



LHT HOLDINGS LIMITED (Company Registration No. 198003094E)

Address: 27 Sungei Kadut Street 1, Singapore 729335 Tel: (65) 6269 7890 Fax: (65) 6367 4907 Email: enquiry@lht.com.sg URL: www.lht.com.sg

Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2024



LHT HOLDINGS LIMITED (Company Registration No. 198003094E)

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(I) Unaudited Condensed Interim Consolidated Financial Statements



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A. Condensed Interim Consolidated Income Statement

| | Notes | Group | | |
|--|-------------|------------------------------|------------------------------|---------------------------------------|
| | | 6 months ended 30/06/2024 | 6 months ended 30/06/2023 | Change (%) increase/ (decrease) |
| | | S\$'000 | S\$'000 | % |
| Revenue | 6, Para 2.1 | 13,566 | 16,312 | (16.8%) |
| Cost of sales | | (8,337) | (10,087) | (17.3%) |
| Gross profit | Para 2.2 | 5,229 | 6,225 | (16.0%) |
| Other item of income | | | | |
| Other income | Para 2.3 | 1,867 | 1,456 | 28.2% |
| Other item of expenses | | | | |
| Distribution expenses | Para 2.4 | (491) | (500) | (1.8%) |
| Administrative expenses | Para 2.5 | (4,343) | (3,665) | 18.5% |
| Other expenses | Para 2.6 | (104) | (104) | - |
| Finance costs | Para 2.7 | (371) | (175) | 112.0% |
| Profit before income tax | 8, Para 2.8 | 1,787 | 3,237 | (44.8%) |
| Income tax expense | 10 | (304) | (653) | (53.4%) |
| Profit for the financial period | | 1,483 | 2,584 | (42.6%) |



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B. Condensed Interim Consolidated Statement of Comprehensive Income

| | Notes | Group | | |
|---|-------|------------------------------|------------------------------|---------------------------------------|
| | | 6 months ended 30/06/2024 | 6 months ended 30/06/2023 | Change (%) increase/ (decrease) |
| | | S\$'000 | S\$'000 | % |
| Profit/(loss) attributable to: | | | | |
| Owners of the Company | | 1,483 | 2,584 | (42.6%) |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | |
| Currency translation differences on consolidation of foreign entities (net) | | 47 | (596) | 107.9% |
| Total other comprehensive loss for the period | | 47 | (596) | 107.9% |
| Total comprehensive income for the period | | 1,530 | 1,988 | (23.0%) |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | | 1,530 | 1,988 | (23.0%) |
| Earnings per share attributable to owners of the Company (cents per share) | | | | |
| Basic and diluted | 12 | 2.79 | 4.85 | (42.5%) |



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C. Condensed Interim Statements of Financial Position

| | Notes | Group | | Company | |
|---|-----------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | As at 30/06/2024 S\$'000 | As at 31/12/2023 S\$'000 | As at 30/06/2024 S\$'000 | As at 31/12/2023 S\$'000 |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 14 | 9,258 | 9,794 | 1,203 | 1,489 |
| Right-of-use assets | 15 | 12,347 | 13,787 | 4,582 | 5,607 |
| Investments in subsidiaries | | - | - | 10,300 | 10,300 |
| Total non-current assets | Para 2.9 | 21,605 | 23,581 | 16,085 | 17,396 |
| Current Assets | | | | | |
| Inventories | | 4,401 | 4,411 | 2,548 | 2,691 |
| Trade and other receivables | | 5,794 | 6,043 | 4,369 | 5,128 |
| Fixed deposits | | 22,503 | 30,411 | 11,757 | 19,842 |
| Cash and cash equivalents | | 12,510 | 12,364 | 4,738 | 5,830 |
| Total current assets | Para 2.10 | 45,208 | 53,229 | 23,412 | 33,491 |
| Total assets | | 66,813 | 76,810 | 39,497 | 50,887 |
| LIABILITIES AND EQUITY | | | | | |
| Current Liabilities | | | | | |
| Lease liabilities | 17 | 1,027 | 1,204 | 665 | 689 |
| Trade and other payables | | 2,436 | 2,652 | 2,736 | 3,163 |
| Provisions | | 106 | - | 106 | - |
| Income tax payables | | 577 | 902 | 192 | 423 |
| Total current liabilities | Para 2.11 | 4,146 | 4,758 | 3,699 | 4,275 |
| Net current assets | Para 2.13 | 41,062 | 48,471 | 19,713 | 29,216 |
| Non-Current Liabilities | | | | | |
| Lease liabilities | 17 | 8,663 | 9,884 | 4,251 | 5,216 |
| Trade and other payables | | 180 | 205 | 180 | 205 |
| Provisions | | 510 | 596 | - | 102 |
| Deferred tax liabilities | | 654 | 653 | 20 | 20 |
| Total non-current liabilities | Para 2.12 | 10,007 | 11,338 | 4,451 | 5,543 |
| Total liabilities | | 14,153 | 16,096 | 8,150 | 9,818 |
| Net assets | | 52,660 | 60,714 | 31,347 | 41,069 |
| Equity | | | | | |
| Share capital | 16 | 24,621 | 24,621 | 24,621 | 24,621 |
| Currency translation reserve | | (1,485) | (1,532) | - | - |
| Retained earnings | | 29,524 | 37,625 | 6,726 | 16,448 |
| Total equity attributable to owners of the Company | | 52,660 | 60,714 | 31,347 | 41,069 |
| Total liabilities and equity | | 66,813 | 76,810 | 39,497 | 50,887 |



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D. Condensed Interim Statements of Changes in Equity

| | Note | Equity attributable to owners of the Company | | | |
|---|------|--|------------------------------|-------------------|---------------|
| | | Share capital | Currency translation reserve | Retained earnings | Total equity |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Group | | | | | |
| Balance at 01/01/2024 | | 24,621 | (1,532) | 37,625 | 60,714 |
| Profit for the period | | - | - | 1,483 | 1,483 |
| Other comprehensive income: | | | | | |
| Exchange difference on translating foreign subsidiaries | | - | 47 | - | 47 |
| Total comprehensive income for the period | | - | 47 | 1,483 | 1,530 |
| Dividend paid | 11 | - | - | (9,584) | (9,584) |
| Balance at 30/06/2024 | | 24,621 | (1,485) | 29,524 | 52,660 |
| Balance at 01/01/2023 | | 24,621 | (822) | 35,942 | 59,741 |
| Profit for the period | | - | - | 2,584 | 2,584 |
| Other comprehensive income: | | | | | |
| Exchange difference on translating foreign subsidiaries | | - | (596) | - | (596) |
| Total comprehensive income for the period | | - | (596) | 2,584 | 1,988 |
| Dividend paid | 11 | - | - | (2,662) | (2,662) |
| Balance at 30/06/2023 | | 24,621 | (1,418) | 35,864 | 59,067 |
| Company | | | | | |
| Balance at 01/01/2024 | | 24,621 | - | 16,448 | 41,069 |
| Profit for the period, representing total comprehensive income for the period | | - | - | (138) | (138) |
| Dividend paid | 11 | - | - | (9,584) | (9,584) |
| Balance at 30/06/2024 | | 24,621 | - | 6,726 | 31,347 |
| Balance at 01/01/2023 | | 24,621 | - | 18,588 | 43,209 |
| Profit for the period, representing total comprehensive income for the period | | - | - | 649 | 649 |
| Dividend paid | 11 | - | - | (2,662) | (2,662) |
| Balance at 30/06/2023 | | 24,621 | - | 16,575 | 41,196 |

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E. Condensed Interim Consolidated Statement of Cash Flows

| | Note | Group | |
|---|-----------|------------------------------|------------------------------|
| | | 6 months ended 30/06/2024 | 6 months ended 30/06/2023 |
| | | S\$'000 | S\$'000 |
| Operating activities: | | | |
| Profit before income tax | | 1,787 | 3,237 |
| Adjustments for: | | | |
| Loss allowance (reversed)/made for trade receivables | | (2) | 64 |
| (Write-back)/Write-down of obsolete inventories | | (173) | 10 |
| Depreciation of property, plant and equipment | | 934 | 918 |
| Amortisation of right-of-use assets | | 690 | 482 |
| Deferred grant income | | (26) | (26) |
| Gain on disposal of property, plant and equipment | | (111) | (56) |
| Property, plant and equipment written off | 14 | 20 | 30 |
| Interest income | | (514) | (281) |
| Interest expense | | 371 | 175 |
| Operating cash flow before movements in working capital | | 2,976 | 4,553 |
| Changes in working capital: | | | |
| Inventories | | 183 | 1,583 |
| Trade and other receivables | | 201 | 405 |
| Trade and other payables | | (216) | (527) |
| Cash generated from operations | | 3,144 | 6,014 |
| Income taxes paid | | (632) | (726) |
| Net cash generated from operating activities | | 2,512 | 5,288 |
| Investing activities: | | | |
| Proceeds from disposal of property, plant and equipment | | 116 | 60 |
| Purchase of property, plant and equipment | 14 | (412) | (95) |
| Placement of fixed deposits | | (1,190) | (3,014) |
| Withdrawal of fixed deposits | | 9,116 | 3,000 |
| Deposit for acquisition of properties | | - | (154) |
| Deferred capital grant received | | - | 86 |
| Interest received | | 564 | 421 |
| Net cash used in investing activities | | 8,194 | 304 |
| Financing activities: | | | |
| Dividend paid | 11 | (9,584) | (2,662) |
| Repayment of lease liabilities | | (586) | (418) |
| Interest paid | | (405) | (172) |
| Net cash used in financing activities | | (10,575) | (3,252) |
| Net change in cash and cash equivalents | | 131 | 2,340 |
| Cash and cash equivalents at beginning of period | | 12,364 | 12,631 |
| Net effect of exchange rate changes on the cash and cash equivalents held in foreign currencies | | 15 | (315) |
| Cash and cash equivalents at end of period | Para 2.14 | 12,510 | 14,656 |



F. Notes to the Unaudited Condensed Interim Consolidated Financial Statements

These notes formed an integral part of the unaudited condensed interim consolidated financial statements.

1. Corporate information

LHT Holdings Limited (the "Company") (Registration number 198003094E) is a limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprises the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of manufacturing and trading of wooden pallets and timber-related products.

The principal activities of the Group are:

- a) Timber merchants, commission agents, sawmillers and pallet rental;
- b) Dealers in wood products, pallets and packaging;
- c) Manufacturer, trader, importer and exporter of wooden pallets and related products;
- d) Wood waste recycling and recovering;
- e) Manufacturer, trader, importer and exporter of green products and woodchips; and
- f) Providing of other services with respect to timber, pallets and other packaging materials.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023. 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 year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar ("S\$") which is the Company's functional currency and all value are rounded to the nearest thousand ("S\$'000"), unless otherwise stated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of estimates and judgements

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 and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are 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.



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

The Group is organised into the following main business segments:

| <u>Business segments</u> | <u>Natures</u> |
|--|--|
| Pallet and packaging products | Mainly engaged in the manufacture and supply of wooden pallets and cases for the packing of industrial products. |
| Timber-related products | Mainly engaged in the trading of raw timber related products. |
| Technical Wood® products and woodchip supply | Mainly engaged in the manufacture of Technical Wood®, Technical Wood® flooring and wood waste collection. |
| Pallet rental and others | Mainly engaged in pallet leasing business. |

These operating segments are reported in a manner consistent with internal reporting provided to the management, who are responsible for allocating resources and assessing performance of the business and operating segments.



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5. Reportable segments

| | Pallet / Packaging | | Timber Related Products | | Technical Wood® and Related Products | | Pallet Rental and Others | | Elimination | | Consolidated | |
|---|--------------------|---------------|-------------------------|------------|--------------------------------------|--------------|--------------------------|--------------|----------------|----------------|---------------|---------------|
| | HY2024 | HY2023 | HY2024 | HY2023 | HY2024 | HY2023 | HY2024 | HY2023 | HY2024 | HY2023 | HY2024 | HY2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Sales to external customers | 10,440 | 12,858 | 295 | 249 | 502 | 926 | 2,329 | 2,279 | - | - | 13,566 | 16,312 |
| Inter-segment sales | 5,075 | 5,701 | 255 | 269 | 187 | 208 | - | 10 | (5,517) | (6,188) | - | - |
| Total revenue | 15,515 | 18,559 | 550 | 518 | 689 | 1,134 | 2,329 | 2,289 | (5,517) | (6,188) | 13,566 | 16,312 |
| Segment results | 1,112 | 1,944 | (10) | 36 | (186) | 844 | 1,315 | 988 | (73) | (400) | 2,158 | 3,412 |
| Finance cost | | | | | | | | | | | (371) | (175) |
| Profit before income tax | | | | | | | | | | | 1,787 | 3,237 |
| Income tax expenses | | | | | | | | | | | (304) | (653) |
| Profit for the financial period | | | | | | | | | | | 1,483 | 2,584 |
| Other segment information | | | | | | | | | | | | |
| Capital expenditure | 166 | 6 | - | - | - | - | 681 | 319 | (435) | (230) | 412 | 95 |
| Depreciation | 318 | 331 | - | - | 233 | 76 | 740 | 705 | (357) | (194) | 934 | 918 |
| Amortisation | 403 | 404 | - | - | 217 | 2 | 70 | 76 | - | - | 690 | 482 |
| Property, plant and equipment written off | - | - | - | - | - | - | 20 | 30 | - | - | 20 | 30 |
| Gain on disposal of property, plant and equipment | - | - | - | - | - | - | (111) | (56) | - | - | (111) | (56) |
| (Write-back)/Write-down of obsolete inventories | (173) | 10 | - | - | - | - | - | - | - | - | (173) | 10 |

Abbreviation

HY2024 6 months ended 30/06/2024
HY2023 6 months ended 30/06/2023



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5. Reportable segments (Continued)

| | Pallet / Packaging | Timber Related Products | Technical Wood@ and Related Products | Pallet Rental and Others | Elimination | Consolidated |
|--------------------------|-----------------------|----------------------------|---|-----------------------------|-------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Group | | | | | | |
| 30/06/2024 | | | | | | |
| Segment assets | 36,293 | 2,116 | 11,810 | 19,873 | (3,279) | 66,813 |
| Unallocated assets | - | - | - | - | - | - |
| Total assets | | | | | | 66,813 |
| Segment liabilities | 8,765 | 14 | 5,206 | 531 | (1,594) | 12,922 |
| Unallocated liabilities* | - | - | - | - | - | 1,231 |
| Total liabilities | | | | | | 14,153 |
| Group | | | | | | |
| 31/12/2023 | | | | | | |
| Segment assets | 46,959 | 2,094 | 12,726 | 19,382 | (4,351) | 76,810 |
| Unallocated assets | - | - | - | - | - | - |
| Total assets | | | | | | 76,810 |
| Segment liabilities | 10,323 | 20 | 5,640 | 1,288 | (2,730) | 14,541 |
| Unallocated liabilities* | - | - | - | - | - | 1,555 |
| Total liabilities | | | | | | 16,096 |

* Unallocated liabilities relate to income tax payables and deferred tax liabilities

Locations of non-current assets

| | Singapore | Malaysia | Consolidated |
|--------------------|-----------|----------|--------------|
| | S\$'000 | S\$'000 | S\$'000 |
| Group | | | |
| 30/06/2023 | | | |
| Non-current assets | 17,033 | 4,572 | 21,605 |
| Group | | | |
| 31/12/2023 | | | |
| Non-current assets | 19,170 | 4,411 | 23,581 |

Non-current assets consist of property, plant and equipment and right-of-use assets as presented in the statement of financial position of the Group.

**6. Disaggregation of Revenue**

Revenue contribution from a single region is disclosed separately when it exceeds 10% of the Group's revenue respectively.

| | Group | | | | |
|-------------------------------|---------------------------|-------------------------|--|--------------------------|---------------|
| | 6 months ended 30/06/2024 | | | | |
| | Pallet/Packaging | Timber Related Products | Technical Wood [®] and Related Products | Pallet Rental and Others | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Types of goods or service: | | | | | |
| Sales of goods | 10,440 | 295 | 502 | - | 11,237 |
| Pallet rental | - | - | - | 2,329 | 2,329 |
| Total revenue | 10,440 | 295 | 502 | 2,329 | 13,566 |
| Timing of revenue recognition | | | | | |
| At a point in time | 10,440 | 295 | 502 | - | 11,237 |
| Over time | - | - | - | 2,329 | 2,329 |
| Total revenue | 10,440 | 295 | 502 | 2,329 | 13,566 |
| Geographical information: | | | | | |
| Singapore | 9,697 | 285 | 502 | 1,160 | 11,644 |
| Malaysia | 528 | 10 | - | 1,169 | 1,707 |
| Others | 215 | - | - | - | 215 |
| Total revenue | 10,440 | 295 | 502 | 2,329 | 13,566 |

| | Group | | | | |
|-------------------------------|---------------------------|-------------------------|--|--------------------------|---------------|
| | 6 months ended 30/06/2023 | | | | |
| | Pallet/Packaging | Timber Related Products | Technical Wood [®] and Related Products | Pallet Rental and Others | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Types of goods or service: | | | | | |
| Sales of goods | 12,858 | 249 | 926 | - | 14,033 |
| Pallet rental | - | - | - | 2,279 | 2,279 |
| Total revenue | 12,858 | 249 | 926 | 2,279 | 16,312 |
| Timing of revenue recognition | | | | | |
| At a point in time | 12,858 | 249 | 926 | - | 14,033 |
| Over time | - | - | - | 2,279 | 2,279 |
| Total revenue | 12,858 | 249 | 926 | 2,279 | 16,312 |
| Geographical information: | | | | | |
| Singapore | 11,147 | 246 | 906 | 1,159 | 13,458 |
| Malaysia | 641 | 3 | - | 1,120 | 1,764 |
| Others | 1,070 | - | 20 | - | 1,090 |
| Total revenue | 12,858 | 249 | 926 | 2,279 | 16,312 |



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7. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30/06/2024 and 31/12/2023:

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 30/06/2024 | 31/12/2023 | 30/6/2024 | 31/12/2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial Assets | | | | |
| Trade and other receivables | 5,794 | 6,043 | 4,369 | 5,128 |
| Add/(Less): | | | | |
| Fixed deposits | 22,503 | 30,411 | 11,757 | 19,842 |
| Cash and cash equivalents | 12,510 | 12,364 | 4,738 | 5,830 |
| GST/VAT receivables | (16) | (603) | - | - |
| Loss allowance for non-financial assets | 295 | 295 | - | - |
| Prepayments | (342) | (319) | (266) | (186) |
| Financial assets at amortised cost | 40,744 | 48,191 | 20,598 | 30,614 |
| | | | | |
| | | | | |
| Financial Liabilities | | | | |
| Trade and other payables | 2,436 | 2,652 | 2,736 | 3,163 |
| Add/(Less): | | | | |
| Lease liabilities | 9,690 | 11,088 | 4,916 | 5,905 |
| GST/VAT payables | (190) | (155) | (135) | (145) |
| Provision for unutilised leave | (225) | (283) | (204) | (257) |
| Advances from customers | (23) | (23) | (23) | (23) |
| Deferred capital grant - CDG | (51) | (51) | (51) | (51) |
| Financial liabilities carried at amortised cost | 11,637 | 13,228 | 7,239 | 8,592 |

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8. Profit before taxation

| | Group | |
|--|--------------------------------------|--------------------------------------|
| | 6 months ended 30/06/2024 | 6 months ended 30/06/2023 |
| | S\$'000 | S\$'000 |
| Other Income | | |
| Waste collection income | 335 | 224 |
| Heat treatment and utilities income | 195 | 116 |
| Logistic services income | 207 | 458 |
| Gain on disposal of property, plant and equipment | 111 | 56 |
| Loss allowance reversed for trade receivables | 2 | - |
| Write back of stock obsolescence | 173 | - |
| Interest income | 514 | 281 |
| Sundry income | 263 | 214 |
| Foreign exchange gain, net | - | 35 |
| Government grants | | |
| - Wage Credit Scheme | 36 | 37 |
| - Others | 5 | 9 |
| - Deferred grant income – CDG | 26 | 26 |
| Total | 1,867 | 1,456 |
| Administrative expenses | | |
| Advertisement / Marketing and promotion expenses | (14) | (25) |
| Depreciation of property, plant and equipment | (514) | (500) |
| Amortisation of right-of-use assets | (488) | (280) |
| Insurance expenses | (128) | (113) |
| Legal and professional fee | (67) | (45) |
| Property tax | (198) | (134) |
| Rental expenses on premises | (1) | (1) |
| Other expenses | | |
| Foreign exchange loss, net | (84) | - |
| Loss allowance for trade receivables | - | (64) |
| Write-down of obsolete inventories | | (10) |
| Fixed assets written off | (20) | (30) |
| Total | (104) | (104) |
| Finance costs | | |
| Interest expenses in respect of: | | |
| - Lease liabilities | (351) | (141) |
| - Unwind of discount on site restoration provision | (20) | (34) |
| Total | (371) | (175) |

8. Profit before taxation (Cont'd)

| | Group | |
|--|------------------------------|------------------------------|
| | 6 months ended 30/06/2024 | 6 months ended 30/06/2023 |
| | S\$'000 | S\$'000 |
| Profit before income tax is stated after (charging) / crediting | | |
| Audit fees paid to auditors | (72) | (67) |
| Non-audit fees paid to auditors of the Company | (12) | (13) |
| Depreciation of property, plant and equipment – cost of sales | (420) | (418) |
| Amortisation of right-of-use assets – cost of sales | (202) | (202) |
| Directors' fees | (143) | (119) |
| Employee benefits expenses | | |
| -Post-employment benefits | (205) | (200) |
| -Salaries wages and other costs | (3,562) | (3,566) |

9. Related party transactions

There are no material related party transactions apart from those disclosed in the Interested Person Transactions under Para 7 of Section (II).

10. Income tax expense

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the income statement are:

| | Group | |
|-----------------------------|------------------------------|------------------------------|
| | 6 months ended 30/06/2024 | 6 months ended 30/06/2023 |
| | S\$'000 | S\$'000 |
| Current income tax expense | 304 | 653 |
| Deferred income tax expense | - | - |
| Total | 304 | 653 |

11. Dividends

| | Group | |
|---|------------------------------|------------------------------|
| | 6 months ended 30/06/2024 | 6 months ended 30/06/2023 |
| | S\$'000 | S\$'000 |
| Ordinary dividends paid: | | |
| First and final one-tier tax-exempt dividend paid of S\$0.05 (2023: S\$0.05) per ordinary share in respect of the previous financial year | 2,662 | 2,662 |
| Special dividends paid: | | |
| First and final one-tier tax-exempt dividend paid of S\$0.13 per ordinary share in respect of the previous financial year | 6,922 | - |
| Total | 9,584 | 2,662 |

**12. Earnings per ordinary share**

| | Group | |
|---|------------|------------|
| | 30/06/2024 | 30/06/2023 |
| Net Profit attributable to owners of the parent (S\$'000) | 1,483 | 2,584 |
| Weighted average number of shares in issue (in '000s) | 53,245 | 53,245 |
| Earnings per share (cents) | | |
| (i) On basic | 2.79 | 4.85 |
| (ii) On a fully diluted basis | 2.79 | 4.85 |

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary share were accordingly the same as the earnings per ordinary share for the respective financial period.

13. Net asset value

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 30/06/2024 | 31/12/2023 | 30/06/2024 | 31/12/2023 |
| Net asset (S\$'000) | 52,660 | 60,714 | 31,347 | 41,069 |
| Weighted average number of shares in issue (in '000s) | 53,245 | 53,245 | 53,245 | 53,245 |
| Net asset value per Ordinary Share (cents) based on issued share capital at the end of financial period | 98.90 | 114.03 | 58.87 | 77.13 |

14. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to S\$412,000 (30 June 2023: S\$95,000) and disposed and written-off assets amounting to S\$5,000 and S\$20,000 (30 June 2023: S\$4,000 and S\$30,000) respectively.

15. Right-of-use assets

During the six month ended 30 June 2024, the Group had remeasured the carrying amount of right-of use assets for two parcels of JTC leasehold lands as a result of revised rental rate. An amount of S\$811,000 was adjusted in both right-of use-assets and lease liability respectively as a result of the remeasurement.

16. Share capital

| | The Group and the Company | | | |
|--|---------------------------|---------|------------------|---------|
| | 30/06/2024 | | 31/12/2023 | |
| | Number of shares | Amount | Number of shares | Amount |
| | '000 | S\$'000 | '000 | S\$'000 |
| Balance at beginning and end of interim period | 53,245 | 24,621 | 53,245 | 24,621 |

The Company did not hold any treasury shares as at 30 June 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

**17. Borrowings**

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 30/6/2023 | 31/12/2023 | 30/6/2023 | 31/12/2022 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amount repayable within one year or on demand | | | | |
| Lease Liabilities - Secured | 36 | 87 | 23 | 34 |
| Lease Liabilities - Unsecured | 991 | 1,117 | 642 | 655 |
| Total | 1,027 | 1,204 | 665 | 689 |
| Amount repayable after one year | | | | |
| Lease Liabilities - Secured | - | 6 | - | 6 |
| Lease Liabilities - Unsecured | 8,663 | 9,878 | 4,251 | 5,210 |
| Total | 8,663 | 9,884 | 4,251 | 5,216 |

Details of any collateral

The borrowings of the Group and the Company constitute of secured borrowings, i.e. hire purchases that are secured by charges on motor vehicles and forklifts, plant and machinery and unsecured borrowings that pertain to lease liabilities with respect to factory rentals and forklift rentals recognised in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 on Leases.

The Group and the Company's hire purchase with a carrying amount of S\$0.04 million and S\$0.02 million (2023: S\$0.09 million and S\$0.03 million) are repayable within one year and bear the interest at rates ranging from 2.75% to 4.15% and 4.15% (2023: 2.28% to 5.24% and 4.15% to 5.24%) per annum respectively.

The Group and the Company's hire purchase with a carrying amount of -S\$Nil- (2023: S\$0.10 million and S\$0.01 million) are repayable after one year and bear the interest at rates of -Nil- (2023: 4.15% to 5.24% and 4.15% to 5.24%) per annum respectively.

The Group and the Company's lease liabilities with a carrying amount of S\$0.99 million and S\$0.64 million (2023: S\$1.12 million and S\$0.66 million) are repayable within one year and bear the interest at rates ranging from 2.28% to 8.00% and 7.00% (2023: 2.28% to 7.00% and 5.00% to 7.00%) per annum respectively.

The Group and the Company's lease liabilities with a carrying amount of S\$8.66 million and S\$4.25 million (2023: S\$9.88 million and S\$5.21 million) are repayable after one year and bear the interest at rates ranging from 2.28% to 8.00% and 7.00% (2023: 2.28% to 7.00% and 5.00% to 7.00%) per annum respectively.

18. Subsequent events

There are no other known subsequent events which could have led to adjustments to this set of interim financial statements.



LHT HOLDINGS LIMITED (Company Registration No. 198003094E)

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(II) Other information required by Listing Rule Appendix 7.2



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

The interim condensed consolidated statements of financial position of LHT Holdings Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated income statements and consolidated statements of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

1.1. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

1.2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(a) Updates on efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

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

2.1 Revenue:

The Group's revenue for the six months period ended 30 June 2024 (HY2024) decreased by 16.8% or S\$2.74 million to S\$13.57 million as compared with S\$16.31 million for the six months period ended 30 June 2023 (HY2023).

The sale of pallets and packaging business decreased by 18.8% or S\$2.42 million from S\$12.86 million to S\$10.44 million due to saturated market conditions arising from stiffer competition and reduction in market demand in HY2024.

Revenue from trading of timber-related products has increased by 20.0% or S\$0.05 million from S\$0.25 million to S\$0.30 million due to higher market demand in HY2024. Trading activities do not follow any seasonal patterns.

Revenue from Technical Wood® and related products decreased by 46.2% or S\$0.43 million from S\$0.93 million to \$0.50 million mainly due to lower market demand for woodchips in HY2024.

The pallet rental income increased marginally by 2.2% or S\$0.05 million from S\$2.28 million to S\$2.33 million due to slightly higher rental pallet demand in the region.



2.2 Gross Profit and Gross Profit Margin:

The gross profit decreased by 16.0% or S\$1.00 million from S\$6.23 million in HY2023 to S\$5.23 million in HY2024 on marginally higher gross profit margin of 38.5% in HY2024 as compared 38.2% in HY2023.

2.3 Other Income:

Other income increased by 28.2% or S\$0.41 million to S\$1.87 million in HY2024 as compared to S\$1.46 million in HY2023 mainly due to higher fixed deposit interest income earned and the write-back of stock obsolescence. Please also refer to page 15, Note 8 for more information.

2.4 Distribution Expenses:

Distribution expenses decreased by 1.8% or S\$0.01 million to S\$0.49 million in HY2024 from S\$0.50 million in HY2023 in line with lower sales turnover.

2.5 Administrative Expenses:

Administrative expenses increased by 18.5% or S\$0.67 million to S\$4.34 million in HY2024 from S\$3.67 million in HY2023. The increase in Administrative Expenses are mainly due to additional operating expenses incurred for the leasehold property at 6 Tuas South Street 10, Singapore 636941 acquired on October 2023.

2.6 Other Expenses:

Other expenses are relatively consistent with S\$0.10 million in both HY2024 and HY2023 (page 15, Note 8).

2.7 Finance Costs:

Finance costs increased by 112.0% or \$0.19 million to \$0.37 million in HY2024 from \$0.18 million in HY2023 mainly due to the increase in lease liabilities with the recognition of lease payable arising from the leasehold property located at 6 Tuas South Street 10, Singapore 63694.

2.8 Profit Before Income Tax:

The Group's profit before income tax decreased by 44.8% or S\$1.45 million to S\$1.79 million in HY2024 as compared to S\$3.24 million in HY2023 mainly due to lower sales turnover and higher administrative expenses as explained above.

2.9 Non-Current Assets:

Non-current assets decreased by 8.4% or S\$1.97 million from S\$23.58 million as at 31 December 2023 (FY2023) to S\$21.61 million as at 30 June 2024 (HY2024). The decrease was mainly due to S\$1.62 million in depreciation of property, plant and equipment and amortisation of right-of-use assets.

2.10 Current Assets:

The decrease in current assets by 15.1% or S\$8.02 million to S\$45.21 million in HY2024 from S\$53.23 million in FY2023 was mainly attributable to:

- (1) a decrease in trade and other receivables to S\$5.79 million in HY2024 from S\$6.04 million in FY2023 mainly due to decrease in trade receivable in line with lower sales turnover; and
- (2) a decrease in cash and cash equivalents (inclusive of fixed deposit) to S\$35.01 million in HY2024 from S\$42.78 million in FY2023 as a result of higher dividend paid (page 16, Note 11).

2.11 Current Liabilities:

The current liabilities decreased by 12.8% or S\$0.61 million to S\$4.15 million in HY2024 compared to S\$4.76 million in FY2023 mainly due to the following:

- (1) a decrease in trade and other payables to S\$2.44 million in HY2024 from S\$2.65 million in FY2023, mainly due to lower trade purchases in line with lower sales turnover;
- (2) a decrease in lease liabilities in HY2024 to S\$1.03 million from S\$1.20 million in FY2023, mainly due to remeasurement of lease liabilities; and
- (3) a decrease in income tax payable to \$0.58 million in HY2024 from S\$0.90 million in FY2023.



2.12 Non-Current Liabilities:

The decrease of non-current liabilities by 11.73% or S\$1.33 million to S\$10.01 million in HY2024 from S\$11.34 million in FY2023 was mainly due to the remeasurement of lease liabilities and the reclass of provision for restoration from non-current to current liabilities.

2.13 Net Current Assets:

The Group's net current assets decreased by 15.3% or S\$7.41 million to S\$41.06 million in HY2024 from S\$48.47 million in FY2023. This was mainly due to a decrease of S\$8.02 million in current assets offset by a decrease in current liabilities of S\$0.61 million, as mentioned in Para 2.10 and 2.11 above.

2.14 Consolidated Statement of Cash Flows:

The Group's net cash generated from operating activities was an inflow of S\$2.51 million in HY2024 as compared to an inflow of S\$5.29 million in HY2023. The decrease in inflow was mainly due to higher net positive change in working capital in HY2023 and a lower profit before tax in HY2024.

Net cash inflow from investing activities of S\$8.19 million in HY2024 was higher as compared to an inflow of S\$0.30 million was mainly due to a withdrawal of S\$9.12 million in fixed deposits for the payment of dividends as explained below.

Net cash outflow from financing activities of S\$10.58 million in HY2024 as compared to the outflow of S\$3.25 million in HY2023 was higher due to higher dividend paid out in HY2024.



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

No forecast or prospect statement has been disclosed to shareholders previously.

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

With current dynamic business economic conditions of high inflation, high overhead costs, high energy and fuel costs, high interest rates and supply chain disruptions, the industry will continue to face uncertainties in growth prospects in the coming months.

Faced with such uncertain business conditions and challenging market environment, the Group will remain cautious and vigilant with its current costs management and its marketing efforts to boost its core businesses.

Apart from intensifying its marketing efforts, the Group also continuously review and further streamline its current operations, production processes and production bases.

5. Dividend information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared/recommendeded, a statement to that effect and the reasons for the decision.

No interim dividend has been recommended for the period under review. The Group will review it at the end of the financial year.

**7. Interested person transactions**

For interested person transactions above, no shareholders' mandate pursuant to Rule 920 has been obtained. There were no transactions with interested person as defined in the SGX's Listing Manual for the financial period ended 30 June 2024 that exceeded the stipulated threshold.

| Name of Interested Person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|---|--|--|
| Hwee Wong Transport Trading Pte Ltd ("HWT") | HWT provides transport services to the Company. S\$245,412 | - |
| Gold Leayong Trading ("GLT") | GLT provides transport services to subsidiaries of the Company. S\$26,962 | - |
| Total | S\$272,374 | - |

8. Negative assurance confirmation on Interim Financial Results Pursuant to Rule 705(5) Undertakings from directors and executive officers

We, the undersigned, being two directors of LHT Holdings Limited (the "Company"), do hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the half year financial results for the period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Yap Mui Kee
Managing Director

Li Suet Man
Non-Independent Non-Executive Chairman



9. Undertakings from directors and executive officers

In view of the latest guideline from the Exchange in relation to rule 720 (1) of the SGX-ST Listing Manual, the Company has procured signed undertakings from all its directors and executive officers based on the latest revised form of Appendix 7.7 of the SGX-ST Listing Manual, which will replace and supersede the undertakings previously signed by the directors and executive officers-

BY ORDER OF THE BOARD

Yap Mui Kee
Managing Director

13 August 2024