



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 2025**

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A. Condensed interim consolidated statements of comprehensive income

	Note	The Group			The Group		
		6 months ended			12 months ended		
		31 Dec 25	31 Dec 24	Change%	31 Dec 25	31 Dec 24	Change %
		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
		S\$	S\$	S\$	S\$		
Revenue	E4	37,421,167	34,663,123	8.0	71,805,128	68,601,084	4.7
Other income							
Interest income-Bank deposit		19,911	15,831	25.8	52,763	42,423	24.4
Others		66,483	105,389	(36.9)	136,778	196,443	(30.4)
		86,394	121,220	(28.7)	189,541	238,866	(20.6)
Other gains and losses, net		9,832	3,880	153.4	2,253	3,166	(28.8)
Expenses:							
- Purchases and related costs		(4,476,737)	(3,986,566)	12.3	(8,276,926)	(9,796,776)	(15.5)
- Employee benefits		(22,844,564)	(22,932,217)	(0.4)	(45,207,011)	(42,198,881)	7.1
Direct operating costs		(27,321,301)	(26,918,783)	1.5	(53,483,937)	(51,995,657)	2.9
- Depreciation of property, plant and equipment		(2,003,218)	(1,910,118)	4.9	(4,003,244)	(3,624,204)	10.5
- Other expenses		(5,843,813)	(5,058,692)	15.5	(10,897,759)	(10,242,239)	6.4
- Finance costs		(60,513)	(89,052)	(32.0)	(128,052)	(181,799)	(29.6)
Total expenses		(35,228,845)	(33,976,645)	3.7	(68,512,992)	(66,043,899)	3.7
Share loss from investment in joint venture		(413)	(650)	36.5	(726)	(650)	11.7
Profit before income tax	E6	2,288,135	810,928	182.2	3,483,204	2,798,567	24.5
Income tax (expense)/credit	E7	(187,323)	110,862	N.M	(354,251)	(258,855)	36.9
Total comprehensive income, representing net profit for the financial period/year		2,100,812	921,790	127.9	3,128,953	2,539,712	23.2
Total comprehensive income, representing net profit/(loss) attributable to:							
- Equity holders of the Company		2,092,823	983,031	112.9	3,115,662	2,621,915	18.8
- Non-controlling interests		7,989	(61,241)	N.M	13,291	(82,203)	N.M
		2,100,812	921,790	127.9	3,128,953	2,539,712	23.2
Earnings per share ("EPS") for net profit attributable to equity holders of the Company:							
Basic and diluted (in cents) ¹		1.13	0.53	113.2	1.68	1.42	18.3

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 (FY2024: 185,000,000 shares).

N.M defines as Not Meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at		As at	
		31 Dec 25 (Unaudited)	31 Dec 24 (Audited)	31 Dec 25 (Unaudited)	31 Dec 24 (Audited)
		S\$	S\$	S\$	S\$
ASSETS					
Current assets					
Cash and bank balances		7,669,046	4,968,717	2,641,668	107,638
Trade and other receivables		23,775,824	22,998,752	436,318	3,452,548
Inventories		85,591	98,935	-	-
		<u>31,530,461</u>	<u>28,066,404</u>	<u>3,077,986</u>	<u>3,560,186</u>
Non-current assets					
Investment in subsidiary corporations		-	-	715,598	715,598
Investment in joint venture		23,624	24,350	23,624	24,350
Property, plant and equipment	E9	6,165,181	7,581,065	786	2,336
Deferred tax assets		122,624	86,907	90,840	67,253
		<u>6,311,429</u>	<u>7,692,322</u>	<u>830,848</u>	<u>809,537</u>
Total assets		<u>37,841,890</u>	<u>35,758,726</u>	<u>3,908,834</u>	<u>4,369,723</u>
LIABILITIES					
Current liabilities					
Trade and other payables		10,677,307	10,503,842	211,737	260,730
Borrowings	E10	2,162,444	2,600,812	-	-
Current income tax liabilities		675,542	369,841	-	-
		<u>13,515,293</u>	<u>13,474,495</u>	<u>211,737</u>	<u>260,730</u>
Non-current liabilities					
Borrowings	E10	400,150	1,285,875	-	-
Deferred tax liabilities		119,352	320,214	-	-
		<u>519,502</u>	<u>1,606,089</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>14,034,795</u>	<u>15,080,584</u>	<u>211,737</u>	<u>260,730</u>
Net assets		<u>23,807,095</u>	<u>20,678,142</u>	<u>3,697,097</u>	<u>4,108,993</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
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	109,975	109,975	109,975
Retained profits/(Accumulated losses)		15,344,172	12,228,510	(1,776,775)	(1,364,879)
		<u>23,818,045</u>	<u>20,702,383</u>	<u>3,697,097</u>	<u>4,108,993</u>
Non-controlling interests		(10,950)	(24,241)	-	-
		<u>23,807,095</u>	<u>20,678,142</u>	<u>3,697,097</u>	<u>4,108,993</u>

C. Condensed interim statements of changes of equity

Note	←-----Attributable to equity holders of the Company-----→						
	Share Capital S\$	Merger reserve S\$	Share option reserve S\$	Retained profits S\$	Total S\$	NCI*1 S\$	Total equity S\$
The Group							
2025 (Unaudited)							
	5,363,897	3,000,001	109,975	12,228,510	20,702,383	(24,241)	20,678,142
Beginning of financial year							
Total comprehensive income – Net profit of the financial year	-	-	-	3,115,662	3,115,662	13,291	3,128,953
End of financial year	5,363,897	3,000,001	109,975	15,344,172	23,818,045	(10,950)	23,807,095
2024 (Audited)							
	5,363,897	3,000,001	27,514	9,606,595	17,998,007	27,962	18,025,969
Beginning of financial year							
Employee share option scheme – value of employee service	-	-	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
End of financial year	5,363,897	3,000,001	109,975	12,228,510	20,702,383	(24,241)	20,678,142

*1 NCI defines as Non-Controlling Interest

	Share Capital S\$	Share option reserve S\$	Accumulated losses S\$	Total equity S\$
The Company				
2025 (Unaudited)				
	5,363,897	109,975	(1,364,879)	4,108,993
Beginning of financial year				
Total comprehensive loss – Net loss of the financial year	-	-	(411,896)	(411,896)
End of financial year	5,363,897	109,975	(1,776,775)	3,697,097
2024 (Audited)				
	5,363,897	27,514	(1,189,802)	4,201,609
Beginning of financial year				
Employee share option scheme – value of employee service	-	82,461	-	82,461
Total comprehensive loss – Net loss of the financial year	-	-	(175,077)	(175,077)
End of financial year	5,363,897	109,975	(1,364,879)	4,108,993

D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		12 months ended	
		31 Dec 25 (Unaudited)	31 Dec 24 (Audited)
		S\$	S\$
Cash flows from operating activities			
Profit before income tax		3,483,204	2,798,567
Adjustment for:-			
- Depreciation of property, plant and equipment	E6	4,003,244	3,624,204
- Property, plant and equipment written-off	E6	15,747	26,892
- Gain on disposal of property, plant and equipment	E6	(18,000)	(28,163)
- Gain on derecognition of leased asset	E6	-	(1,895)
- Employee share option scheme - value of employee service	E6	-	82,461
- Share of the loss from investment in joint venture	E6	726	650
- Interest income		(52,763)	(42,423)
- Interest expense	E6	128,052	181,799
		<u>7,560,210</u>	<u>6,642,092</u>
Change in working capital:			
- Change of inventories		13,344	(38,700)
- Trade and other receivables		(777,072)	(5,466,517)
- Trade and other payables		173,465	1,146,393
		<u>6,969,947</u>	<u>2,283,268</u>
Cash generated from operations			
Interest received		52,763	42,423
Income tax paid		(285,129)	(130,429)
		<u>6,737,581</u>	<u>2,195,262</u>
Net cash provided by operating activities			
Cash flows from investing activities			
Investment in joint venture		-	(25,000)
Proceeds from disposal of property, plant and equipment	E9	18,000	28,164
Additions to property, plant and equipment	E9	(583,274)	(1,766,819)
		<u>(565,274)</u>	<u>(1,763,655)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Capital contribution to subsidiary corporation from non-controlling interests		-	30,000
Principal repayment of lease liabilities		(2,593,926)	(2,417,675)
Proceeds from borrowings		-	790,000
Repayment of borrowings		(750,000)	(750,000)
Repayment of trade receivables factoring		-	(790,000)
Interest paid		(128,052)	(181,799)
		<u>(3,471,978)</u>	<u>(3,319,474)</u>
Net cash used in financing activities			
Net increase / (decrease) in cash and bank balances		2,700,329	(2,887,867)
Cash and bank balances			
Beginning of the financial year		<u>4,968,717</u>	<u>7,856,584</u>
End of the financial year		<u>7,669,046</u>	<u>4,968,717</u>

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

Reconciliation of liabilities arising from financing activities

	1 January 2025	Proceeds from borrowings	Principal and Interest expenses	←-----Non-cash changes-----→			31 December 2025
				Interest expense	Additions	Lease modification	
Bank borrowings	1,562,500	-	(787,509)	37,509	-	-	812,500
Lease liabilities	2,324,187	-	(2,684,469)	90,543	781,540	1,238,293	1,750,094

	1 January 2024	Proceeds from borrowings	Principal and Interest expenses	Interest expense	←-----Non-cash changes-----→			31 December 2024
					Additions	Lease modification	Effect of lease termination	
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

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 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 year ended 31 December 2024 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 2025, 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 2025.

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 2025.

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 design, manufacturing 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 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 2025 and 2024, respectively:

	<u>1 Jul 25 to 31 Dec 25</u>						<u>1 Jul 24 to 31 Dec 24</u>					
	Cleaning	Pest control	Machinery	IFM	Others	Total	Cleaning	Pest control	Machinery	IFM	Others	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue	35,682,987	852,615	63,600	821,965	-	37,421,167	33,125,937	620,028	-	917,158	-	34,663,123
Other income	50,883	3,600	-	-	31,911	86,394	79,560	39,660	-	2,000	-	121,220
Other gain and losses, net	(8,168)	-	-	-	18,000	9,832	3,880	-	-	-	-	3,880
Purchases and related costs	(3,636,743)	(746,265)	(62,996)	(30,733)	-	(4,476,737)	(3,367,821)	(582,876)	(46)	(35,823)	-	(3,986,566)
Employee benefits	(22,125,213)	-	-	(656,061)	(63,290)	(22,844,564)	(22,065,196)	-	-	(852,765)	(14,256)	(22,932,217)
Depreciation of property, plant and equipment	(1,824,965)	-	(7,785)	(5,928)	(164,540)	(2,003,218)	(1,673,902)	-	(18,540)	(4,887)	(212,789)	(1,910,118)
Other expenses	(3,607,171)	(767)	(26,116)	(4,260)	(2,205,499)	(5,843,813)	(3,438,926)	(23,132)	(110,401)	(4,302)	(1,481,931)	(5,058,692)
Finance costs	-	-	-	-	(60,513)	(60,513)	-	-	-	-	(89,052)	(89,052)
Segment profit/(loss) before income tax	4,531,610	109,183	(33,297)	124,983	(2,443,931)	2,288,548	2,663,532	53,680	(128,987)	21,381	(1,798,028)	811,578
Share of loss from investment in joint venture						(413)						(650)
Income tax (expense)/credit						(187,323)						110,862
Net profit						2,100,812						921,790
Segment assets	31,071,290	426,307	95,955	589,754	5,658,584	37,841,890	31,378,604	579,107	176,105	487,710	3,137,200	35,758,726
Addition to:												
- Investment in a joint venture	-	-	-	-	-	-	-	-	-	-	25,000	25,000
- Property, plant and equipment	952,639	-	-	-	280,699	1,233,338	3,097,580	-	-	91,711	188,222	4,074,814
Segment liabilities	10,192,083	729,465	10,845	50,843	3,051,559	14,034,795	11,190,239	523,156	4,500	52,545	3,310,144	15,080,584

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 2025 and 2024 respectively:

	<u>1 Jan 25 to 31 Dec 25</u>						<u>1 Jan 24 to 31 Dec 24</u>					
	Cleaning S\$	Pest control S\$	Machinery S\$	IFM S\$	Others S\$	Total S\$	Cleaning S\$	Pest control S\$	Machinery S\$	IFM S\$	Others S\$	Total S\$
Revenue	68,802,810	1,418,953	63,600	1,519,765	-	71,805,128	66,295,951	1,177,700	4,250	1,123,183	-	68,601,084
Other income	92,751	22,800	2,000	2,000	69,990	189,541	151,616	39,660	-	2,000	45,590	238,866
Other gain and losses, net	(15,747)	-	-	-	18,000	2,253	3,166	-	-	-	-	3,166
Purchases and related costs	(6,891,304)	(1,251,276)	(63,026)	(71,320)	-	(8,276,926)	(8,604,560)	(1,076,807)	(3,192)	(112,217)	-	(9,796,776)
Employee benefits	(43,882,394)	-	-	(1,192,648)	(131,969)	(45,207,011)	(41,229,018)	-	-	(955,607)	(14,256)	(42,198,881)
Depreciation of property, plant and equipment	(3,689,058)	-	(26,325)	(11,857)	(276,004)	(4,003,244)	(3,339,004)	-	(37,080)	(8,006)	(240,114)	(3,624,204)
Other expenses	(6,955,808)	(6,697)	(51,873)	(11,015)	(3,872,366)	(10,897,759)	(6,765,786)	(25,557)	(177,144)	(12,856)	(3,260,896)	(10,242,239)
Finance costs	-	-	-	-	(128,052)	(128,052)	-	-	-	-	(181,799)	(181,799)
Segment profit/(loss) before income tax	7,461,250	183,780	(75,624)	234,925	(4,320,401)	3,483,930	6,512,365	114,996	(213,166)	36,497	(3,651,475)	2,799,217
Share of loss from investment in joint venture	-	-	-	-	-	(726)	-	-	-	-	-	(650)
Income tax expense						(354,251)						(258,855)
Net profit						3,128,953						2,539,712
Segment assets	31,071,290	426,307	95,955	589,754	5,658,584	37,841,890	31,378,604	579,107	176,105	487,710	3,137,200	35,758,726
Addition to:												
-Investment in a joint venture	-	-	-	-	-	-	-	-	-	-	25,000	25,000
-Property, plant and equipment	952,639	-	-	-	280,699	1,233,338	3,097,580	-	-	91,711	188,222	4,074,814
Segment liabilities	10,192,083	729,465	10,845	50,843	3,051,559	14,034,795	11,190,239	523,156	4,500	52,545	3,310,144	15,080,584

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

	The Group		
	FY2025	FY2024	Change
	S\$	S\$	%
Sales reported for first-half year	34,383,961	33,937,961	1.3
Net profit attributable to equity holder of the Company after tax expenses for first-half year	1,022,839	1,638,884	(37.6)
Sales reported for second-half year	37,421,167	34,663,123	8.0
Net profit attributable to equity holder of the Company after tax expenses for second-half year	2,092,823	983,031	112.9

5. Financial assets and financial liabilities

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

	The Group		The Company	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
At amortised cost:				
- Cash and bank balances	7,669,046	4,968,717	2,641,668	107,638
- Trade receivables	20,832,265	20,840,443	72,257	-
- Other receivables	517,858	595,606	196,059	3,424,151
	29,019,169	26,404,766	2,909,984	3,531,789
<u>Financial liabilities</u>				
At amortised cost:				
- Borrowings	2,562,594	3,886,687	-	-
- Trade and other payables	9,160,463	9,121,839	189,277	202,179
	11,723,057	13,008,526	189,277	202,176

6. Profit before income tax

6.1 Significant items

	The Group			
	6 months ended		12 months ended	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
	S\$	S\$	S\$	S\$
<u>Expenses / (Income)</u>				
Share of the loss joint venture	413	650	726	650
Gain on disposal of property, plant and equipment	(18,000)	(26,064)	(18,000)	(28,163)
Interest expenses	60,513	89,052	128,052	181,799
Property, plant and equipment written off	8,168	24,078	15,747	26,892
Gain on derecognition of leased asset	-	(1,895)	-	(1,895)
Employee share option scheme – value of employee service	-	27,487	-	82,461
Depreciation of property, plant and equipment	2,003,218	1,910,118	4,003,244	3,624,204

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 25	31 Dec 24	31 Dec 25	31 Dec 24
	S\$	S\$	S\$	S\$
(a) Purchase of Services				
- Training courses ⁽¹⁾	120,949	160,760	204,714	498,011

(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 25	31 Dec 24	31 Dec 25	31 Dec 24
	S\$	S\$	S\$	S\$
Salaries and bonuses	1,972,182	1,469,476	3,413,003	2,942,529
Employer's contribution to Central Provident Fund	68,911	64,333	140,070	129,722
Share option expense	-	50,978	-	50,978
	2,041,093	1,584,787	3,553,073	3,123,229
Comprised of amounts paid to:				
- Executive directors	1,568,867	1,216,986	2,623,224	2,304,940
- Other key management personnel	472,226	367,801	929,849	818,289
	2,041,093	1,584,787	3,553,073	3,123,229

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 25	31 Dec 24	31 Dec 25	31 Dec 24
	S\$	S\$	S\$	S\$
Tax expense / (credit) attributable to profit is made up of:				
Current income tax	412,660	(39,352)	675,543	369,842
Deferred income tax	(135,612)	9,504	(231,567)	(29,973)
	277,048	(29,848)	443,976	339,869
(Over) / under provision in prior financial years:				
Current income tax	(84,713)	(144,852)	(84,713)	(144,852)
Deferred income tax	(5,012)	63,838	(5,012)	63,838
	(89,725)	(81,014)	(89,725)	(81,014)
	187,323	(110,862)	354,251	258,855

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

8. **Net asset value**

	The Group		The Company	
	31 Dec 25	31 Dec 24	31 Dec 25	31 Dec 24
Net assets per ordinary share (cents)	12.87	11.18	2.00	2.23

Net assets per ordinary share is calculated based on number of issued 185,000,000 ordinary shares (excluding treasury shares) as at 31 December 2025 and 31 December 2024. The Company has no treasury shares as at 31 December 2025 and 31 December 2024.

9 **Property, plant and equipment (“PPE”)**

During the reported financial year ended 31 December 2025, the Group acquired PPE amounting to S\$1,364,814 (31 December 2024: S\$3,377,514) and net book value of disposed assets amounting to S\$Nil (31 December 2024: S\$Nil).

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

	The Group	
	12 months ended	
	31 Dec 25	31 Dec 24
	S\$	S\$
<u>Purchase of PPE</u>		
Total additions in the financial year	1,364,814	3,377,514
Less: Acquired under lease liabilities	(781,540)	(2,027,195)
Add: Movement in receivables grants	-	416,500
Net cash outflow	583,274	1,766,819
<u>Proceed from disposal of PPE</u>		
Total net book value of disposal in the financial year	-	-
Add: Gain on disposal of PPE	18,000	28,164
Net cash inflow	18,000	28,164

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

	The Group	
	31 Dec 25	31 Dec 24
	S\$	S\$
<u>Secured borrowing</u>		
Amount repayable in one year or less, or on demand	750,000	754,583
Amount repayable after one year	62,500	812,500
	812,500	1,567,083
<u>Unsecured borrowing</u>		
Amount repayable in one year or less, or on demand	1,412,444	1,846,229
Amount repayable after one year	337,650	473,375
	1,750,094	2,319,604
Analyses as:		
Current		
- Bank loans	750,000	750,000
- Leases liabilities	1,412,444	1,850,812
	2,162,444	2,600,812
Non-current		
- Bank loans	62,500	812,500
- Leases liabilities	337,650	473,375
	400,150	1,285,875
	2,562,594	3,886,687

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

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

Security granted.

- a) Lease liabilities
Secured lease liabilities amounting to S\$NIL (31 December 2024: S\$4,583) are secured by motor vehicles of the Group;
- b) Term loan
Temporary bridge of S\$812,500 (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

11 Share capital

	<u>The Group</u>		<u>The Company</u>	
	<u>31 Dec 2025</u>		<u>31 Dec 2025</u>	
Issued and fully paid	No. of shares	S\$	No. of shares	S\$
Beginning and end of financial year	185,000,000	5,363,897	185,000,000	5,363,897

	<u>31 Dec 2024</u>		<u>31 Dec 2024</u>	
Issued and fully paid	No. of shares	S\$	No. of shares	S\$
Beginning and end of financial year	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 31 December 2025 and 31 December 2024. There were no purchase, sale, transfer, disposal, cancellation and use of treasury shares and subsidiary holdings during the financial year ended 31 December 2025.

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

11 Share capital (Cont'd)

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
Group and Company 2025							
2023 Option	5,500,000	-	-	-	5,500,000	\$0.20	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 ⁽¹⁾	Singapore risk-free rate
2 October 2023	\$109,948	\$0.076	\$0.20	3.5 years	68.0%	3.43%

⁽¹⁾ 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

	Group		Company	
	2025 S\$	2024 S\$	2025 S\$	2024 S\$
Beginning of financial year	109,975	27,514	109,975	27,514
Employee share option scheme – Value of employee services.	-	82,461	-	-
Employee share option scheme – Capital contribution to subsidiary corporations	-	-	-	82,461
End of financial year	<u>109,975</u>	<u>109,975</u>	<u>109,975</u>	<u>109,975</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.

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 31 December 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

The Group's revenue increased by S\$3.2 million or 4.7% from S\$68.6 million in FY2024 to S\$71.8 million in FY2025. The increase was mainly attributable to contractual rate adjustments for certain public and private sector projects, partially offset by contract cessations during the year.

Other income

Other income decreased by S\$0.05 million from S\$0.24 million in FY2024 to S\$0.19 million in FY2025, mainly due to lower interest income earned during the year.

Direct operating costs

Direct operating costs increased by S\$1.5 million, or 2.9%, from S\$52.0 million in FY2024 to S\$53.5 million in FY2025.

Direct operating costs comprised: (i) purchases and related costs, which decreased by S\$1.5 million from S\$9.8 million in FY2024 to S\$8.3 million in FY2025; and (ii) employee benefits, which increased by S\$3.0 million from S\$42.2 million in FY2024 to S\$45.2 million in FY2025.

The decrease in purchases and related costs and the corresponding increase in employee benefits were mainly attributable to changes in the Group's contract mix. During FY2025, the Group secured more contracts from commercial, hospitality and educational institutions, which are generally more labour-intensive and require a larger workforce, as opposed to higher purchases and related costs.

Depreciation expenses

Depreciation expenses relating to property, plant and equipment ("PPE") increased by S\$0.4 million, from S\$3.6 million in FY2024 to S\$4.0 million in FY2025. The increase was mainly attributable to higher depreciation of right-of-use ("ROU") assets capitalised within PPE, which rose by S\$0.4 million from S\$2.2 million in FY2024 to S\$2.6 million in FY2025.

The higher ROU depreciation was primarily due to full-year depreciation recognition in FY2025, as certain leases commenced partway through FY2024, as well as the impact of new and modified leases during the financial year.

Other expenses

Other expenses increased by S\$0.7 million from S\$10.2 million in FY2024 to S\$10.9 million in FY2025. The increase was mainly attributable to higher foreign worker levy expenses and increased staff-related costs, including performance-based bonuses.

Finance costs

Finance costs decreased from S\$0.2 million in FY2024 to S\$0.1 million in FY2025, mainly due to lower outstanding borrowings during the financial year.

Income tax expense

Income tax expense increased by S\$0.1 million from S\$0.3 million in FY2024 to S\$0.4 million in FY2025, mainly due to higher taxable income in FY2025.

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 decreased by S\$1.4 million from S\$7.7 million as at 31 December 2024 to S\$6.3 million as at 31 December 2025.

The decrease was mainly due to depreciation of S\$4.0 million charged during the financial year, which partially offset by additions to property, plant and equipment of S\$0.6 million and new and modified leases of S\$2.0 million recognised during the year.

Trade and other receivables

Trade and other receivables increased by S\$0.8 million from S\$23.0 million as at 31 December 2024 to S\$23.8 million as at 31 December 2025, mainly due to timing differences in collections from customers. The majority of outstanding balances were subsequently settled in February 2026.

Trade and other payables

Trade and other payables increased slightly by S\$0.2 million from S\$10.5 million as at 31 December 2024 to S\$10.7 million as at 31 December 2025, mainly due to higher accrued employee benefits and performance-based bonuses.

Borrowing

The Group's total loans and borrowings decreased by S\$1.3 million from S\$3.9 million as at 31 December 2024 to S\$2.6 million as at 31 December 2025.

This decrease was mainly attributable to the scheduled repayment of S\$0.8 million for the working capital loan and repayment of lease liabilities totalling S\$2.6 million, partially offset by the recognition of S\$0.7 million in new lease liabilities and S\$1.4 million arising from lease modifications during the financial year.

Deferred tax liabilities

Deferred tax liabilities decreased by S\$0.2 million, from S\$0.3 million as at 31 December 2024 to S\$0.1 million as at 31 December 2025, mainly due to the reversal of temporary differences between accounting and tax treatments of certain assets.

Statement of cash flows of the Group

The Group recorded net cash generated from operating activities of S\$6.7 million in FY2025. This comprised operating cash flow before working capital changes of S\$7.6 million and a net working capital outflow of S\$0.6 million, mainly due to an increase in trade and other receivables, partially offset by higher payables, and income tax payments of S\$0.3 million.

Net cash used in investing activities amounted to S\$0.6 million in FY2025, primarily attributable to additions to property, plant and equipment during the financial year.

Net cash used in financing activities was S\$3.5 million in FY2025, comprising repayments of S\$2.6 million in lease liabilities, S\$0.8 million in term loan borrowings, and S\$0.1 million in related interest expenses during the financial year.

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.**

The environmental services sector is expected to remain stable over the next 12 months, supported by recurring demand for essential cleaning and maintenance services across public, commercial, hospitality and educational sectors. Regulatory requirements and sustained hygiene standards are expected to provide baseline demand visibility.

The industry continues to face cost pressures arising from progressive wage increases, foreign worker levy adjustments and manpower constraints. As the Group operates in a labour-intensive environment, prudent workforce planning and cost management will remain key to maintaining margins in a competitive tender landscape.

The adoption of technology and Internet of Things (IoT) solutions, including smart monitoring systems and data-driven workforce management tools, may enhance operational efficiency and optimise manpower deployment. Continued investment in productivity-enhancing initiatives may help mitigate rising labour costs and support service quality.

Overall, while revenue visibility remains relatively stable, the Group's performance will depend on effective cost control, contract renewals and operational efficiency improvements.

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 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 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 1% of the Group's latest audited net tangible assets.

8. 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

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. 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.

Name	Age	Family relationship with director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Wei Ying	31	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	31	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	33	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 2026

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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