed dividend policy, and any dividend decision would depend on earnings, operational needs, and capital requirements. The Group has prioritised maintaining sufficient cash flow to support its operations and future growth. Although the Group had approximately S$7.6 million in cash as at year-end, the Chairman highlighted that monthly cash flow requirements were significant, and maintaining a strong cash position was important. The Group also adopted a prudent approach by minimising reliance on borrowings, which helped reduce financing costs. The Board would take the shareholder's suggestion into consideration and discuss the matter further.
Comment/ Question 4 Shareholder No. 2 (Mr. Ng Chee Kiong)	:	Shareholder No. 2 referred to page 5 of the Company's Annual Report on Financial Highlights and suggested that the Company include more detailed financial metrics over multiple years, such as return on equity ("**ROE**"), net tangible assets, earnings per share, net gearing, and dividends, as these are important for investors.
Response 4 CEO (Mr. Ong Khong Weng, Alvin)		The Board acknowledged the suggestion and noted the feedback from Shareholder No. 2.
Comment/ Question 5 Shareholder No. 2 (Mr. Ng Chee Kiong)	:	Reference was made to page 8 of the Company's Annual Report, Shareholder No. 2 enquired about the growth areas of the Group, particularly on the reason why integrated facilities management ("**IFM**") services were highlighted, and whether the Group intends to focus on growing IFM due to higher margins or continue expanding its cleaning services.
Response 5 CEO (Mr. Ong Khong Weng, Alvin)	:	The CEO explained that the Group's core business remains in cleaning services., which fall under "soft services" alongside pest control and landscaping. The move into IFM is currently at an initial stage, aimed to build its capabilities gradually for construction and mechanical & electrical works. The Group's strategy is to grow through integrating related services within soft services to provide more comprehensive offerings to clients. This integration allows better resource deployment and service efficiency.
Comment/ Question 6 Shareholder No. 2 (Mr. Ng Chee Kiong)	:	Reference was made to Note 28 (pages 119–120) on segment information of the Company's 2025 Annual Report, Shareholder No. 2 noted that the machinery segment has been loss-making for the past two years and asked whether the Group should consider discontinuing the business in this segment.
Response 6 CEO	:	The CEO explained that the machinery segment was part of the Group's efforts to transition from a traditional business to a technology- and data-

(Mr. Ong Khong Weng, Alvin)		driven company. This includes investments in innovation such as robotics and automation solutions. Losses are expected at this stage as the Group was in an early phase of transformation, involving the process of testing and evaluation, to identify suitable technologies and solutions. These efforts are intended to differentiate the Group from its competitors and improve long-term efficiency and competitiveness. .
Comment/ Question 7 Shareholder No. 2 (Mr. Ng Chee Kiong)	:	Shareholder No. 2 suggested that the machinery segment could be better described as R&D or innovation-related, to provide clearer understanding as its current classification may be misleading.
Response 7 CEO (Mr. Ong Khong Weng, Alvin)	:	Management acknowledged the feedback from Shareholder No. 2 and indicated that they could provide greater clarity in future disclosures.
Comment/ Question 8 Shareholder No. 3 (Mr. Ong Pang Soon)	:	Shareholder No. 3 raised concerns about the high remuneration of two key executives, noting that their combined pay was significant relative to the Group's profit. The shareholder questioned whether the compensation was fair, how it was justified, and whether changes should be made to the leadership structure for example, the Company need not have an executive chairman but a Non-executive Chairman as practised by other listed companies for cost saving purposes. The shareholder also suggested reviewing service contracts, improving dividend payouts, and aligning management rewards more closely with shareholder returns.
Response 8 Chairman (Mr. Tan Siang Leng)	:	The Chairman explained that executive remuneration consists of a fixed salary and a variable bonus component that is tied to the Company's performance. The structure and terms are disclosed in the Annual Report and prospectus, and there has been no deviation from these disclosed terms. The Remuneration Committee, which is independent, conducts regular evaluations to ensure that compensation remains appropriate and aligned with performance. The Board emphasised the importance of attracting and retaining experienced management talent for the Group's growth.
Comment/ Question 9 Shareholder No. 1 (Mr. Lin Yong Sheng, Desmond)	:	Shareholder No. 1 raised concerns about no distribution of dividends since IPO and felt that management pay was not in line with shareholder returns. He suggested the Board review dividend policy, revise service contracts, and consider alternative management structures. He reiterated concerns regarding share price performance and overall shareholder value.
Response 9 Chairman (Mr. Tan Siang Leng)	:	The Chairman acknowledged the concerns and reaffirmed that remuneration includes a performance-based component that would adjust according to results. He emphasised that the Group was focused on long-term growth and transformation.

		On dividends, he explained that the business was cash flow-intensive, requiring funds for operations (e.g. payroll, contract execution, and growth opportunities). As such, retaining cash was necessary, especially as the Group pursues larger projects. The Chairman acknowledged shareholders' feedback on dividends and remuneration and indicated that these will be taken into consideration for further discussion and review.
Comment/ Question 10 Shareholder No. 3 (Mr. Ong Pang Soon)	:	Shareholder No. 3 suggested that the Board review the Company's structure, including the roles and remuneration of the Executive Chairman and CEO, and consider reducing management pay to allow for higher dividends to shareholders. He reiterated his concerns regarding high management remuneration, service contracts, and no distribution of dividend, and urged the Board to take concrete action rather than merely noting the feedback.
Response 10 Chairman (Mr. Tan Siang Leng)	:	The Chairman acknowledged the Shareholder No. 3's suggestion and feedback.
Comment/ Question 11 Shareholder No. 2 (Mr. Ng Chee Kiong)	:	Shareholder No. 2 raised concerns about the Company's low free float (approximately 15%), which affects trading liquidity. He suggested increasing liquidity, for example through share placements to investors. He commented that improving liquidity and providing dividends could make the shares more attractive to investors and facilitate trading.
Response 11 CEO (Mr. Ong Khong Weng, Alvin)	:	The CEO acknowledged that improving liquidity is a valid consideration. He explained that any actions such as share placements would depend on the Group's business strategy and timing and must align with the Company's business plan overall business objectives.
Comment/ Question 12 Shareholder No. 2 (Mr. Ng Chee Kiong)	:	Reference was made to page 115 of the Company's Annual Report. It was noted that receivables overdue by more than 90 days amounted to approximately S$1.8 million (down from S$2.5 million in the previous year). He asked whether the Company could disclose the parties involved and whether more effort could be made to collect these receivables to improve cash flow.
Response 12 CEO (Mr. Ong Khong Weng, Alvin)	:	The majority of the overdue receivables had been collected as at the date of the AGM. The identities of the customers will not be disclosed for reasons of commercial confidentiality. Based on the auditors' assessment, no expected credit loss has been identified in respect of the outstanding receivables. The Board emphasised that managing receivables and cash flow was an ongoing focus, and the Audit Committee regularly reviews this matter.

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Comment/ Question 13 Shareholder No. 3 (Mr. Ong Pang Soon)	:	The shareholder highlighted that receivables have increased further and questioned why the Company appears to pay promptly while collections are slower. He also raised concerns about the high level of receivables compared to payables and its impact on cash flow and dividends. The shareholder remained concerned that funds tied up in receivables could otherwise be used for dividends and urged the Company to improve collection efforts.
Response 13 Chairman (Mr. Tan Siang Leng)	:	The Chairman explained that the increase in other receivables was largely due to government grant receivables, which were considered low risk as they were expected to be collected. He emphasised that collectability was not a major concern, although he acknowledged that timing differences might impact cash flow.
Comment/ Question 14 Shareholder No. 2 (Mr. Ng Chee Kiong)	:	Reference was made to Note 17, page 103 of the Company's 2025 Annual Report, the shareholder asked for more details on the Group's leasehold building, including its location, size and lease tenure.
Response 14 Group Financial Controller ("**GFC**") (Mr. Ong Han Poh)	:	The GFC explained that the leasehold property is related to workers' dormitories leased for accommodation. These were classified as leasehold properties in accordance with accounting standards. The leases were typically short-term leases of two years and were renewed based on project needs.
Comment/ Question 15 Shareholder No. 3 (Mr. Ong Pang Soon)	:	Shareholder No. 3 requested clarification on the respective roles of the Executive Chairman and CEO, particularly considering their combined remuneration and the Group's profit. He also expressed concerns about the level of management remuneration and suggested reviewing the pay structure and organisational arrangements, including at the point of service contract renewal and also the payment of dividend.
Response 15 CEO (Mr. Ong Khong Weng, Alvin)	:	It was explained that both the CEO and Executive Chairman ("**EC**") brought complementary skills and experience. The EC with over 30 years of industrial experience has contributed extensively to the Group and holds a critical role and the CEO focused on areas such as technology, data, and transformation. He emphasised that the business is complex and diverse and required collaboration between both roles rather than reliance on a single individual. The current leadership structure supported the Group's long-term growth and transformation strategy. He acknowledged the concerns and reiterated that the Group was focused on long-term growth and transformation, which required time and sustained effort. The payment of dividend is dependent on the financial position of the Company and appropriate timing.