CIRCULAR DATED 6 NOVEMBER 2026

THIS CIRCULAR (THIS "CIRCULAR") IS ISSUED BY LHT HOLDINGS LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF RHT CAPITAL PTE. LTD. (AS THE INDEPENDENT FINANCIAL ADVISER TO THE RECOMMENDING DIRECTORS). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company which are not held through CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

LHT HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198003094E)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH PARTIAL OFFER

by

BANK OF CHINA LIMITED, SINGAPORE BRANCH

(foreign company registered in Singapore)
(UEN No.: S36FC0753G)

for and on behalf of

SYNECTIX PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 202132072K)

to acquire such number of Shares in the capital of LHT Holdings Limited which, when aggregated with the Shares already held by the Offeror and parties acting in concert with it,

would represent 51.00% of the total number of issued Shares of the Company as at the Record Date

Independent Financial Adviser to the Recommending Directors

RHT Capital Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201109968H)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT VOTES AND ACCEPTANCES SHOULD BE RECEIVED BY 5.30 P.M. (SINGAPORE TIME) ON 23 NOVEMBER 2026, BEING THE CLOSING DATE OF THE PARTIAL OFFER.

CONTENTS

DEFINITIONS			2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS			9
INDICATIVE TIMETABLE			10
LETTER TO SHAREHOLDERS			11
1.	**INTRODUCTION**		11
2.	**THE PARTIAL OFFER**		13
3.	**INFORMATION ON THE OFFEROR**		16
4.	**IRREVOCABLE UNDERTAKING**		17
5.	**RATIONALE FOR THE PARTIAL OFFER**		18
6.	**THE OFFEROR'S INTENTIONS FOR THE COMPANY**		18
7.	**FINANCIAL ASPECTS OF THE PARTIAL OFFER**		19
8.	**CONFIRMATION OF FINANCIAL RESOURCES**		20
9.	**TEMPORARY TRADING COUNTER FOR TRADING OF ODD-LOTS**		20
10.	**OVERSEAS SHAREHOLDERS**		20
11.	**INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS**		22
12.	**DIRECTORS' INTERESTS**		23
13.	**ADVICE AND RECOMMENDATION IN RELATION TO THE PARTIAL OFFER**		23
14.	**ACTION TO BE TAKEN BY SHAREHOLDERS**		31
15.	**DIRECTORS' RESPONSIBILITY STATEMENT**		32
16.	**ADDITIONAL GENERAL INFORMATION**		32
APPENDIX A	**–**	**IFA LETTER**	A-1
APPENDIX B	**–**	**ADDITIONAL GENERAL INFORMATION**	B-1
APPENDIX C	**–**	**EXTRACTS FROM THE CONSTITUTION**	C-1
APPENDIX D	**–**	**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2025**	D-1
APPENDIX E	**–**	**UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR HY2026**	E-1

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

"**Acceptance Forms**"	:	The FAA and FAT collectively, or any one of them, as the case may be
"**Board**"	:	The board of directors of the Company as at the Latest Practicable Date
"**BOC**"	:	Bank of China Limited, Singapore Branch
"**Business Day**"	:	A day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 6 November 2026 in relation to the Partial Offer, enclosing, *inter alia,* the recommendation of the Recommending Directors and the IFA Letter
"**Closing Date**"	:	5.30 p.m. (Singapore time) on 23 November 2026
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
"**Company**"	:	LHT Holdings Limited
"**Company Securities**"	:	Refers to: (a) Shares; (b) Convertible Securities, Warrants, Options, awards or Derivatives in respect of the Shares; or (c) other securities which carry voting rights in the Company
"**Concert Parties**"	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Partial Offer
"**Convertible Securities**"	:	Securities convertible or exchangeable into new shares or existing shares
"**Constitution**"	:	The constitution of the Company as amended, supplemented or modified from time to time

"**CPF**"	:	The Central Provident Fund
"**CPFIS**"	:	Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"**Derivatives**"	:	Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
"**Despatch Date**"	:	26 October 2026, being the date on which the Offer Document was despatched to Shareholders
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date, and "**Director**" means any one of them
"**Entitlement Notification Letter**"	:	Shall have the meaning ascribed to it in **Section 2.4** of this Circular
"**FAA**"	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is applicable to Offer Shareholders whose Offer Shares are deposited with CDP
"**FAT**"	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is applicable to Offer Shareholders whose Offer Shares are registered in their own name on the Register and are not deposited with CDP
"**FY**"	:	Financial year of the Company ended or ending 31 December (as the case may be)
"**Group**"	:	The Company and its subsidiaries
"**HY**"	:	Half-year financial period of the Company ended or ending 30 June (as the case may be)
"**Independent Shareholders**"	:	Shareholders as at the Record Date other than the Offeror, the parties acting in concert with the Offeror and their respective associates
"**IFA**"	:	RHT Capital Pte. Ltd., the independent financial adviser to the Recommending Directors in respect of the Partial Offer
"**IFA Letter**"	:	The letter dated 6 November 2026 from the IFA to the Recommending Directors in respect of the Partial Offer as set out in **Appendix A (IFA Letter)** to this Circular

"**Interested Person**"	:	As defined in the Notes on Rule 23.12 of the Code and read with Note on Rule 24.6 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer, or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer, or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
"**Latest Practicable Date**"	:	28 October 2026, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST (as amended or modified from time to time)
"**Offer Document**"	:	The offer document dated 26 October 2026 and any other document(s) which may be issued, by or on behalf of the Offeror, to amend, revise, supplement or update the offer document from time to time
"**Offer Price**"	:	S$0.75 in cash for each Offer Share acquired pursuant to the Partial Offer
"**Offer Shareholders**"	:	Shareholders to whom the Partial Offer relates, as more particularly defined in Section 2.2 of the Letter to Shareholders in the Offer Document

"**Offer Shares**"	:	The Shares to which the Partial Offer relates, as more particularly defined in Section 2.1 of the Letter to Shareholders in the Offer Document
"**Offeror**"	:	Synectix Pte. Ltd.
"**Offeror Securities**"	:	Refers to: (a) ordinary shares in the Offeror; (b) securities which carry voting rights in the Offeror; or (c) Convertible Securities, Warrants, Options or Derivatives in respect of (a) or (b), in the Offeror
"**Options**"	:	Options to subscribe for or purchase new shares or existing shares
"**Overseas Shareholders**"	:	Shareholders and Depositors holding Shares through CDP, whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be)
"**Partial Offer**"	:	The voluntary conditional cash partial offer made by BOC, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and/or the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror in accordance with the Code
"**Partial Offer Announcement**"	:	The announcement of the Partial Offer released by the Offeror on the Partial Offer Announcement Date
"**Partial Offer Announcement Date**"	:	6 October 2026, being the date of the Partial Offer Announcement
"**Record Date**"	:	5.00 p.m. (Singapore time) on 10 November 2026, being the Business Day immediately following the 14th day before the Closing Date (such 14th day not being a Business Day), on which the Transfer Books of the Company and the Register will be closed in order to determine the entitlements of the Offer Shareholders to the Partial Offer
"**Recommending Directors**"	:	The Directors who are considered independent for the purposes of making recommendations to the Shareholders in respect of the Partial Offer, namely Mr Lim Kee Way Irwin, Ms Theng Siew Lian Lisa, Ms Tan Peck Joo, Dr Kimmis Pun Kim Ming and Mr Lan Ruilong

"**Register**"	:	The register of holders of the Shares, as maintained by the Registrar
"**Registrar**"	:	B.A.C.S. Private Limited
"**Relevant Number of Offer Shares**"	:	Shall have the meaning ascribed to it in Section 2.1 of the Letter to Shareholders in the Offer Document
"**Relevant Percentage**"	:	Shall have the meaning ascribed to it in paragraph 5.1 of Appendix A in the Offer Document
"**Relevant Percentage Offer Shares**"	:	Shall have the meaning ascribed to it in the "Definitions" section of the Offer Document
"**Scale-Back**"	:	Shall have the meaning ascribed to it in Section 5.4 of the Letter to Shareholders in the Offer Document
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SGXNET**"	:	The Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
"**Shareholders**"	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	Issued and paid-up ordinary shares in the share capital of the Company
"**SIC**"	:	Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Investors**"	:	Investors who purchase Shares pursuant to SRS
"**substantial shareholder**"	:	A person who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company

"**Transfer Books**"	:	Internal record of share ownership of the Company, maintained by the Registrar
"**Warrants**"	:	Rights to subscribe for or purchase new shares or existing shares

Units and currencies

"**S$**"	:	Singapore dollars, being the lawful currency of Singapore
"**%**" or "**per cent.**"	:	Per centum or percentage

Acting in Concert. Unless otherwise defined, the expression "**acting in concert**" shall have the same meaning as ascribed to it in the Code.

Announcements and Notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Capitalised Terms in Extracts. Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular in italics, and capitalised terms used within these reproduced statements and not defined herein shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter and the Constitution respectively.

Depositor, Depository Agent and Depository Register. The expressions "**Depositor**", "**Depository Agent**", and "**Depository Register**" shall have meanings ascribed to them respectively in Section 81SF of the SFA.

Expressions. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing a single gender shall, where applicable, include any or all genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, the figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to Shareholders.

Statutes. Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended or re-enacted, unless the context otherwise requires. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them in Sections 5 and 6 of the Companies Act respectively.

Time and Date. Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively unless otherwise stated.

Total number of Shares and Percentage as at the Latest Practicable Date. Unless otherwise stated, any reference in this Circular to: (a) the total number of Shares is a reference to a total of 53,244,997 Shares in issue as at the Latest Practicable Date (based on the results of the electronic instant information search on the Company obtained from ACRA); and (b) a percentage shareholding in the capital of the Company is calculated based on 53,244,997 Shares in issue as at the Latest Practicable Date and rounded to 2 decimal places. As at the Latest Practicable Date, the Company does not hold any treasury Shares.

Legal Adviser. Chevalier Law LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to the Partial Offer.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**aim**", "**anticipate**", "**believe**", "**estimate**", "**expect**", "**forecast**", "**intend**", "**plan**", "**possible**", "**potential**", "**probable**", "**project**", "**seek**", "**strategy**" and similar expressions or future or conditional verbs such as "**could**", "**if**", "**may**", "**might**", "**should**", "**will**" or "**would**". However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company's current beliefs, expectations, hopes, intentions, plans, prospects or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. The Directors and the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group. The Company disclaims any responsibility, and undertakes no obligation, to update publicly or revise any forward-looking statements contained in this Circular, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMETABLE

Date of despatch of the Offer Document	:	**26 October 2026**
Record Date	:	5.00 p.m. (Singapore time) on **10 November 2026**
Date of despatch of this Circular	:	**6 November 2026**
Despatch of Entitlement Notification Letters	:	**On or about 13 November 2026**
Closing Date	:	**5.30 p.m.** (Singapore time) **on 23 November 2026** Please refer to paragraph 1.1 of Appendix A to the Offer Document for further information.
Settlement of consideration for Offer Shares acquired by the Offeror	:	**Within seven (7) Business Days of the Closing Date, subject to the Partial Offer becoming unconditional in all respects.**

LHT HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198003094E)

Board of Directors:

Li Suet Man *(Interim Executive Chairman)*
Theng Siew Lian Lisa *(Non-Executive Independent Director)*
Lim Kee Way Irwin *(Non-Executive Lead Independent Director)*
Tan Peck Joo *(Non-Executive Independent Director)*
Dr Kimmis Pun Kim Ming *(Non-Executive Independent Director)*
Lan Ruilong *(Non-Executive Non-Independent Director)*

Registered Office:

112 Robinson Road #04-02,
112 Robinson,
Singapore 068902

6 November 2026

To: The Shareholders of LHT Holdings Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH PARTIAL OFFER BY BOC, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Partial Offer Announcement

On 6 October 2026, BOC announced, for and on behalf of the Offeror, that the Offeror intends to make the Partial Offer to acquire the Relevant Number of Offer Shares in accordance with Rule 16 of the Code.

On 13 October 2026, BOC announced, for and on behalf of the Offeror, that the transfer by Mr. Li Ear (a director and shareholder of the Offeror) of his direct shareholding of 1,723,490 Shares (the "**LE Shares**") to the Offeror at a price of S$0.75 per Share (being the same as the Offer Price per Offer Share), for an aggregate consideration of S$1,292,617.50 to be satisfied by the allotment and issue of 874,022 new shares in the Offeror to Mr. Li Ear (the "**Transfer**"), was completed on 12 October 2026.

As set out in paragraph 8.1 of the Partial Offer Announcement, the SIC has confirmed that (i) the Transfer will not be regarded as an acquisition prohibited under Rule 16.4(b) of the Code and (ii) the Transfer does not constitute a special deal prohibited under Rule 10 of the Code.

Copies of the Partial Offer Announcement and the announcement dated 13 October 2026 are available on the website of the SGX-ST at https://www.sgx.com.

1.2 SIC Approval

Details on the SIC's grant of consent to the Offeror to make the Partial Offer have been extracted from Section 1.5 of the Letter to Shareholders in the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

1.5 ***SIC Approval.*** *On 6 August 2026, the SIC granted its consent to the Offeror for the making of the Partial Offer subject to the conditions set out in Rule 16.4 of the Code. In compliance with the condition in Rule 16.4(b) of the Code, the Offeror has confirmed and provided an undertaking to the SIC that the Offeror and parties acting in concert with it did not and will not acquire any Shares (excluding (i) any Shares acquired by the Offeror from Mr. Li Ear pursuant to the Transfer, and (ii) any Shares acquired pursuant to a rights issue or a bonus issue without an increase in the respective aggregate percentage shareholdings in the Company):*

(a) in the six (6) months prior to the Offer Announcement Date;

(b) in the period between submitting the application for the SIC's consent and the Offer Announcement Date;

(c) during the period of the Partial Offer (except pursuant to the Partial Offer); and

(d) during a period of six (6) months after the close of the Partial Offer, if the Partial Offer becomes unconditional as to acceptances.

The SIC has also confirmed that: (i) the Transfer will not be regarded as an acquisition prohibited under Rule 16.4(b) of the Code; and (ii) the Transfer does not constitute a special deal prohibited under Rule 10 of the Code.

1.3 **Aggregate Holding**

Details on the aggregate shareholding of the Offeror in the Company have been extracted from Section 1.3 of the Letter to Shareholders in the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

1.3 ***Aggregate Existing Holding.*** *As at the Latest Practicable Date, based on responses received pursuant to enquiries that the Offeror has made, the Offeror directly holds an aggregate of 13,821,637 Shares, representing approximately 25.96% of the total number of issued Shares[1].*

[1] Unless otherwise stated, references in this Offer Document to the total number of issued Shares are based on 53,244,997 Shares (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore as at the Latest Practicable Date). As at the Latest Practicable Date, the Company does not hold any Shares in treasury.

1.4 **Offer Document**

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Partial Offer. The principal terms and conditions of the Partial Offer are set out in Sections 2 and 3 of the Letter to Shareholders in the Offer Document.

Shareholders are urged to read the terms and conditions of the Partial Offer set out in the Offer Document carefully.

A copy of the Offer Document is available on the website of the SGX-ST at https://www.sgx.com/.

1.5 **Independent Financial Adviser**

RHT Capital Pte. Ltd. has been appointed by the Company as the IFA to advise the Recommending Directors for the purposes of making their recommendation to Shareholders in respect of the Partial Offer. The advice of the IFA is set out in the IFA Letter in **Appendix A (IFA Letter)** to this Circular.

1.6 **Purpose of this Circular**

The purpose of this Circular is to provide Shareholders with relevant information relating to the Partial Offer and to set out the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Partial Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Partial Offer before deciding whether to vote in favour of or against and/or accept or reject the Partial Offer.

If Shareholders are in any doubt in relation to the Partial Offer, this Circular or as to the action they should take, Shareholders should consult their stockbrokers, bank managers, accountants, solicitors, tax advisers or other professional advisers immediately.

2. THE PARTIAL OFFER

2.1 **Terms of the Partial Offer**

The Partial Offer is made by the Offeror on the principal terms and conditions set out in Sections 2 and 3 of the Letter to Shareholders in the Offer Document, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

> ***2. THE PARTIAL OFFER***
>
> ***2.1 Partial Offer and Offer Shares.*** *BOC, for and on behalf of the Offeror, hereby makes the Partial Offer to acquire such number of Shares, which when aggregated with the Shares already held by the Offeror and the Concert Parties, would represent 51.00% of the total number of issued Shares as at the Record Date ("**Relevant Number of Offer Shares**"), on the terms and subject to the conditions set out in this Offer Document and the Acceptance Forms.*
>
> *The Partial Offer is extended to all the Shares other than those already held by the Offeror and the Concert Parties (the "**Offer Shares**").*
>
> *Assuming that there is no change to the total number of Shares between the Latest Practicable Date and the Record Date, the Relevant Number of Offer Shares to be acquired by the Offeror pursuant to the Partial Offer will be 13,333,311 Shares, representing approximately 25.04% of the total number of issued Shares.*

2.2 ***Offer Shareholders.*** *The Partial Offer is extended to all Shareholders as at the Record Date, other than the Offeror and the Concert Parties ("**Offer Shareholders**").*

2.3 ***Offer Price.*** *The consideration for each Offer Share is as follows:*

For each Offer Share: S$0.75 in cash *("**Offer Price**").*

2.4 ***No Encumbrances****. The Offer Shares will be acquired:*

(a) fully paid;

(b) free from all Encumbrances; and

(c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by the Company on or after the Offer Announcement Date.

In the event any such Distributions are or have been announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price payable to an Offer Shareholder who validly accepts or has validly accepted the Partial Offer by the amount of such Distributions. Accordingly, in the event the Partial Offer turns unconditional and*:*

(i) if the settlement date in respect of the Offer Shares accepted pursuant to the Partial Offer falls on or before the Distributions Record Date, the Offer Price shall remain unadjusted for each Offer Share, as the Offeror will receive the Distributions in respect of such Offer Share from the Company; and

(ii) if the settlement date in respect of the Offer Shares accepted pursuant to the Partial Offer falls after the Distributions Record Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distributions in respect of each Offer Share, as the Offeror will not receive the Distributions in respect of such Offer Share from the Company.

2.5 ***Conditions to the Partial Offer.*** *The Partial Offer will be subject to the conditions set out below.*

(a) ***Shareholders' Approval.*** *The Offeror having received, by the Closing Date, approval of the Partial Offer by the Independent Shareholders of the Company representing more than 50.00% of the valid votes received from the Independent Shareholders.*

"***Independent Shareholders***" *means Shareholders as at the Record Date other than the Offeror, the Concert Parties and their respective associates who, for the avoidance of doubt, will be abstaining from voting. Voting will be by way of the Acceptance Forms and in a separate box with the number of voting Shares indicated; and*

(b) ***Minimum Acceptances***. *The Offeror having received, by the Closing Date, valid acceptances in respect of not less than the Relevant Number of Offer Shares, which when aggregated with the Shares held by the Offeror and the Concert Parties, will represent 51.00% of the total number of issued Shares as at the Record Date.*

Save as provided in this Section 2.5, the Partial Offer will be unconditional in all other respects.

2.6 ***Rights or Options.*** *As at the Latest Practicable Date, based on publicly available information, there are no other securities which carry voting rights in the Company or any outstanding instruments convertible into, rights to subscribe for, and options in respect of, Shares or securities which carry voting rights in the Company.*

2.7 ***Revision of Terms of the Partial Offer.*** *The Offeror reserves the right to revise the terms of the Partial Offer in accordance with the Code.*

2.8 ***Warranty.*** *An Offer Shareholder who tenders his Shares in acceptance of the Partial Offer will be deemed to have unconditionally and irrevocably warranted that he sells such Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be declared, paid or made by the Company on or after the Offer Announcement Date.*

3. ***RECORD DATE***

The Transfer Books of the Company and the Register will be closed on the Record Date, 10 November 2026, being the Business Day immediately following the 14th day before the Closing Date (such 14th day not being a Business Day), for the purposes of determining the entitlements of the Offer Shareholders to the Partial Offer.

Each Offer Shareholder may only vote on and/or accept the Partial Offer in respect of the number of Offer Shares held by him as at the Record Date. A person who is ***not*** *an Offer Shareholder of the Company as at the Record Date will* ***not*** *be eligible to participate in the Partial Offer and will* ***not*** *be entitled to approve or accept the Partial Offer in respect of any Offer Shares held by him.*

2.2 **Details of the Partial Offer**

Further details on (a) the duration of the Partial Offer, (b) the settlement of the consideration for the Partial Offer, (c) requirements relating to announcement of the level of acceptances of the Partial Offer, (d) the right of withdrawal of acceptances, and (e) the Relevant Percentage Offer Shares and Scale-Back are set out in Appendix A to the Offer Document.

2.3 **Closing Date**

Shareholders should note that the Partial Offer is open for acceptance by the Offer Shareholders for at least 28 days from the Despatch Date, unless the Partial Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Partial Offer will close at 5.30 p.m. (Singapore time) on 23 November 2026 (being the Closing Date). The Offeror does not intend to extend the Partial Offer beyond 5.30 p.m. (Singapore time) on 23 November 2026 and the Partial Offer will not be open for voting and/or acceptances beyond 5.30 p.m. (Singapore time) on 23 November 2026.

2.4 **Procedures for Voting and Acceptance**

The procedures for voting and acceptance of the Partial Offer are set out in Appendix B to the Offer Document and in the FAA and FAT.

As stated in Appendix B to the Offer Document, a letter (the "**Entitlement Notification Letter**") will be despatched to Offer Shareholders after the Record Date to notify them, *inter alia*, of (a) the number of Shares held in their Securities Account as at the Record Date in respect of which they are entitled to vote on the Partial Offer, and (b) their Relevant Percentage Offer Shares.

For the avoidance of doubt, for Offer Shareholders who are unsure about the number of Shares they hold in their Securities Account as at the Record Date and/or there is any change in their shareholdings since the Record Date, they may wait until they receive the Entitlement Notification Letter after the Record Date which will notify them of the Relevant Percentage Offer Shares as at the Record Date, before completing the relevant Acceptance Form.

3. INFORMATION ON THE OFFEROR

Section 7 of the Letter to Shareholders in the Offer Document sets out information on the Offeror, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

7. INFORMATION ON THE OFFEROR

7.1 Offeror. *The Offeror is an exempt private company limited by shares incorporated in Singapore on 14 September 2021. Its principal activities are those of an investment holding company.*

As at the Offer Announcement Date and prior to the Transfer, the Offeror had an issued and paid-up share capital of S$3,974,040.45 comprising 3,733,821 ordinary shares. The Offeror Shareholders had held such issued and paid-up share capital in the following proportions:

(a) Mr. Li Suet Man, who owned 1,175,000 ordinary shares in the capital of the Offeror, representing approximately 31.47% of the shareholding of the Offeror. Mr. Li Suet Man is also the Interim Executive Chairman of the Company; and

(b) Mr. Li Ear, who owned 2,558,821 ordinary shares in the capital of the Offeror, representing approximately 68.53% of the shareholding of the Offeror. Mr. Li Ear is the son of Mr. Li Suet Man.

7.2 ***Changes to Shareholding in Offeror following Transfer.*** *Following the completion of the Transfer as defined and described under* ***Section 1.4*** *above, Mr. Li Ear had been allotted and issued new shares in the capital of the Offeror, resulting in the Offeror having an enlarged issued and paid-up share capital of S$5,266,657.95 comprising 4,607,843 ordinary shares, and as at the Latest Practicable Date:*

(i) Mr. Li Suet Man continues to own 1,175,000 ordinary shares in the capital of the Offeror, representing approximately 25.50% of the enlarged shareholding of the Offeror; and

(ii) Mr. Li Ear now owns 3,432,843 ordinary shares in the capital of the Offeror, representing approximately 74.50% of the enlarged shareholding of the Offeror.

As at the Latest Practicable Date, the directors of the Offeror are Mr. Li Suet Man and Mr. Li Ear.

Appendix C *to this Offer Document sets out certain additional information on the Offeror.*

4. IRREVOCABLE UNDERTAKING

Section 9 of the Letter to Shareholders in the Offer Document sets out information on the irrevocable undertaking provided in relation to the Partial Offer, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

9. IRREVOCABLE UNDERTAKING

9.1 ***Shareholding of CMPF.*** *Based on the information available to the Offeror as at the Latest Practicable Date, CMPF, a Shareholder, holds an aggregate of 9,824,132 Shares which represents approximately 18.45%[2] of the total number of Shares in issue.*

9.2 ***Irrevocable Undertaking.*** *In connection with the Partial Offer, CMPF has provided an irrevocable undertaking in favour of the Offeror ("****Irrevocable Undertaking****") pursuant to which CMPF undertakes, among other things, to:*

(a) exercise or procure the exercise of its voting rights in respect of all (and not some only) of its Shares as set out in ***Section 9.1*** *above ("****Undertaking Shares****") to vote in favour of the Partial Offer in accordance with the voting instructions set out in this Offer Document and the Acceptance Forms; and*

(b) accept or procure the acceptance of the Partial Offer in the manner in which it shall tender up to all of the Undertaking Shares.

By way of illustration, in the event that all Offer Shareholders tender their pro rata portion of Shares in acceptance of the Partial Offer, the Undertaking Shares to be acquired by the Offeror and parties acting in concert with it pursuant to the Partial Offer will be approximately 6.24% of the total number

of issued Shares and CMPF will hold approximately 12.21% of the total number of issued Shares after the close of the Partial Offer. For the avoidance of doubt, in such event, the Undertaking Shares will be acquired from CMPF by the Offeror on a scaled down basis pro rata to the other Offer Shareholders.

9.3 Termination of Irrevocable Undertaking. *The Irrevocable Undertaking will terminate or lapse if the Partial Offer lapses or is withdrawn or fails to become or be declared unconditional for any reason other than a breach of CMPF's obligations under the Irrevocable Undertaking.*

9.4 Copies of the Irrevocable Undertaking*. Copies of the Irrevocable Undertaking are available for inspection at the registered office of the Offeror at 160 Robinson Road, #14-04, Singapore Business Federation Center, Singapore 068914 during normal business hours from the Offer Announcement Date until the date on which the Partial Offer closes or lapses or is withdrawn or fails to become or be declared unconditional in accordance with its terms.*

[2] *Based on the total of 53,244,997 Shares in issue as at the Latest Practicable Date, and rounded to two (2) decimal places.*

5. RATIONALE FOR THE PARTIAL OFFER

Section 10.1 of the Letter to Shareholders in the Offer Document sets out information on the rationale for the Partial Offer, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

10.1 Rationale for the Partial Offer.

(a) The Offeror is seeking to undertake the Partial Offer to acquire statutory control of the Company. This will position the Offeror to streamline decision-making with respect to the Group, in order to yield meaningful governance and operational efficiencies. In addition, statutory control will enable the Offeror to implement its future plans for the Group, which may include new business ventures or strategic opportunities for the Group that are complementary to the Group's existing operations and aligned with the Group's long-term growth trajectory, as and when the opportunity arises.

(b) The Partial Offer also represents an opportunity for Shareholders to realise part of their investment in the Company, while continuing to participate in the future performance of the Company as the Partial Offer allows for the retention of the Company's listing status on the SGX-ST. Please refer to Section 11 below for further details

6. THE OFFEROR'S INTENTIONS FOR THE COMPANY

Section 10.2 of the Letter to Shareholders in the Offer Document sets out information on the Offeror's intentions in relation to the Company, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

Shareholders are advised to read the extracts below carefully and note the Offeror's future plans for the Company.

10.2 ***Intentions for the Company.*** *It is the intention of the Offeror that the Group continues to carry on and grow its existing operations and businesses. Save for new business ventures or strategic opportunities for the Group that are complementary to the Group's existing operations and aligned with the Group's long-term growth trajectory (as and when the opportunity arises), the Offeror presently has no intention to introduce any major changes to the businesses of the Group, redeploy the fixed assets of the Group or discontinue the employment of the employees of the Group, other than in the ordinary course of business of the Company. However, the Offeror retains the flexibility at any time to consider any options available in relation to the Company which it may regard to be in the interest of the Company.*

7. FINANCIAL ASPECTS OF THE PARTIAL OFFER

Section 12 of the Letter to Shareholders in the Offer Document sets out information on the financial aspects of the Partial Offer, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

12. FINANCIAL ASPECTS OF THE PARTIAL OFFER

The Offer Price represents the following discount to historical traded prices of the Shares as set out below:

	Description	***Benchmark Price*[1] *(S$)***	***(Discount to) the Benchmark Price*[2] *(%)***
(a)	*Last traded price of the Shares on the SGX-ST on 5 October 2026, being the last market day prior to the Offer Announcement Date ("**Last Trading Day**")*	*0.760*	*(1.3)*
(b)	*Volume weighted average price per Share ("**VWAP**") for the one (1)-month period up to and including the Last Trading Day*	*0.754*	*(0.6)*
(c)	*VWAP for the three (3)-month period up to and including the Last Trading Day*	*0.767*	*(2.2)*
(d)	*VWAP for the six (6)-month period up to and including the Last Trading Day*	*1.033*	*(27.4)*
(e)	*VWAP for the 12-month period up to and including the Last Trading Day*	*1.037*	*(27.7)*

Notes:

(1) The historical market prices of the Shares (rounded to the nearest three (3) decimal places) are based on data extracted from Bloomberg L.P.

(2) Percentage figures have been rounded to the nearest one (1) decimal place.

8. CONFIRMATION OF FINANCIAL RESOURCES

Section 15 of the Letter to Shareholders in the Offer Document sets out the full text of the confirmation of financial resources by BOC, as the financial adviser to the Offeror in respect of the Partial Offer, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

> ***15. CONFIRMATION OF FINANCIAL RESOURCES***
>
> *BOC, as the financial adviser to the Offeror in respect of the Partial Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Relevant Number of Offer Shares at the Offer Price in connection with the Partial Offer.*

9. TEMPORARY TRADING COUNTER FOR TRADING OF ODD-LOTS

Details of the temporary trading counter for trading of odd-lots, in connection with the Partial Offer, are set out in Section 14 of the Letter to Shareholders in the Offer Document.

10. OVERSEAS SHAREHOLDERS

Section 16 of the Letter to Shareholders in the Offer Document sets out information relating to Overseas Shareholders, details of which have been extracted from the Offer Document and are reproduced in italics below. All terms and expressions used in the extract below shall have the meanings ascribed to them in the Offer Document.

> ***16. OVERSEAS SHAREHOLDERS***
>
> ***16.1*** ***Overseas Jurisdictions.*** *This Offer Document, the Acceptance Forms and/or any related documents do not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law. The Partial Offer is made solely by this Offer Document and the Acceptance Forms, which contain the full terms and conditions of the Partial Offer, including details of how the Partial Offer may be accepted.*
>
> *The release, publication or distribution of this Offer Document, the Acceptance Forms and/or any related documents in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document, the Acceptance Forms and/or any related documents is released, published or distributed should inform themselves about and observe such restrictions.*
>
> *Copies of this Offer Document, the Acceptance Forms and/or any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Partial Offer will violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and the Partial Offer will not be made to, nor will the Partial Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Partial Offer (unless otherwise determined by the Offeror or BOC, for and on behalf of the Offeror, and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Partial Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

16.2 Overseas Shareholder. *The availability of the Partial Offer to Overseas Shareholders and the ability of the Overseas Shareholders to accept the Partial Offer may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions, and exercise caution in relation to the Partial Offer, as this Offer Document has not been reviewed by any regulatory authority in any overseas jurisdiction. Where there are potential restrictions on sending this Offer Document and/or the Acceptance Forms to any overseas jurisdictions, the Offeror, BOC, CDP and the Share Registrar each reserves the right not to send these documents or any part thereof to Overseas Shareholders in such overseas jurisdictions.*

For the avoidance of doubt, the Partial Offer is open to all Shareholders holding Offer Shares, including those to whom this Offer Document and/or the Acceptance Forms have not been, or may not be, sent.

It is the responsibility of Overseas Shareholders who wish (a) to request for this Offer Document and/or the Acceptance Forms; or (b) to vote and/or accept the Partial Offer, to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, BOC, CDP, the Share Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, BOC, CDP, the Share Registrar and/or any person acting on their behalf may be required to pay. In (i) requesting for this Offer Document and the Acceptance Forms; and/or (ii) voting and/or accepting the Partial Offer, each Overseas Shareholder represents and warrants to the Offeror, BOC, CDP and the Share Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position, including (without limitation) the ability to vote and/or accept the Partial Offer, should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

16.3 Copies of this Offer Document and the Acceptance Forms.

Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, obtain a copy of this Offer Document, the Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from CDP (if he is a Depositor) by contacting CDP's Customer Service Hotline at +65 6535 7511 during their operating hours or emailing CDP at asksgx@sgx.com for instructions on how to obtain a copy of such documents or the office of the Share Registrar, B.A.C.S. Private Limited (if he is a scripholder) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror at Synectix Pte. Ltd. c/o The Central Depository (Pte) Limited at Privy Box No. 920764 Singapore 929292 (if he is a Depositor), or Synectix Pte. Ltd. c/o B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 (if he is a scripholder), to request for this Offer Document, the Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.

Electronic copies of this Offer Document and the Acceptance Forms are available on the website of the SGX-ST at https://www.sgx.com.

***16.4 Notice.** The Offeror and BOC each reserves the right to notify any matter, including the fact that the Partial Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or by paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.*

11. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Section 17 of the Letter to Shareholders in the Offer Document sets out information relating to CPFIS Investors and SRS Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

17. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

***17.1 CPFIS Investors.** CPFIS Investors will receive further information on how to accept the Partial Offer from their respective CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.*

CPFIS Investors who wish to accept the Partial Offer are to reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Partial Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Partial Offer will receive the consideration in respect of their Offer Shares, in their CPF investment accounts.

17.2 ***SRS Investors.*** *SRS Investors will receive further information on how to accept the Partial Offer from their respective SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice.*

SRS Investors who wish to accept the Partial Offer are to reply to their respective SRS Agent Banks accordingly by the deadline stated in the letter from their respective SRS Agent Banks. Subject to the Partial Offer becoming or being declared unconditional in all respects in accordance with its terms, SRS Investors who accept the Partial Offer will receive the consideration in respect of their Offer Shares, in their SRS investment accounts.

12. DIRECTORS' INTERESTS

Details of the Directors including, among other things, the Directors' direct and deemed interests in the Company Securities as at the Latest Practicable Date are set out in **Appendix B (Additional General Information)** to this Circular.

13. ADVICE AND RECOMMENDATION IN RELATION TO THE PARTIAL OFFER

13.1 Appointment of IFA

RHT Capital Pte. Ltd. has been appointed as the independent financial adviser to the Recommending Directors in respect of the Partial Offer.

Shareholders should read the IFA Letter in its entirety and consider carefully the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in relation to the Partial Offer in their entirety before deciding whether to accept or reject the Partial Offer.

The IFA Letter setting out the advice of the IFA to the Recommending Directors in relation to the Partial Offer is set out as **Appendix A (IFA Letter)** to this Circular.

13.2 Abstention from Making Recommendation

Mr. Li Suet Man, the Interim Executive Chairman of the Company, and his son are directors and shareholders of the Offeror. Mr. Li Suet Man is therefore a Concert Party of the Offeror and faces a conflict of interest in relation to the Partial Offer. In view of the foregoing, the Offeror had sought and obtained a ruling from the SIC that, *inter alia*, Mr. Li Suet Man be exempted from the requirement to make a recommendation to Shareholders on the Partial Offer. Accordingly, Mr. Li Suet Man has abstained from making a recommendation to Shareholders in respect of the Partial Offer.

Mr. Li Suet Man must, however, still assume responsibility for the accuracy of the facts stated and opinions expressed in the documents and advertisements issued by, or on behalf of, the Company to the Shareholders in connection with the Partial Offer.

13.3 **Independence of Directors**

The Recommending Directors, namely Mr Lim Kee Way Irwin, Ms Theng Siew Lian Lisa, Ms Tan Peck Joo, Dr Kimmis Pun Kim Ming and Mr Lan Ruilong, consider themselves independent for the purposes of making recommendations to Shareholders in respect of the Partial Offer.

13.4 **Advice of the IFA to the Recommending Directors on the Partial Offer**

The IFA Letter setting out the opinion and advice of the IFA to the Recommending Directors in relation to the Partial Offer is set out in **Appendix A (IFA Letter)** to this Circular. An extract of the opinion and advice of the IFA to the Recommending Directors in relation to the Partial Offer has been extracted from the IFA Letter and is reproduced in italics below.

Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the meanings ascribed to them in the IFA Letter.

9. OPINION

In arriving at our opinion on the financial terms of the Offer, we have taken into consideration, inter alia, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

(a) the historical financial performance of the Group, namely, that (i) the net profit of the Group decreased from S$4.35 million in FY2023 to S$1.16 million in FY2025, (ii) the Group incurred a net loss of S$0.49 million in 6M2026, and (iii) net cash flow generated from operating activities ranged from S$3.06 million to S$8.86 million across FY2023, FY2024 and FY2025, before turning into a net cash outflow of S$0.15 million in 6M2026. The decline in revenue may reflect weaker business activity due to lower demand and continued competitive market conditions, while the decline in profitability may be attributable to increased operating costs or other factors;

(b) the Offer Price represents:

(i) a discount of approximately 1.3%, 0.6%, 2.2%, 13.7% and 10.3% to the VWAP of the Shares for the Last Trading Day, 1-month, 3-month, 6-month and 1-year periods, respectively;

(ii) a premium of approximately 3.8% to the VWAP of the Shares of S$0.722 during the period after the Offer Announcement Date up to the Latest Practicable Date; and

(iii) a premium of approximately 3.4% to the closing price of the Shares of S$0.725 on the Latest Practicable Date;

(c) the ADTV of the Shares as a percentage of the Company's free float was low throughout the past 12 months up to the Last Trading Day, reaching a maximum of only approximately 0.11% during the 6-month period prior to the Offer Announcement Date, highlighting the illiquid nature of the Shares;

(d) the Offer Price represents:

(i) a significant discount of approximately 24.8% to the NAV per Share of S$0.997 as at 31 December 2025 and would value the Group at a P/NAV ratio of 0.75 times; and

(ii) a premium of approximately 1.5% to the NAV per Share of S$0.739 as at 30 June 2026 and would value the Group at a P/NAV ratio of 1.01 times;

(e) the Ex-Cash NAV per Share as at 30 June 2026 was S$0.35. Accordingly, the Offer Price represents a premium of approximately 3.1% to the Ex-Cash NAV per Share and would value the Group at an Ex-Cash P/NAV ratio of 1.03 times;

(f) in respect of the Comparable Companies:

(i) the Group had recorded a net loss attributable to equity holders of the Company for the LTM, hence the LTM P/E ratio (as implied by the Offer Price) of the Company is not meaningful;

(ii) the LTM EV/EBITDA ratio of the Group of 7.87 times implied by the Offer Price is (i) within the range of the LTM EV/EBITDA ratios of the Comparable Companies of 4.52 times and 33.42 times, (ii) below the mean ratio of the Comparable Companies of 9.94 times, and (iii) above the median ratio of the Comparable Companies of 6.87 times;

(iii) the P/NAV ratio of the Group of 1.01 times implied by the Offer Price is (i) within the range of the P/NAV ratios of the Comparable Companies of 0.09 times and 2.08 times, (ii) close to the mean ratio of the Comparable Companies of 1.03 times, and (iii) above the median ratio of the Comparable Companies of 0.88 times; and

(iv) the Ex-Cash P/NAV of the Group of 1.03 times implied by the Offer Price is (i) within the range of Ex-Cash P/NAV ratios of the Comparable Companies of 0.23 times and 1.71 times, and (ii) above both the mean and median ratios of the Comparable Companies of 0.89 times and 0.65 times, respectively;

(g) in respect of the Precedent POs:

(i) the Offer Price is at the discount to the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares whereas the offer prices of the Precedent POs were premium to the corresponding prices; and

(ii) the P/NAV ratio of the Company of 1.01 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV ratios of the Precedent POs of between 0.52 times and 2.05 times, (ii) below the mean offer price-to-NAV ratio of the Precedent POs of 1.15 times, and (iii) above the median offer price-to-NAV ratio of the Precedent POs of 0.87 times;

(h) in respect of the Precedent Non-Privatisations:

(i) the Offer Price is within the range of Precedent Non-Privatisations but below both the corresponding mean and median premiums, based on the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares;

(ii) the P/NAV ratio of the Company of 1.01 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV ratios of the Precedent Non-Privatisations of between 0.56 times and 5.98 times, (ii) below the corresponding mean of 2.06 times, and (iii) above the corresponding median of 0.92 times to the Precedent Non-Privatisations;

*(i) the Offer Price is **within** the range of the Estimated Theoretical Valuation Range of between S$0.71 and S$0.77;*

(j) the Company will remain listed on the SGX-ST after the close of the Offer and the Offeror's intentions for the Group;

(k) the Offer will not result in the Offeror acquiring 90.00% or more of the Shares, and therefore, the right to exercise compulsory acquisition under Section 215(1) of the Companies Act will not apply;

(l) the Offeror's decision to increase its shareholding in the Company may indicate its confidence in the Group's future business prospects and potential for growth;

(m) CMPF has provided an irrevocable undertaking to vote in favour of the Offer and to accept the Offer at S$0.75 per Share. CMPF's decision to accept the Offer, notwithstanding the relatively short investment period, may be indicative of its preference to realise its investment at the Offer Price rather than to continue to hold its Shares in the Company;

(n) the Company stated in its 6M2026 results announcement that the operating environment was expected to remain competitive and challenging for the remainder of FY2026, amid continued global economic uncertainty, inflationary pressures and ongoing geopolitical developments;

(o) the Group's dividend payments have exceeded its earnings-generating capacity since FY2023, as reflected by the dividend payout ratio above, funded through its accumulated profits. Such level of dividend payments would not be sustainable, particularly in view of the Group's declining revenue and profitability, and it would further deplete its cash reserves and weaken its financial position;

(p) the number of Shares the Shareholders wish to tender may not necessarily be the number of Shares ultimately accepted by the Offeror due to the undertaking provided by CMPF which will eventually be subject to pro-ration depending on the overall number of tenders. Nevertheless, Shareholders could still realise part of their investment at the Offer Price which represents a premium to the Group's NAV per Share while retaining an interest in the Company and the potential to receive future dividends, should the Company continue to declare dividends;

(q) absence of transaction costs in connection with the disposal of the Shares; and

(r) as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company.

Having considered the various factors set out in the earlier sections of this Letter and summarised below, despite the lack of premium of the Offer Price compared to both Precedent POs and Precedent Non-Privatisations, we are of the opinion that the Offer is, on balance, fair and reasonable.

*We consider the Offer to be **FAIR**, after taking into consideration the following factors:*

(a) the Offer Price represents a premium to the VWAP of the Shares during the period after the Offer Announcement Date up to the Latest Practicable Date;

(b) the Offer Price represents a premium to the closing price of the Shares as at the Latest Practicable Date

(c) the Offer Price represents a premium to the NAV per Share and Ex-Cash NAV per Share as at 30 June 2026;

(d) in respect of the Comparable Companies:

(i) the LTM EV/EBITDA and P/NAV (implied by the Offer Price) are above the median ratio of the Comparable Companies;

(ii) the P/NAV is close to the mean ratio of the Comparable Companies; and

(iii) the Ex-Cash P/NAV is above both the mean and median ratios of the Comparable Companies; and

*(e) the Offer Price is **within** the range of the Estimated Theoretical Valuation.*

*We consider the Offer to be **REASONABLE**, after taking into consideration the following factors:*

(a) the Company's revenue and net profit declined from FY2023 to FY2025, with revenue further decreasing and the Company recording a net loss in 6M2026, compared with a net profit in 6M2025;

(b) CMPF has provided an irrevocable undertaking to vote in favour of the Offer and to accept the Offer at S$0.75 per Share. CMPF's decision to accept the Offer, notwithstanding the relatively short investment period, may be indicative of its preference to realise its investment at the Offer Price rather than to continue to hold its Shares in the Company;

(c) the Company stated in its 6M2026 results announcement that the operating environment was expected to remain competitive and challenging for the remainder of FY2026, amid continued global economic uncertainty, inflationary pressures and ongoing geopolitical developments;

(d) the ADTV of the Shares as a percentage of the Company's free float was low throughout the relevant periods, reaching a maximum of only approximately 0.11% during the 6-month period prior to the Offer Announcement Date, highlighting the illiquid nature of the Shares;

(e) the number of Shares the Shareholders wish to tender may not necessarily be the number of Shares ultimately accepted by the Offeror due to the undertaking provided by CMPF which will eventually be subject to pro-ration depending on the overall number of tenders. Nevertheless, Shareholders could still realise part of their investment at the Offer Price which represents a premium to the Group's NAV per Share while retaining an interest in the Company and the potential to receive future dividends, should the Company continue to declare dividends;

(f) Shareholders are able to dispose their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage commission and/or other trading costs;

(g) as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party; and

(h) the Group's dividend payments have exceeded its earnings-generating capacity since FY2023, as reflected by the dividend payout ratio above, funded through its accumulated profits. Such level of dividend payments would not be sustainable, particularly in view of the Group's declining revenue and profitability, and it would further deplete its cash reserves and weaken its financial position.

Accordingly, we advise the Recommending Directors to recommend that Shareholders VOTE FOR AND ACCEPT the Offer.

We further note that the market price of the Shares has declined since the Offer Announcement Date and was approximately S$0.725 per Share as at the Latest Practicable Date, which is below the Offer Price. Accordingly, for Shareholders who remain confident in the Company's long-term prospects, they may consider accepting the Offer of S$0.75 per Share and purchasing Shares in the open market at the lower prevailing price to potentially benefit from the price difference.

We have prepared this Letter for the use of the Recommending Directors for their benefit, in connection with and for the purpose of their consideration on the Offer and should not be relied on by any other party. The recommendation made by the Recommending Directors to the Shareholders in relation to the Offer shall remain the sole responsibility of the Recommending Directors.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

13.5 **Opinion and Recommendation of the Recommending Directors on the Partial Offer**

Opinion of the Recommending Directors on the Partial Offer

The Recommending Directors have reviewed and considered carefully the terms of the Partial Offer, the Offeror's intentions in relation to the Company disclosed in the Offer Document (relevant extracts of which are reproduced in **Section 6** of this Circular) and the advice and opinion given by the IFA in the IFA Letter.

Having considered the foregoing, the Recommending Directors are of the opinion that the Partial Offer represents an opportunity for eligible Shareholders to realise part of their investment in the Company for cash at the Offer Price while allowing them to continue to retain an interest in the Group albeit with the Offeror expected to exercise statutory control over the Company following the close of the Partial Offer (should the Partial Offer be successfully completed i.e. the Partial Offer becomes unconditional in accordance with its terms in all respects). The Recommending Directors has formed their opinion based on the following:

(a) the Recommending Directors concur with the views of the IFA that the Partial Offer is fair and reasonable. In particular, the Recommending Directors have considered the IFA's views and assessment that, among others, the Offer Price of S$0.75 per Share, represents a premium to the Group's NAV per Share as well as the other financial factors and considerations set out in the IFA Letter;

(b) the Partial Offer presents eligible Shareholders with an opportunity for partial realisation of their investment in the Company which the Recommending Directors view as a potential benefit to such eligible Shareholders. Subject to the terms and conditions of the Partial Offer (including any Scale-Back arrangement), such eligible Shareholders have the opportunity to realise part of their investment while potentially continuing to retain an interest in the Company and the future performance and prospects of the Group (including any potential dividends which may be declared by the Company in the future); and

(c) the views of the Recommending Directors on the Offeror's intentions in relation to the Company as set out in **Section 13.6** below.

Shareholders should note that in expressing their opinion on the Partial Offer as set out above, the Recommending Directors have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder may have different investment objectives and profiles, the Recommending Directors would advise that any individual Shareholder who may require specific advice in relation to his/her/its investment objectives or portfolio should consult his/her/its stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately. Further, while Shareholders who continue to retain an interest in the Company following completion of the Partial Offer may continue to participate in the future performance and prospects of the Group (including any potential dividends which may be declared by the Company in the future), there is no assurance that the Company will declare or pay any dividends in the future. Any future declaration and payment of dividends will depend on, among others, the Company's future financial performance, cash flow position and the Board's recommendation at the relevant time. Any past dividends paid by the Company should also not be taken as an indication of the Company's future dividend policy.

Recommendation of the Recommending Directors on the Partial Offer

The Recommending Directors concur with the IFA's assessment of the Partial Offer and its advice and recommendation thereto, as extracted from the IFA Letter and reproduced in **Section 13.4** above. Accordingly, the Recommending Directors recommend that Independent Shareholders vote for the Partial Offer; and (b) the Offer Shareholders accept the Partial Offer.

In making their recommendations, the Recommending Directors have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder may have different investment objectives and profiles, the Recommending Directors would advise that any individual Shareholder who may require specific advice in relation to his/her/its investment objectives or portfolio should consult his/her/its stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

Shareholders are advised to read the terms and conditions of the Offer Document and the IFA Letter set out in Appendix A (IFA Letter) to this Circular carefully before deciding whether to accept or reject the Partial Offer. Shareholders should note that the IFA's advice to the Recommending Directors in relation to the Partial Offer should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Partial Offer.

13.6 **Views of the Recommending Directors on the Offeror's Intention**

As set out in **Section 6** of this Circular, the Offeror has stated in the Offer Document that:

(a) it intends for the Group to continue to carry on and grow its existing operations and businesses; and

(b) save for new business ventures or strategic opportunities for the Group that are complementary to the Group's existing operations and aligned with the Group's long-term growth trajectory (as and when the opportunity arises), it presently has no intention to introduce any major changes to the businesses of the Group, redeploy the fixed assets of the Group or discontinue the employment of the employees of the Group, other than in the ordinary course of business of the Company.

Having regard to the Offeror's stated intentions and based on information presently available to the Recommending Directors, the Recommending Directors are of the view that the successful completion of the Partial Offer is not, in itself, expected to result in any immediate material changes to the Group's existing operations and businesses, the redeployment of the Group's fixed assets or the Group's employment arrangements.

However, the Recommending Directors note that the Offeror has expressly stated that it retains the flexibility at any time to consider any options available in relation to the Company which it may regard to be in the interests of the Company. In this respect, Shareholders should note that if the Partial Offer is successfully completed (i.e. the Partial Offer becomes unconditional in accordance with its terms in all respects and assuming that there are no changes to the total number of issued Shares of the Company between the Partial Offer Announcement Date and the close of the Partial Offer), this will result in the Offeror and the Concert Parties holding an aggregate of 27,154,948 Shares, which would represent approximately 51.00% of the total number of issued Shares of the Company at the close of

the Partial Offer. The Offeror and parties acting in concert with it (which as at the Latest Practicable Date includes the Company's Interim Executive Chairman, Mr Li Suet Man, who is a director and holds approximately 25.50% of the shares in the Offeror) will therefore be able to exercise statutory control over the Company and be free, subject to a six-month moratorium after the Closing Date, to acquire further Shares without incurring any obligation to make a general take-over offer for the Company.

Accordingly, while the Recommending Directors have taken into account the Offeror's present intentions in relation to the Company as expressly stated in the Offer Document, there is no assurance that the Group's business, operations, assets and employment arrangements will remain unchanged following completion of the Partial Offer.

Shareholders are advised to read Section 6 of this Circular and the Offer Document in its entirety for details in relation to the Offeror's intentions relating to the Company.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

14.1 Voting on the Partial Offer

Independent Shareholders who wish to vote for or against the Partial Offer in respect of all or any number of Offer Shares held by them as at the Record Date must abide by the procedures for the voting on the Partial Offer as set out in Section 5.1 of the Letter to Shareholders in the Offer Document, Appendix B to the Offer Document and the Acceptance Forms.

14.2 Acceptance of the Partial Offer

Offer Shareholders who wish to accept the Partial Offer in respect of all or any number of Offer Shares held by them as at the Record Date must do so no later than 5.30 p.m. (Singapore time) on the Closing Date, abiding by the procedures for the acceptance of the Partial Offer as set out in Section 5.2 of the Letter to Shareholders in the Offer Document, Appendix B to the Offer Document and the Acceptance Forms.

Acceptances should be completed and returned as soon as possible so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA), or B.A.C.S. Private Limited (in respect of the FAT), as the case may be, no later than 5.30 p.m. (Singapore time) on the Closing Date.

Independent Shareholders who do not wish to vote on or Offer Shareholders who do not wish to accept the Partial Offer need not take any further action in respect of the Offer Document and the Acceptance Forms which have been sent to them.

14.3 Timing for Voting and Acceptance

An Independent Shareholder may vote on the Partial Offer and/or an Offer Shareholder may tender Offer Shares for acceptance under the Partial Offer at the same time or at separate times, provided that such votes and/or acceptances must be received by the Offeror c/o CDP or the Offeror c/o B.A.C.S. Private Limited, as the case may be, no later than 5.30 p.m. (Singapore time) on the Closing Date, in accordance with the procedures set out in Section 5.6 of the Letter to Shareholders in the Offer Document, Appendix B to the Offer Document and the instructions printed on the Acceptance Forms.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein (other than the IFA Letter for which the IFA has taken responsibility) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular (other than the IFA Letter for which the IFA has taken responsibility) misleading, and they jointly and severally accept responsibility accordingly.

Where any information in this Circular (other than the IFA Letter for which the IFA has taken responsibility) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Partial Offer Announcement and the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

16. ADDITIONAL GENERAL INFORMATION

Additional general information is provided in **Appendix B (Additional General Information)** to this Circular.

The attention of the Shareholders is also drawn to the additional information set out in the other Appendices which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
LHT HOLDINGS LIMITED

Lim Kee Way Irwin
Non-Executive Lead Independent Director

RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)
36 Robinson Road, #10-06
Singapore 068877

6 November 2026

LHT Holdings Limited
6 Tuas South Street 10
Singapore 636941

To: The Recommending Directors of LHT Holdings Limited

INDEPENDENT FINANCIAL ADVICE TO THE RECOMMENDING DIRECTORS (AS DEFINED HEREIN) OF LHT HOLDINGS LIMITED ("COMPANY") IN RESPECT TO THE VOLUNTARY CONDITIONAL CASH PARTIAL OFFER ("OFFER") FOR SUCH NUMBER OF ISSUED AND PAID-UP ORDINARY SHARES ("SHARES") IN THE CAPITAL OF THE COMPANY BY SYNECTIX PTE. LTD. ("OFFEROR")

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 6 November 2026 ("**Circular**") issued by the Company to the shareholders of the Company ("**Shareholders**") shall have the same meaning herein.*

1. INTRODUCTION

The Company is listed on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**") and, together with its subsidiaries (the "**Group**"), are involved in the manufacturing and trading of wooden pallets and timber-related products.

On 6 October 2026 ("**Offer Announcement Date**"), BOC announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer to acquire the Relevant Number of Shares (other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Parties) ("**Offer Announcement**") which, when aggregated with the Shares already owned, controlled or agreed to be acquired by the Offeror and the Concert Parties, would represent 51.00% of the total number of Shares as at the Record Date, in accordance with Rule 16 of the Code.

On 26 October 2026, BOC announced, for and on behalf of the Offeror, that the Offer Document setting out the terms and conditions of the Offer, together with the relevant Acceptance Forms, had been despatched to the Shareholders.

In connection with the Offer, RHT Capital Pte. Ltd. ("**RHTC**") has been appointed by the Company as the IFA to advise the Recommending Directors for the purposes of making their recommendation to Shareholders in respect of the Offer.

This IFA letter ("**Letter**") is addressed to the Recommending Directors and sets out, *inter alia*, our views and evaluation on the Offer, our opinion thereon, and forms part of the Circular providing, *inter alia*, details of the Offer, and the recommendation of the Recommending Directors and it is to be despatched to Shareholders in relation to the Offer.

2. TERMS OF REFERENCE

We have been appointed to advise the Recommending Directors on the Offer in compliance with the provisions of the Code. We have confined our evaluation on the Offer for the purpose of determining whether the Offer is fair and reasonable to the Offer Shareholders. In forming our opinion, we have not taken into account the commercial risks and/or commercial merits of the Offer.

Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Offer or on the future prospects of the Company and its subsidiaries (collectively, the "**Group**") or the method and terms by which the Offer is made or any other alternative methods by which the Offer may be made. Such evaluations and comments remain the sole responsibility of the Recommending Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

We are not authorised, and we have not solicited, any indications of interest from any third party with respect to the Shares. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction that may be available to the Company (or its Shareholders), or as compared to any alternative offer that might otherwise be available in the future.

In the course of our evaluation on the Offer, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Group. We have also relied on information provided and representations made, including relevant financial analyses and estimates, by the management of the Company ("**Management**"), the Directors, the Company's solicitors and/or auditors. We have not independently verified such information or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made such enquiries and exercised our judgement as we deemed necessary and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer, the Company and/or the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

For the purposes of assessing the Offer and reaching our conclusions thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the Group. We will not be required to express, and we do not express, any view on the growth prospects and earnings potential of the Company and/or the Group in connection with our opinion in this Letter.

We will be relying on the disclosures and representations made by the Company on the value of the assets, liabilities and profitability of the Company and/or the Group. We have not relied on any financial projections or forecasts in respect of the Company and/or the Group for the purpose of our evaluation on the Offer.

Our analysis and our opinion as set out in this Letter are based upon market, economic, industry, monetary and other conditions in effect on, and the information provided to us as at 28 October 2026 ("**Latest Practicable Date**"). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration on the Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Recommending Directors to recommend that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, or other professional adviser immediately. As such, our opinion should not be the sole basis for deciding whether or not to accept the Offer.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

Our opinion in respect of the Offer should be considered in the context of the entirety of this Letter and the Circular.

3. THE OFFER

The information on the Offer is set out below in italics, has been extracted from Section 2 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

"2. THE PARTIAL OFFER

2.1 ***Partial Offer and Offer Shares****. BOC, for and on behalf of the Offeror, hereby makes the Partial Offer to acquire such number of Shares, which when aggregated with the Shares already held by the Offeror and the Concert Parties, would represent 51.00% of the total number of issued Shares as at the Record Date ("**Relevant Number of Offer Shares**"), on the terms and subject to the conditions set out in this Offer Document and the Acceptance Forms.*

*The Partial Offer is extended to all the Shares other than those already held by the Offeror and the Concert Parties (the "**Offer Shares**").*

Assuming that there is no change to the total number of Shares between the Latest Practicable Date and the Record Date, the Relevant Number of Offer Shares to be acquired by the Offeror pursuant to the Partial Offer will be 13,333,311 Shares, representing approximately 25.04% of the total number of issued Shares.

2.2 ***Offer Shareholders.*** *The Partial Offer is extended to all Shareholders as at the Record Date, other than the Offeror and the Concert Parties ("**Offer Shareholders**").*

2.3 ***Offer Price.*** *The consideration for each Offer Share is as follows:*

For each Offer Share: S$0.75 in cash ("Offer Price")

2.4 ***No Encumbrances.*** *The Offer Shares will be acquired:*

(a) fully paid;

(b) free from all Encumbrances; and

(c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by the Company on or after the Offer Announcement Date.

In the event any such Distributions are or have been announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price payable to an Offer Shareholder who validly accepts or has validly accepted the Partial Offer by the amount of such Distributions. Accordingly, in the event the Partial Offer turns unconditional and:

(i) if the settlement date in respect of the Offer Shares accepted pursuant to the Partial Offer falls on or before the Distributions Record Date, the Offer Price shall remain unadjusted for each Offer Share, as the Offeror will receive the Distributions in respect of such Offer Share from the Company; and

(ii) if the settlement date in respect of the Offer Shares accepted pursuant to the Partial Offer falls after the Distributions Record Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distributions in respect of each Offer Share, as the Offeror will not receive the Distributions in respect of such Offer Share from the Company.

2.5 ***Conditions to the Partial Offer. The Partial Offer will be subject to the conditions set out below.***

(a) ***Shareholders' Approval.*** *The Offeror having received, by the Closing Date, approval of the Partial Offer by the Independent Shareholders of the Company representing more than 50.00% of the valid votes received from the Independent Shareholders.*

*"**Independent Shareholders**" means Shareholders as at the Record Date other than the Offeror, the Concert Parties and their respective associates who, for the avoidance of doubt, will be abstaining from voting. Voting will be by way of the Acceptance Forms and in a separate box with the number of voting Shares indicated; and*

(b) ***Minimum Acceptances.*** *The Offeror having received, by the Closing Date, valid acceptances in respect of not less than the Relevant Number of Offer Shares, which when aggregated with the Shares held by the Offeror and the Concert Parties, will represent 51.00% of the total number of issued Shares as at the Record Date.*

Save as provided in this Section 2.5, the Partial Offer will be unconditional in all other respects.

2.6 ***Rights or Options.*** *As at the Latest Practicable Date, based on publicly available information, there are no other securities which carry voting rights in the Company or any outstanding instruments convertible into, rights to subscribe for, and options in respect of, Shares or securities which carry voting rights in the Company.*

2.7 ***Revision of Terms of the Partial Offer.*** *The Offeror reserves the right to revise the terms of the Partial Offer in accordance with the Code.*

2.8 ***Warranty.*** *An Offer Shareholder who tenders his Shares in acceptance of the Partial Offer will be deemed to have unconditionally and irrevocably warranted that he sells such Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any) which may be declared, paid or made by the Company on or after the Offer Announcement Date."*

4. AGGREGATE EXISTING HOLDING AND EFFECT OF SUCCESSFUL OFFER

The information on the aggregate existing holding and effect of successful partial offer are set out below in italics, has been extracted from Sections 1.3 and 6 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

*"**1.3*** ***Aggregate Existing Holding.*** *As at the Latest Practicable Date, based on responses received pursuant to enquiries that the Offeror has made, the Offeror directly holds an aggregate of 13,821,637 Shares, representing approximately 25.96% of the total number of issued Shares.*

6. EFFECTS OF A SUCCESSFUL PARTIAL OFFER

If the Partial Offer becomes unconditional in accordance with its terms in all respects, assuming that there are no changes to the total number of issued Shares of the Company between the Latest Practicable Date and the close of the Partial Offer, the acquisition of the Relevant Number of Offer Shares pursuant to the Partial Offer will result in the Offeror and the Concert Parties holding 27,154,948 Shares, which would represent approximately 51.00% of the total number of issued Shares of the Company at the close of the Partial Offer.

Accordingly, the Offeror will be able to exercise statutory control over the Company and the Offeror and parties acting in concert with it will be free, subject to a six-month moratorium after the Closing Date, to acquire further Shares without incurring any obligation to make a general take-over offer for the Company.*"*

5. SIC APPROVAL

The information on the SIC approval is set out below in italics, has been extracted from Section 1.5 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

*"**1.5** **SIC APPROVAL.** On 6 August 2026, the SIC granted its consent to the Offeror for the making of the Partial Offer subject to the conditions set out in Rule 16.4 of the Code. In compliance with the condition in Rule 16.4(b) of the Code, the Offeror has confirmed and provided an undertaking to the SIC that the Offeror and parties acting in concert with it did not and will not acquire any Shares (excluding (i) any Shares acquired by the Offeror from Mr. Li Ear pursuant to the Transfer, and (ii) any Shares acquired pursuant to a rights issue or a bonus issue without an increase in the respective aggregate percentage shareholdings in the Company):*

(a) in the six (6) months prior to the Offer Announcement Date;

(b) in the period between submitting the application for the SIC's consent and the Offer Announcement Date;

(c) during the period of the Partial Offer (except pursuant to the Partial Offer); and

(d) during a period of six (6) months after the close of the Partial Offer, if the Partial Offer becomes unconditional as to acceptances.

The SIC has also confirmed that: (i) the Transfer will not be regarded as an acquisition prohibited under Rule 16.4(b) of the Code; and (ii) the Transfer does not constitute a special deal prohibited under Rule 10 of the Code."

6. INFORMATION ON THE OFFEROR AND THE COMPANY

The information on the Offeror and the Company, as set out below in italics, have been extracted from Sections 7 and 8 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

*"**7. INFORMATION ON THE OFFEROR***

***7.1** **Offeror.** The Offeror is an exempt private company limited by shares incorporated in Singapore on 14 September 2021. Its principal activities are those of an investment holding company.*

As at the Offer Announcement Date and prior to the Transfer, the Offeror had an issued and paid-up share capital of S$3,974,040.45 comprising 3,733,821 ordinary shares. The Offeror Shareholders had held such issued and paid-up share capital in the following proportions:

(a) Mr. Li Suet Man, who owned 1,175,000 ordinary shares in the capital of the Offeror, representing approximately 31.47% of the shareholding of the Offeror. Mr. Li Suet Man is also the Interim Executive Chairman of the Company; and

(b) *Mr. Li Ear, who owned 2,558,821 ordinary shares in the capital of the Offeror, representing approximately 68.53% of the shareholding of the Offeror. Mr. Li Ear is the son of Mr. Li Suet Man.*

7.2 ***Changes to Shareholding in Offeror following Transfer****. Following the completion of the Transfer as defi ned and described under Section 1.4 above, Mr. Li Ear had been allotted and issued new shares in the capital of the Offeror, resulting in the Offeror having an enlarged issued and paid-up share capital of S$5,266,657.95 comprising 4,607,843 ordinary shares, and as at the Latest Practicable Date:*

(i) *Mr. Li Suet Man continues to own 1,175,000 ordinary shares in the capital of the Offeror, representing approximately 25.50% of the enlarged shareholding of the Offeror; and*

(ii) *Mr. Li Ear now owns 3,432,843 ordinary shares in the capital of the Offeror, representing approximately 74.50% of the enlarged shareholding of the Offeror.*

As at the Latest Practicable Date, the directors of the Offeror are Mr. Li Suet Man and Mr. Li Ear.

Appendix C *to this Offer Document sets out certain additional information on the Offeror.*

8. INFORMATION ON THE COMPANY

8.1 ***The Company.*** *The Company is a company incorporated in Singapore on 29 August 1980, and was listed on the Main Board of the SGX-ST in 1999. The Group is a leading Singapore-based manufacturer of wooden pallets, boxes and crates, with over 40 years of experience in the timber and packaging industry. The Group has progressively expanded its operational footprint across strategic regional markets, including Malaysia and Vietnam. The Group operates four key business segments: (a) pallets and packaging products, which remains the core revenue driver; (b) timber-related products trading; (c) waste management and recycling; and (d) pallet rental services.*

8.2 ***Share Capital.*** *Based on information available to the Offeror as at the Latest Practicable Date, the Company has:*

(a) *an issued and paid-up share capital of S$24,620,615.34 comprising 53,244,997 Shares. As at the Latest Practicable Date, the Company does not hold any Shares in treasury; and*

(b) *there are no outstanding options to acquire Shares or any other securities or other instruments convertible into Shares in the Company, and the Company does not presently have any employee share option scheme or other long-term employee incentive scheme.*

8.3 ***Directors of the Company****. As at the Latest Practicable Date, the directors of the Company are as follows:*

(a) Mr. Li Suet Man (Interim Executive Chairman);

(b) Mr Lan Ruilong (Non-Executive Non-Independent Director);

(c) Mr. Lim Kee Way Irwin (Non-Executive Lead);

(d) Ms. Tan Peck Joo (Non-Executive Independent Director);

(e) Ms. Theng Siew Lian Lisa (Non-Executive Independent Director); and

(f) Dr. Kimmis Pun Kim Ming (Non-Executive Independent Director).

8.4 ***Additional Information. Appendix D*** *to this Offer Document sets out certain additional information on the Company."*

7. RATIONALE FOR THE OFFER AND INTENTIONS FOR THE COMPANY

The full text of the rationale and intentions for the Offer, as set out below in italics, has been extracted from Section 10 of the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall bear the same meanings as those defined in the Offer Document.

"10. RATIONALE FOR THE PARTIAL OFFER AND INTENTIONS FOR THE COMPANY

10.1 Rationale for the Partial Offer.

(a) The Offeror is seeking to undertake the Partial Offer to acquire statutory control of the Company. This will position the Offeror to streamline decision-making with respect to the Group, in order to yield meaningful governance and operational efficiencies. In addition, statutory control will enable the Offeror to implement its future plans for the Group, which may include new business ventures or strategic opportunities for the Group that are complementary to the Group's existing operations and aligned with the Group's long-term growth trajectory, as and when the opportunity arises.

(b) The Partial Offer also represents an opportunity for Shareholders to realise part of their investment in the Company, while continuing to participate in the future performance of the Company as the Partial Offer allows for the retention of the Company's listing status on the SGX-ST. Please refer to Section 11 below for further details.

10.2 ***Intention for the Company****. It is the intention of the Offeror that the Group continues to carry on and grow its existing operations and businesses. Save for new business ventures or strategic opportunities for the Group that are complementary to the Group's existing operations and aligned with the Group's long-term growth trajectory (as and when the opportunity arises), the Offeror presently has no intention to introduce any major changes to the businesses of the Group, redeploy the fixed assets of the Group or discontinue the employment of*

the employees of the Group, other than in the ordinary course of business of the Company. However, the Offeror retains the flexibility at any time to consider any options available in relation to the Company which it may regard to be in the interest of the Company."

8. ASSESSMENT OF FINANCIAL TERMS OF THE OFFER

In our assessment of financial terms of the Offer, we have considered the following to be pertinent and to have a significant bearing on our assessment:

(a) Historical financial performance of the Group;

(b) Historical market price performance and trading activity of the Group;

(c) Historical financial position of the Group;

(d) Comparison with the valuation ratios of selected companies which are broadly comparable to the Group;

(e) Selected precedent transactions involving companies listed on the SGX-ST;

(f) Estimated theoretical valuation of the Shares; and

(g) Other relevant considerations.

8.1 Historical financial performance of the Group

For the purpose of evaluating the financial terms of the Offer, we have considered the Group's audited financial results for FY2023, FY2024 and FY2025, as well as the Group's unaudited financial information for the 6-month ended 30 June 2025 ("**6M2025**") and 30 June 2026 ("**6M2026**"). The following summary of the financial information should be read in conjunction with the full text of the Group's audited financial statements for FY2024 and FY2025, including the notes thereto, and the unaudited financial information for 6M2025 and 6M2026.

Consolidated statement of comprehensive income

	Audited			Unaudited[1]	
(S$'000)	**FY2023**	**FY2024**	**FY2025**	**6M2025**	**6M2026**
Revenue	30,729	28,192	27,083	14,465	11,407
Gross Profit	12,088	11,439	10,142	5,074	4,075
Profit/(Loss) before income tax	5,756	3,298	1,724	1,821	(269)
Income tax expenses	(1,411)	(1,071)	(566)	(482)	(224)
Profit/(Loss) for the financial year/period	4,345	2,227	1,158	1,339	(493)

(S$'000)	FY2023	Audited FY2024	FY2025	Unaudited[(1)] 6M2025	6M2026
Margins (%)					
Gross profit margin	39.3	40.6	37.5	35.1	35.7
Net profit/(loss) margin	14.1	7.9	4.3	9.3	(4.3)

Consolidated statement of cash flows

(S$'000)	FY2023	Audited FY2024	FY2025	Unaudited 6M2025	6M2026
Net cash generated from/(used in) operating activities	8,859	3,060	6,008	2,732	(149)
Net cash (used in)/ generated from investing activities	(4,912)	6,326	(6,520)	9,037	24,835
Net cash used in financing activities	(3,843)	(11,467)	(5,420)	(3,391)	(13,868)
Net increase/(decrease) in cash and cash equivalents	104	(2,081)	(5,932)	8,378	10,818
Cash and cash equivalents at end of year	12,364	10,749	4,873	19,087	15,717

Sources: *The Group's audited financial statements for FY2024 and FY2025 and unaudited interim financial statements for the 6-month ended 30 June 2026.*

Consolidated statement of comprehensive income

FY2023 vs FY2024

The Group's revenue decreased by approximately S$2.54 million or 8.3% from approximately S$30.73 million in FY2023 to approximately S$28.19 million in FY2024. The decrease was primarily due to softer demand in core pallet and packaging products, which saw a 10.1% drop in sales to S$21.76 million (FY2023: S$24.21 million). Revenue from trading in timber-related products increased by 19.2% to S$0.62 million (FY2023: S$0.52 million) due to higher demand in timber in the year. Revenue from Technical Wood® and related products declined by 22.5% to S$1.10 million (FY2023: S$1.42 million), reflecting a weaker market for woodchips. However, pallet rental services remained a bright spot, growing by 3.1% to S$4.71 million (FY2023: S$4.57 million), supported by stronger revenues in Malaysia from increased marketing efforts.

The Group's gross profit decreased by approximately S$0.65 million or 5.7% from approximately S$12.09 million in FY2023 to approximately S$11.44 million in FY2024. Notwithstanding the decrease in gross profit, the Group's gross profit margin improved from 39.3% in FY2023 to 40.6% in FY2024, representing an increase of 1.3 percentage point. This improvement was attributed to the Group's cost management initiatives and operational efficiencies, which helped the Group remain competitive even in a more challenging business climate.

The Group's profit for the year decreased by approximately S$2.12 million or 48.7% from approximately S$4.35 million in FY2023 to approximately S$2.23 million in FY2024. The decrease was primarily due to one-off administrative expenses for reinstatement costs related to the termination of lease at Kranji and renovation at the Tuas South property.

FY2024 vs FY2025

The Group's revenue decreased by approximately S$1.11 million or 3.9% from approximately S$28.19 million in FY2024 to approximately S$27.08 million in FY2025. The decrease was primarily due to softer rental demand, with rental revenue decreasing by 21.9% to S$3.68 million (FY2024: S$4.71 million). Revenue from pallets and packaging remained relatively stable at S$21.84 million (FY2024: S$21.76 million) despite a competitive operating environment. Revenue from trading in timber-related products decreased by 24.2% to S$0.47 million (FY2024: S$0.62 million), while revenue from waste management and recycling remained stable at S$1.09 million (FY2024: S$1.10 million).

The Group's gross profit decreased by approximately S$1.30 million or 11.4% from approximately S$11.44 million in FY2024 to approximately S$10.14 million in FY2025. The decrease was mainly attributable to increased pressure on selling prices and higher raw material costs, which adversely affected the Group's gross profit. Accordingly, the gross profit margin had decreased from 40.6% in FY2024 to 37.5% in FY2025.

The Group's profit for the year decreased by approximately S$1.07 million or 48.0% from approximately S$2.23 million in FY2024 to approximately S$1.16 million in FY2025. The decrease was due to the above-mentioned reasons and certain non-recurring costs associated with operational and business reorganisation efforts undertaken during the year.

6M2025 vs 6M2026

The Group's revenue decreased by approximately S$3.06 million or 21.1% from approximately S$14.47 million in 6M2025 to approximately S$11.41 million in 6M2026. Revenue from the pallet and packaging products segment decreased by 22.4%, or S$2.67 million, from S$11.90 million in 6M2025 to S$9.23 million in 6M2026, mainly due to lower market demand and continued competitive market conditions. Revenue from timber-related products increased by 9.1%, or S$0.02 million, from S$0.22 million in 6M2025 to S$0.24 million in 6M2026. Revenue from the waste management and recycling segment decreased by 82.9%, or S$0.39 million, from S$0.47 million in 6M2025 to S$0.08 million in 6M2026, mainly due to the cessation of woodchip production and sales during the period. Pallet rental income remained relatively stable at S$1.85 million in 6M2026, compared with S$1.87 million in 6M2025.

The Group's gross profit decreased by approximately S$1.00 million or 19.7% from approximately S$5.08 million in 6M2025 to approximately S$4.08 million in 6M2026. Notwithstanding the decrease in gross profit, the Group's gross profit margin remained relatively stable, increasingly marginally from 35.1% in 6M2025 to 35.7% in 6M2026, representing an increase of 0.6 percentage point.

The Group's profit for the year decreased by approximately S$1.83 million or 136.6% from approximately S$1.34 million in 6M2025 to a loss of approximately S$0.49 million in 6M2026. The decrease in profit was mainly due to above-mentioned reasons and a decrease in other income of approximately S$0.76 million or 45.5%. The decrease in other income was mainly due to lower waste collection income and interest income, a lower gain on disposal of property, plant and equipment ("**PPE**") and absence of Enterprise Development Grant and deferred grant income.

We note that the Group had recorded a declining trend in revenue, gross profit and profit for the year over the past few financial years. This downward trend continued into 6M2026, with the Group recording a loss before income tax and for the financial period, as well as a net loss on the LTM period ended 30 June 2026, compared to profits in the corresponding period last year.

Consolidated statement of cash flows

The Group recorded net cash generated from operating activities of approximately S$8.86 million, S$3.06 million, S$6.01 million in FY2023, FY2024 and FY2025, respectively. For the 6M2025, the Group recorded net cash generated from operating activities of approximately S$2.73 million, compared to net cash used in operating activities of approximately S$0.15 million in 6M2026.

In respect of 6M2026, the Group recorded net cash used in operating activities of approximately S$0.15 million due to the increase in inventories of approximately S$1.58 million, which was partially offset by the cash generated before movement of working capital of approximately S$0.77 million, decrease in trade and other receivables of S$0.81 million and decrease in trade and other payables of approximately S$0.47 million.

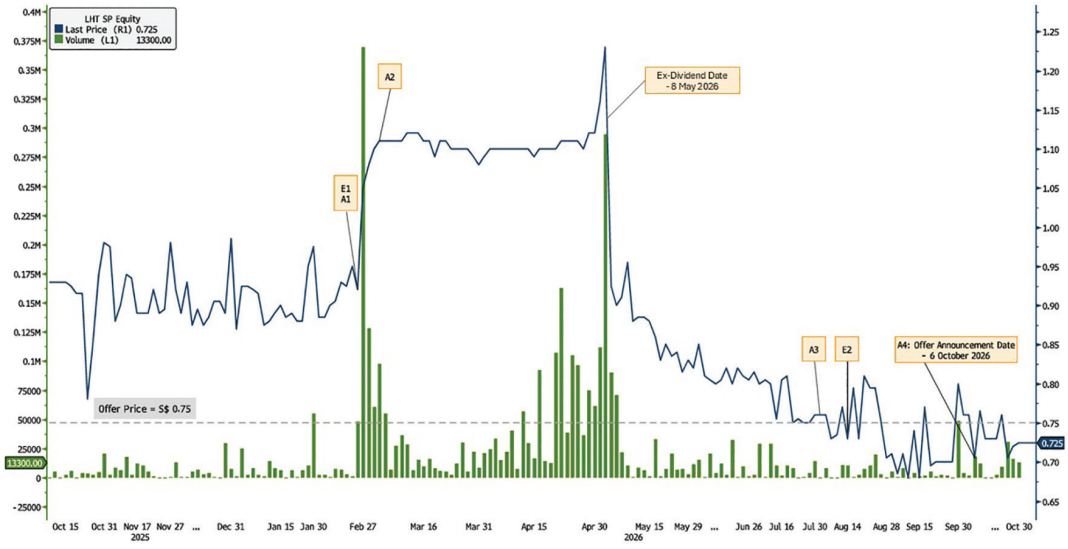
The Group recorded net cash generated from investing activities of approximately S$24.84 million mainly due to the withdrawal of fixed deposits of approximately S$24.42 million and proceeds from disposal of PPE of approximately S$0.54 million, which was partially offset by the purchase of PPE of approximately S$0.28 million.

The Group recorded net cash used in financing activities of approximately S$13.87 million due to dividend paid of approximately S$13.31 million, repayment of lease liabilities of approximately S$0.39 million and interest paid of approximately S$0.17 million.

Taking into account the cash and cash equivalents at the beginning of 6M2026 of approximately S$4.87 million and the net increase in cash and cash equivalents of approximately S$10.82 million, the Group's cash and cash equivalents amounted to approximately S$15.72 million as at 6M2026.

8.2 Historical market price performance and trading activity of the Group

We note the following events in the 1-year period prior to the Offer Announcement Date that had a significant impact on the market prices of the Shares. We have set out the daily closing prices for the 1-year period between 7 October 2025 and 6 October 2026, as well as the daily closing prices up to the Latest Practicable Date.



Source: *Bloomberg L.P.*

A summary of the salient announcements released by the Company during the aforementioned period has been set out below, and we have also marked certain dates of those announcements, which may appear to have had an impact on the closing price of the Shares as illustrated in the price chart above.

Earnings announcements:

No.	Date	Event
E1	**26 February 2026**	The Group announced its financial results for FY2025. The Group's revenue decreased by approximately 3.9% from approximately S$28.19 million in FY2024 to approximately S$27.08 million in FY2025. The Group recorded a profit after tax of approximately S$1.16 million in FY2025 as compared to a profit after tax of approximately S$2.23 million in FY2024.
E2	**14 August 2026**	The Group announced its financial results for 6M2026. The Group's revenue decreased by approximately 21.1% from approximately S$14.47 million in 6M2025 to approximately S$11.41 million in 6M2026. The Group recorded a loss after tax of approximately S$0.49 million in 6M2026 as compared to a profit after tax of approximately S$1.34 million in 6M2025.

Other significant announcements:

No.	Date	Event
A1	**26 February 2026**	The Company announced that the Share Transfer Books and Register of Members would be closed on 8 May 2026 for the preparation of dividend warrants for the first and final one-tier tax exempt dividend of S$0.05 per ordinary share and a special one-tier tax exempt dividend of S$0.20 per ordinary share for the financial year ended 31 December 2025.
A2	**4 March 2026**	The Company announced that it had identified a cybersecurity incident involving unauthorised access to certain IT systems, which resulted in the encryption of selected systems and had immediately activated its incident response protocols. At that stage, the Company was unable to quantify the financial impact, if any, arising from the incident.
A3	**31 July 2026**	The Company announced the profit guidance indicating that it was expected to record a loss for 6M2026 mainly due to lower sales volume and weaker margins arising from market conditions, coupled with higher operating costs.
A4	**6 October 2026**	The Company announced that the Offeror intended to make a voluntary conditional cash partial offer for the Company.

Based on the chart above, we note that the Shares had closed at prices which ranged between a low of S$0.680 (on 10 and 15 September 2026) and a high of S$1.230 (on 5 May 2026) for the 1-year period prior to Offer Announcement Date as well up to the Latest Practicable Date.

We note that the Share price has been trading above the Offer Price for most of the trading days. The Offer Price represents a discount of approximately 1.3% to the closing price of S$0.760 per Share based on trades done on the SGX-ST on 5 October 2026, being the last full market day before the Offer Announcement Date ("**Last Trading Day**") on which Shares were traded.

We note that following the release of the Offer Announcement, the Share price had declined and remained below the Offer Price up to the Latest Practicable Date, except on 8 October 2026, 19 October 2026 and from 20 October 2026 to 22 October 2026, when it closed above the Offer Price at S$0.765, S$0.760 and S$0.760 per Share, respectively. The Offer Price represents a premium of approximately 3.8% over the volume-weighted average price ("**VWAP**") of the Shares of S$0.722 during the period following the Offer Announcement Date up to the Latest Practicable Date, and a premium of 3.4% over the closing price of the Shares of S$0.725 as at the Latest Practicable Date.

We note that the Shares were traded ex-dividend on 6 May 2026 in respect of the distribution of aggregate dividend of S$0.25 per Share. Accordingly, we have adjusted the historical Share prices prior to the ex-dividend date for the purpose of our VWAP analysis ("**Adjusted VWAP**"). This ensures that the 6-month and 1-year VWAPs are more meaningfully comparable with the prevailing Share price and the Offer Price, taking into account the impact of the dividend distribution. The basis of the Adjusted VWAP and corresponding effect on the highest closing price are set out in Notes 4 and 5 of the table below, respectively.

In addition to the above, we have set out below the premium or discount as implied by the Offer Price to the historical VWAP and historical trading volume of the Shares for the past year from 7 October 2025 up to and including the Latest Practicable Date:

	VWAP[(1)] (S$)	Premium/ (Discount) of the Offer Price over VWAP (%)	Highest closing price (%)	Lowest closing price (%)	Average daily trading volume[(2)] ("ADTV")	ADTV as a percentage of free float (%)
Prior to the Offer Announcement Date						
Last Trading Day	0.760[(3)]	(1.3)	0.760	0.760	1,900	0.01
1-month	0.754	(0.6)	0.800	0.680	6,000	0.03
3-month	0.767	(2.2)	0.810	0.680	6,200	0.03
6-month	0.869[(4)]	(13.7)	0.980[(5)]	0.680	23,900	0.11
1-year	0.836[(4)]	(10.3)	0.980[(5)]	0.530	20,800	0.09
After the Offer Announcement Date up to the Latest Practicable Date						
After the Offer Announcement Date up to the Latest Practicable Date	0.722	3.8	0.765	0.705	11,300	0.05
Latest Practicable Date	0.725[(6)]	3.4	0.725	0.725	13,300	0.06

Source: *Bloomberg L.P.*

Notes:

(1) The VWAP is calculated based on the average traded prices and traded volume of the Shares for the relevant market days for each of the above periods.

(2) The average daily trading volume of Shares is calculated based on the total volume of Shares traded during the relevant period divided by the number of market days during that period.

(3) Refers to closing price of the Shares on the Offer Announcement Date.

(4) Adjusted VWAP is calculated by deducting the total dividend of S$0.25 per Share from all historical closing prices prior to 6 May 2026.

(5) The highest closing price has been adjusted for the dividend.

(6) Refers to closing price of the Shares on the Latest Practicable Date.

Based on the above, we observe that:

Periods prior to and up to Last Trading Day

(a) the Offer Price represents a discount of approximately 1.3%, 0.6%, 2.2%, 13.7% and 10.3% to the VWAP of the Shares for the Last Trading Day, 1-month, 3-month, 6-month and 1-year periods, respectively;

(b) the ADTV of the Shares ranged between 1,900 Shares and 23,900 Shares over the Last Trading Day, 1-month, 3-month, 6-month and 1-year periods before the Offer Announcement Date, representing approximately 0.01%, 0.03%, 0.03%, 0.11% and 0.09% of the Company's free float respectively; and

(c) the ADTV of the Shares as a percentage of the Company's free float was low throughout the past 12 months up to the Last Trading Day, reaching a maximum of only approximately 0.11% during the 6-month period prior to the Offer Announcement Date, highlighting the illiquid nature of the Shares.

Periods after the Offer Announcement Date up to the Latest Practicable Date

(a) the closing prices of the Shares ranged between S$0.705 and S$0.765 for the period after the Offer Announcement Date up to the Latest Practicable Date and the Offer Price represents (i) a premium of approximately 3.8% to the VWAP of the Shares of S$0.722 during the period after the Offer Announcement Date up to the Latest Practicable Date, and (ii) a premium of approximately 3.4% to the closing price of the Shares of S$0.725 on the Latest Practicable Date; and

(b) during the period after the Offer Announcement Date up to the Latest Practicable Date, the ADTV of the Shares was approximately 11,300 Shares, representing approximately 0.05% of the Company's free float. As at the Latest Practicable Date, the ADTV of the Shares was approximately 13,300 Shares, representing approximately 0.06% of the Company's free float.

Based on the above observations, we note that the ADTV of Shares was relatively higher during the 6-month and 1-year periods before the Offer Announcement Date, which may have been attributable, at least in part, to investors' interest following the Company's announcement of a first and final one-tier tax-exempt dividend of S$0.05 per Share and a special dividend of S$0.20 per Share. However, trading activity declined significantly during the 1-month and 3-month periods prior to the Offer Announcement Date, as well as on the Last Trading Day, which may have reflected a retracement in the market price of the Shares following the payment of dividend.

Following the Offer Announcement Date and up to the Latest Practicable Date, the ADTV of the Shares remained consistent to the 3-month and 1-month periods prior to the Offer Announcement Date.

As at the Latest Practicable Date, the closing price of the Shares was S$0.725, which was below the Offer Price. Accordingly, it appears that the Offer did not materially impact the market prices of the Share.

Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a promise of its future trading performance.

We wish to highlight that the market valuation of shares of a company traded on a securities exchange may be affected by, *inter alia*, the prevailing economic conditions, economic outlook, stock market conditions and sentiment, the corporate activities of the company, its relative liquidity, the size of its free float, the extent of research coverage, the investor interest it attracts and the general market sentiment at a given point in time.

8.3 Historical financial position of the Group

8.3.1 Net asset value ("NAV") of the Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all the liabilities of the group. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders' equity.

The audited and unaudited financial position of the Group as at 31 December 2025 and 30 June 2026 respectively, are set out below:

(S$'000)	Audited As at 31 December 2025	Unaudited[(1)] As at 30 June 2026
ASSETS		
Non-Current Assets		
Property, plant and equipment	6,992	6,210
Right-of-use assets	7,476	7,468
Total non-current assets	**14,468**	**13,678**
Current Assets		
Inventories	2,708	4,261
Trade and other receivables	5,741	4,893
Fixed deposits	34,084	9,663
Cash and cash equivalents	4,873	15,717
Total current assets	**47,406**	**34,534**
Total assets	**61,874**	**48,212**

(S$'000)	Audited As at 31 December 2025	Unaudited[1] As at 30 June 2026
LIABILITIES AND EQUITY		
Current Liabilities		
Lease liabilities	570	537
Trade and other payables	2,441	2,909
Provisions	114	–
Income tax payables	562	146
Total current liabilities	**3,687**	**3,592**
Non-Current liabilities		
Lease liabilities	4,191	4,327
Provisions	564	583
Deferred tax liabilities	340	366
Total non-current liabilities	**5,095**	**5,276**
Total liabilities	**8,782**	**8,868**
Equity		
Share capital	24,621	24,621
Currency translation reserve	(293)	(237)
Retained earnings	28,764	14,960
Total equity attributable to owners of the Company	**53,092**	**39,344**
Total liabilities and equity	**61,874**	**48,212**

Sources: *The Group's audited financial statement for FY2025 and unaudited interim financial statements for the 6-month ended 30 June 2026.*

	Audited as at 31 December 2025	Unaudited as at 30 June 2026
NAV of the Group	53,092,000	39,344,000
Number of issued Shares as at Latest Practicable Date	53,244,997	53,244,997
NAV per Share (S$)	0.997(1)	0.739(1)
(Discount)/Premium of Offer Price to NAV per Share (%)	(24.8)	1.5
P/NAV ratio as implied by Offer Price (times)	0.75	1.01

Note:

(1) The unaudited financial information as at 30 June 2026 is extracted from the half year results announced by the Company.

Based on the above, we observe that:

(a) the NAV per Share as at 31 December 2025 was S$0.997 based on 53,244,997 issued Shares. Accordingly, the Offer Price represents a significant discount of approximately 24.8% to the NAV per Share as at 31 December 2025 and would value the Group at a P/NAV ratio of 0.75 times;

(b) the NAV per Share as at 30 June 2026 was S$0.739 based on 53,244,997 issued Shares. Accordingly, the Offer Price represents a premium of approximately 1.5% to the NAV per Share as at 30 June 2026 and would value the Group at a P/NAV ratio of 1.01 times;

(c) the decrease in NAV per Share of S$0.997 as at 31 December 2025 to S$0.739 as at 30 June 2026 was mainly attributable to the withdrawal of fixed deposits to fund the payment of dividends amounting to approximately S$13.31 million during 6M2026; and

(d) the Company had issued a special one-tier tax exempt dividend of S$0.20 per Share, amounting to approximately S$10.65 million, which was a one-off and not reflective of its ordinary dividend practice.

We note that the NAV of the Group has decreased primarily due to substantial payment of special dividends to Shareholders. Such distributions represent a return of capital to Shareholders, rather than the retention of funds to support the Group's ongoing operations and future growth.

Shareholders should note that the NAV analysis provides an estimate of the value of the Group based on the net assets of the Group as at 31 December 2025 and 30 June 2026 respectively, and such hypothetical scenarios are assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically affect the NAV that can be realised. While the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market values of the assets and liabilities may vary depending on prevailing market and economic conditions.

In our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which value may be materially different from that recorded in the statement of financial position of the Group as at 30 June 2026 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group or announced by the Company that are likely to have a material impact on the NAV of the Group as at 30 June 2026. Based on the discussions with the Management, we have set out the following:

Non-current assets – PPE and Right-of-use ("**ROU**") assets

PPE consist mainly of its leasehold properties and rental pallets, and accounted for approximately 12.9% of the Group's total assets as at 30 June 2026. The PPE are carried at cost less accumulated depreciation and any accumulated impairment losses. The leasehold properties constituted the main bulk of the total PPE of the Group as at 30 June 2026. Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. As at 30 June 2026, no impairment loss has been made to the Group's PPE.

ROU assets consist mainly of its leasehold land and leasehold building, and in aggregate accounted for approximately 15.5% of the Group's total assets as at 30 June 2026. ROU assets are stated at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. As at 30 June 2026, no impairment loss has been made to the Group's ROU assets.

Current assets – Inventories

The Group's inventories accounted for approximately 8.8% of the Group's total assets as at 30 June 2026. During the 6M2026, the Group recorded a write-back of obsolete inventories of approximately S$34,000, rather than an impairment loss on inventories. Accordingly, no adjustment to the net book value of the inventories is considered necessary.

Current assets – Trade and other receivables

Trade and other receivables accounted for approximately 10.1% of the Group's total assets as at 30 June 2026. The Group assesses its trade receivables for impairment and recognised a loss allowance of approximately S$8,000 during 6M2026. The loss allowance is considered immaterial and accordingly, no adjustment to the net book value of trade receivables is considered necessary.

Current assets – Cash and cash equivalents and fixed deposits

As at 31 December 2025, the Group had fixed deposits of approximately S$34.08 million and cash and cash equivalents of approximately S$4.87 million. As at 30 June 2026, fixed deposits had decreased to approximately S$9.66 million, while cash and cash equivalents had increased to approximately S$15.72 million. The decrease in fixed deposits was attributable to the maturity and withdrawal of fixed deposits during the 6-month period ended 30 June 2026. During the same period, the Company also paid dividends of approximately S$13.31 million. We understand that certain fixed deposits are pledged with banks as security. Notwithstanding the pledge, the value and recoverability of these fixed deposits are considered certain. Accordingly, no revaluation adjustments have been made to the Group's cash and fixed deposits as their carrying amounts are considered to be representative of their value.

8.3.2 Ex-Cash NAV

The Group had recorded cash and cash equivalents and fixed deposits which in aggregate amounted to approximately S$25.38 million as at 30 June 2026. Taking into account the lease liabilities of the Group of approximately S$4.86 million, the Group would have net cash of approximately S$20.52 million as at 30 June 2026 which translates into approximately S$0.39 per Share (the "**Net Cash per Share**") accounting for 52.15% of the NAV of the Group as at 30 June 2026.

As the net cash represents a significant percentage of the NAV of the Group, we also have considered the Group's ex-cash NAV against the Offer Price. After adjusting the net cash of S$20.52 million from the NAV, the ex-cash NAV of the Group as at 30 June 2026 was approximately S$18.82 million or S$0.35 per Share (the "**Ex-Cash NAV per Share**").

The Offer Price as adjusted for Net Cash per Share of S$0.36 (the "**Ex-Cash Offer Price**"), represents a premium of 3.1% to the Ex-Cash NAV per Share and would value the Group at an Ex-Cash Offer Price to Ex-cash NAV Per Share ("**Ex-Cash P/NAV**") ratio of 1.03 times.

In respect of the above, we have sought the following confirmations from the Executive Director and Management, and they confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief that:

(a) the Group's unaudited financial statements as at 30 June 2026 have been properly made up and to the best of their knowledge and belief, fairly reflect the financial position of the Group as at 30 June 2026;

(b) there are no other contingent liabilities, bad or doubtful debts or material events which would likely have a material impact on the NAV of the Group as at the Latest Practicable Date;

(c) there are no litigation, claim or proceedings pending or threatened against the Company or Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and Group;

(d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group;

(e) read together with paragraph 10.2 of the Offer Document, there are no material acquisitions or disposals of assets by the Group between 30 June 2026 and the Latest Practicable Date, and there have been no announcements by the Company of any plans for any such impending material acquisition or disposal of assets, conversion of the use of the Group's material assets or material change in the nature of the Group's business; and

(f) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that recorded in the unaudited balance sheet of the Group as at 30 June 2026.

8.4 Comparison with the valuation ratios of selected companies which are broadly comparable to the Group

For the purpose of assessing the valuation of the Group as implied by the Offer Price, we have considered listed companies whose businesses are broadly comparable with the Group (the "**Comparable Companies**") with revenue mainly derived from manufacturing of wooden and timber products.

For the selection of the Comparable Companies, in light of the lack of comparable companies on the SGX-ST, we have used companies listed on Bursa Malaysia. We wish to highlight that the valuation ratios may differ across stock exchanges due to difference in market conditions, investor profiles, liquidity and risk appetite.

We had discussions with management about the suitability and reasonableness of the Comparable Companies. We wish to highlight that the Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria.

In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

We wish to highlight that the Comparable Companies are not exhaustive and we recognise that there is no company listed on the SGX-ST, which we may consider to be identical to the Group in terms of, *inter alia*, geographical markets, composition of business activities, scale of the business operations, risk profile, asset base, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial positions and other relevant criteria and that such businesses may have fundamentally different annual profitability objectives. The Recommending Directors should note that any comparison made with respect to the Comparable Companies merely serve to provide an illustrative perceived market valuation of the Group as at the Latest Practicable Date.

A brief description of the Comparable Companies is as follows:

Comparable Companies	Listing location	Business Description	Financial Year Ended
Dominant Enterprise Berhad ("**Dominant**")	Malaysia	Dominant Enterprise Berhad is an investment holding company. The Company, through its subsidiaries, manufactures printed medium density fiberboard moldings, wrapped moldings, laminated wood panel products, and furniture components. Dominant Enterprise also imports, distributes, and exports all types of wood products.	31 March
L&P Global Berhad ("**L&P Global**")	Malaysia	L&P Global Berhad is principally engaged in the design and manufacture of wooden industrial packaging products, provision of packing services, circular supply services, and trading of value-added services.	31 December
Evergreen Fibreboard Berhad ("**Evergreen**")	Malaysia	Evergreen Fibreboard Bhd. manufactures medium density fiberboard (MDF), knocked-down wooden furniture, and doors. The Company, through its subsidiaries, also manufactures particle board and MDF and laminates MDF, particleboard, and plywood.	31 December
Mieco Berhad ("**Mieco**")	Malaysia	Mieco Berhad operates as a wood products company. The Company specialises in manufacturing, supplying, and distribution of particle boards, melamine faced chipboards, fibreboards, and solid rubberwood products. Mieco serves customers in Malaysia.	31 December
Master-Pack Group Berhad ("**Master-Pack**")	Malaysia	Master-Pack Group Berhad design, manufactures and supply of high-quality, customized corrugated cartonboxes and wooden packaging solutions.	31 December

Source: *Bloomberg L.P. and annual report*

In our evaluation, we have considered the following widely used valuation measures for our analysis:

Valuation ratio	Description
Latest twelve-month ("**LTM**") price-to-earnings ("**LTM P/E**") ratio	The LTM P/E ratio illustrates the ratio of the market capitalisation of a company in relation to its historical consolidated full-year or LTM (as the case may be) net profit attributable to its shareholders. As such, it is affected by a company's capital structure, tax position and accounting policies relating to depreciation and intangible assets. We have considered the LTM P/E ratios of the Comparable Companies based on their respective market capitalisations on the Latest Practicable Date and their latest full-year or LTM (as the case may be) net profit attributable to shareholders.
Latest twelve-month ("**LTM**") enterprise value-to-earnings before interests, taxes, depreciation and amortisation ("**LTM EV/EBITDA**") ratio	EV refers to enterprise value, which is the sum of a company's market capitalisation, preferred equity, non-controlling interests, short-term and long-term debts less its cash and cash equivalents. LTM EBITDA refers to the historical consolidated full-year earnings or LTM (as the case may be) earnings before interest, taxes, depreciation and amortisation. The LTM EV/EBITDA ratio illustrates the ratio of the market value of a company's business in relation to its historical pre-tax operating cash flow performance. The LTM EV/EBITDA ratio is an earnings-based valuation methodology. The difference between the LTM EV/EBITDA ratio and the LTM P/E ratio (described above) is that the former does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. We have considered the LTM EV/EBITDA ratios of the Comparable Companies based on their respective market capitalisations on the Latest Practicable Date, latest-available balance sheet values and latest full-year or LTM (as the case may be) EBITDA.

Valuation ratio	Description
P/NAV ratio	The P/NAV ratio refers to the ratio of the market capitalisation of a company in relation to its NAV. The P/NAV ratio represents an asset-based relative valuation which takes into consideration the book value or NAV backing of a company. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company. We have considered the P/NAV ratios of the Comparable Companies based on their respective market capitalisations on the Latest Practicable Date and their latest-available NAV.
Ex-cash price-to-NAV ("**Ex-Cash P/NAV**") ratio	In view of the significant net cash position (i.e. cash and cash equivalents less lease liabilities) of the Group as at 30 June 2026, we have also computed the Ex-Cash P/NAV ratio. In this regard, we have considered the Ex-Cash P/NAV ratios of the Comparable Companies based on their respective last transacted prices (less net cash per share, if applicable and adjusted for any corporate activities which were undertaken after the latest available balance sheet that may affect the net cash position, where relevant) on the Latest Practicable Date and latest available NAV per share (less net cash, if applicable, as adjusted for any corporate activities which were undertaken after the latest available balance sheet that may affect the NAV per share, where relevant) *vis-à-vis* the corresponding Ex-Cash P/NAV ratio of the Group based on the Ex-cash Offer Price and the Ex-Cash NAV per Share.

The valuation ratios of the Comparable Companies as at the Latest Practicable Date are set out below:

Comparable Companies	Market capitalisation (MYR' million)	LTM P/E (times)	LTM EV/ EBITDA (times)	P/NAV (times)	Ex-Cash P/NAV (times)
Dominant	118.15	4.19	6.87	0.28	0.58
L&P Global	134.31	133.33[2]	18.43	1.28	1.27
Evergreen	84.47	n.m.[1]	4.52	0.09[2]	0.23
Mieco	655.00	n.m.[1]	33.42[2]	2.08	1.71
Master-Pack	80.84	30.27	n.m.[1]	0.48	0.65
Maximum		133.33	33.42	2.08	1.71
Minimum		4.19	4.52	0.09	0.23
Mean[2]		17.23	9.94	1.03	0.89
Median[2]		17.23	6.87	0.88	0.65
Company (as implied by the Offer Price)	**S$39.93 million[3]**	**n.m.[1]**	**7.87**	**1.01**	**1.03**

Sources: *Bloomberg L.P., annual reports and announcements of the Comparable Companies and RHTC calculations.*

Notes:

(1) n.m. denotes not meaningful due to negative figures.

(2) Excluded as a statistical outlier in the computation of mean and median.

(3) As at the Latest Practicable Date, S$39.93 million is equivalent to MYR127.38 million.

Based on the above, we observe that:

(i) the Group had recorded a net loss attributable to equity holders of the Company for the LTM, hence the LTM P/E ratio (as implied by the Offer Price) of the Company is not meaningful;

(ii) the LTM EV/EBITDA ratio of the Group of 7.87 times implied by the Offer Price is (i) within the range of the LTM EV/EBITDA ratios of the Comparable Companies of 4.52 times and 33.42 times, (ii) below the mean ratio of the Comparable Companies of 9.94 times, and (iii) above the median ratio of the Comparable Companies of 6.87 times;

(iii) the P/NAV ratio of the Group of 1.01 times implied by the Offer Price is (i) within the range of the P/NAV ratios of the Comparable Companies of 0.09 times and 2.08 times, (ii) close to the mean ratio of the Comparable Companies of 1.03 times, and (iii) above the median ratio of the Comparable Companies of 0.88 times; and

(iv) the Ex-Cash P/NAV of the Group of 1.03 times implied by the Offer Price is (i) within the range of Ex-Cash P/NAV ratios of the Comparable Companies of 0.23 times and 1.71 times, and (ii) above both the mean and median ratios of the Comparable Companies of 0.89 times and 0.65 times, respectively.

8.5 Selected precedent transaction involving companies listed on the SGX-ST

8.5.1 Selected precedent partial offers

The Offeror is making the Offer to acquire 25.04% of the issued Shares in the Company (other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties). Accordingly, we have compared the VWAP and valuation statistics of the Company (based on the Offer Price) *vis-à-vis* those of recent successful partial offers involving companies listed on the SGX-ST (collectively, the "**Precedent POs**"). As there are limited partial offers involving companies listed on the SGX-ST in recent years, we have compared the VWAP and valuation statistics of the Company (based on the Offer Price) *vis-à-vis* those successful Precedent POs announced on the SGX-ST during the 6-year period prior to the Offer Announcement for the purposes of evaluation of the Offer:

Company name	Announcement date	Offer Price (S$)	Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer price to NAV/NTA (times)
Procurri Corporation Limited	15 March 2021	0.365	23.7	24.4	17.1	18.0	2.05
Sabana Industrial Real Estate Investment Trust	20 January 2023	0.465	9.4	8.6	11.0	6.9	0.87
Cordlife Group Limited	13 May 2025	0.250	61.3	63.4	59.2	59.2	0.52
Maximum			**61.3**	**63.4**	**59.2**	**59.2**	**2.05**
Minimum			**9.4**	**8.6**	**11.0**	**6.9**	**0.52**
Mean			**31.5**	**32.1**	**29.1**	**28.0**	**1.15**
Median			**23.7**	**24.4**	**17.1**	**18.0**	**0.87**
Company (as implied by the Offer Price)	**6 October 2026**	**0.750**	**(1.3)**	**(0.6)**	**(2.2)**	**(13.7)[3]**	**1.01[2]**

Notes:

(1) The market premia/(discounts) were calculated based on the last transacted prices and relevant VWAP's of the respective target companies prior to the Offer Announcement.

(2) Based on NAV per Share of the Group as at 30 June 2026.

(3) Based on Adjusted VWAP after taking into account the dividend distribution.

Based on the above, we observe that:

(a) the Offer Price is at the discount to the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares whereas the offer prices of the Precedent POs were premium to the corresponding prices; and

(b) the P/NAV ratio of the Company of 1.01 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV ratios of the Precedent POs of between 0.52 times and 2.05 times, (ii) below the mean offer price-to-NAV ratio of the Precedent POs of 1.15 times, and (iii) above the median offer price-to-NAV ratio of the Precedent POs of 0.87 times.

8.5.2 Selected precedent non-privatisation take-over offers

As it is the intention of the Offeror to maintain the Company's listing status on the SGX-ST, we have also compared the VWAP and valuation statistics of the Company (based on the Offer Price) *vis-à-vis* those in respect of successful non-privatisation take-over offers of companies listed on the SGX-ST where the offerors had indicated their intentions to preserve the listing status of the target companies, and that the IFAs had recommended shareholders to accept the offers, which were announced between 1 January 2024 and the Offer Announcement Date, and completed as at the Latest Practicable Date, (collectively, the "**Precedent Non-Privatisations**").

Company name	Announcement date	Offer Price (S$)	Premium/(Discount) of Offer Price over/(to)[1] Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	Offer price to NAV/NTA[2] (times)
Willas-Array Electronics (Holdings) Limited[3]	2 February 2024	HK$3.300	75.4	77.5	77.3	63.2	0.62
NSL Ltd.[4]	23 July 2024	0.7500	7.1	10.1	5.3	4.2	0.92[5]
Dyna-Mac Holdings Limited	11 September 2024	0.6700[6]	35.4	18.6	27.4	44.4	5.98
Sincap Group Limited[7]	18 March 2025	n.m.[7]	n.m.[8]	n.m.[8]	n.m.[8]	n.m.[8]	n.m.[9]
PSC Corporation Ltd	10 July 2025	0.4000	0.0	7.8	10.8	13.3	0.56
Samko Timber Limited (currently known as Le Tree Holdings Limited)	23 July 2025	0.0005	(73.8)	(52.2)	(50.8)	(57.3)	4.39
Tat Seng Packaging Group Ltd[10]	10 July 2025	0.8990	0.4	0.4	6.5	8.6	0.63
Olive Tree Estates Limited (currently known as Evologic International United)	10 October 2025	0.1200	7.1	9.1	16.5	16.5	1.33
Bromat Holdings Ltd	27 October 2025	0.0310	14.8	(16.2)	(6.1)	(8.8)	n.m.[9]
Maximum			**75.4**	**77.5**	**77.3**	**63.2**	**5.98**
Minimum			**(73.8)**	**(52.2)**	**(50.8)**	**(57.3)**	**0.56**
Mean[11]			**10.8**	**5.0**	**10.1**	**13.0**	**2.06**
Median[11]			**7.1**	**8.5**	**8.7**	**11.0**	**0.92**
Company (as implied by the Offer Price)	**6 October 2026**	**0.7500**	**(1.3)**	**(0.6)**	**(2.2)**	**(13.7)[12]**	**1.01**

Notes:

(1) The market premia/(discounts) were calculated based on the last transacted prices and relevant VWAP's of the respective target companies prior to the Offer Announcement.

(2) Based on the revalued NAV/NTA per share (as the case may be), as published in the respective circulars of the target companies.

(3) On 2 February 2024, the pre-conditional mandatory cash offer for the issued shares in Willas-Array Electronics (Holdings) Limited at the offer price of HK$3.30 per share was announced (the "Willas-Array Pre-Conditional Offer"). On 11 July 2024, the voluntary conditional cash offer for the issued shares in Willas-Array at the offer price of HK$3.30 (equivalent to S$0.570 based on the exchange rate as at the date of the formal offer announcement) was announced. The market premia in the table above were computed based on the offer price of S$0.570 per share and the share prices for the period(s) up to and including 1 February 2024, being the last undisturbed trading date prior to the Willas-Array Pre-Conditional Offer.

(4) On 23 July 2024, the pre-conditional mandatory cash offer for the issued shares in NSL Ltd. ("NSL") at the offer price of S$0.750 per share was announced (the "NSL Pre-Conditional Offer"). On 23 September 2024, the mandatory unconditional cash offer for the issued shares in NSL was announced. The market premia in the table above were computed based on the offer price of S$0.750 per share and the share prices for the period(s) up to and including 23 July 2024, being the last undisturbed trading date prior to the NSL Pre-Conditional Offer.

(5) The IFA for NSL Limited in relation to the mandatory unconditional cash offer had also derived a sum-of-parts valuation for NSL in relation to the offer and had determined the valuation of each share to be S$0.88 for the lower valuation bound and S$1.00 for the higher valuation bound.

(6) The offer price was revised from S$0.600 to S$0.670, as announced on 14 October 2024. The market share price premia in the table above were computed based on the revised final offer price of S$0.670.

(7) On 18 March 2025, the pre-conditional mandatory cash offer for the issued shares in Sincap Group Limited ("Sincap") at the offer price of S$0.0294 per share was announced (the "Sincap Pre-Conditional Offer"). On 29 April 2025, the mandatory unconditional offer for the issued shares in Sincap was announced.

(8) Denotes not meaningful as the trading in the shares of Sincap Group Limited had been suspended since 4 May 2021.

(9) Denotes not meaningful as the target company/the Company recorded net liabilities.

(10) On 10 July 2025, the possible mandatory chain offer (the "Tat Seng Possible Chain Offer") for the issued shares of Tat Seng Packaging Group Ltd ("Tat Seng") was announced following the entry of a sale and purchase agreement between Goi Seng Hui and Sin Huat Company Limited on the purchase of 63.0 million ordinary shares of PSC Corporation Ltd ("PSC"). PSC is the controlling shareholder of Tat Seng. On 7 August 2025, the mandatory unconditional cash offer for the issued shares in Tat Seng was announced. The market premia in the table above were computed based on the offer price of S$0.8990 per share and the share prices for the period(s) up to and including 10 July 2025, being the last undisturbed trading date prior to the Tat Seng Possible Chain Offer.

(11) Exclude Willas-Array Electronics (Holdings) Limited and Samko Timber Limited (currently known as Le Tree Holdings Limited) as statistical outliers in the computation of mean and median of premium/(discount) to Offer Price over/(to) the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP.

(12) Based on Adjusted VWAP after taking into account the dividend distribution.

In respect of the Precedent Non-Privatisations, we note that:

(a) the discount of approximately 1.3% (as implied by the Offer Price) over the last transacted price of the Shares on the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 73.8% and a premium of 75.4%, and (ii) below both the corresponding mean and median premiums of 10.8% and 7.1% of the Precedent Non-Privatisations, respectively;

(b) the discount of approximately 0.6% (as implied by the Offer Price) over the 1-month VWAP of the Shares up to the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 52.2% and a premium of 77.5%, and (ii) below both the corresponding mean and median premiums of 5.0% and 8.5% of the Precedent Non-Privatisations, respectively;

(c) the discount of approximately 2.2% (as implied by the Offer Price) over the 3-month VWAP of the Shares on the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 50.8% and a premium of 77.3%, and (ii) below both the corresponding mean and median premiums of 10.1% and 8.7% of the Precedent Non-Privatisations, respectively;

(d) the discount of approximately 13.7% (as implied by the Offer Price) over the 6-month VWAP of the Shares on the Last Trading Day is (i) within the range of the Precedent Non-Privatisations of between a discount of 57.3% and a premium of 63.2%, and (ii) below both the corresponding mean and median premiums of 13.0% and 11.0% of the Precedent Non-Privatisations, respectively; and

(e) the P/NAV ratio of the Company of 1.01 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV ratios of the Precedent Non-Privatisations of between 0.56 times and 5.98 times, (ii) below the corresponding mean of 2.06 times, and (iii) above the corresponding median of 0.92 times to the Precedent Non-Privatisations.

8.6 Estimated theoretical valuation of the Shares

We have considered both asset-based and earnings-based approaches in our valuation assessment. In applying the asset-based approach, we have taken into consideration the Group's NAV, while the earnings-based approach considers the Group's earnings in assessing its value. As the Group recorded a loss for the LTM period ended 30 June 2026, the P/E ratio is not meaningful.

For the P/NAV valuation approach, we have considered the P/NAV ratios of the Comparable Companies. We have not considered the P/NAV ratios of the Precedent POs and Precedent Non-Privatisations, as the industries that those companies operate in are not directly comparable with the Company and therefore, the P/NAV ratios of those companies would not be suitable as our inputs in deriving the estimated range of values.

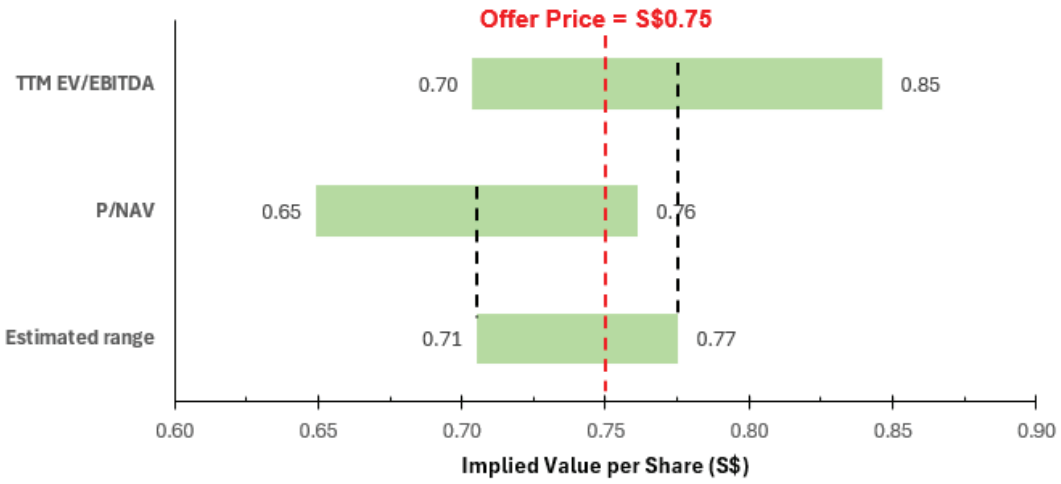
For the purposes of our valuation assessment, we have applied both the mean and median ratios of the Comparable Companies for the P/NAV and LTM EV/EBITDA valuation approaches to derive the estimated range of values per Share.

The estimated range of values per Share is summarised below:

	Asset-based approach	Earning-based approach
Description	**P/NAV**	**LTM EV/EBITDA**
Valuation metric	NAV	LTM EBITDA
Financial metric (S$)	39,344,000	2,468,000
Valuation multiple (Low)	0.88	6.87
Valuation multiple (High)	1.03	9.94
Implied value per Share (Low)	**0.65**	**0.70**
Implied value per Share (High)	**0.76**	**0.85**

For ease of comparison, the implied valuation ranges under the selected valuation methodologies, together with the Offer Price, are illustrated in the football field chart below.

Implied Value per Share under selected valuation methodologies



Based on the football field chart above, the estimated theoretical value per Share is between S$0.71 and S$0.77 (the "**Estimated Theoretical Valuation Range**"). We note that the Offer Price is **within** the range of the Estimated Theoretical Valuation Range.

8.7 Other relevant considerations

8.7.1 Listing status of the Company and Offeror's intentions for the Group

The Offeror currently intends to maintain the listing status of the Company. As stated in Section 10.2 of the Offer Document, the Offeror's intention for the Group is to continue and grow its existing operations and businesses, with no major changes to the Group's businesses or discontinuation of employees' employment other than in the ordinary course of business, save for new business ventures or strategic opportunities that complement the Group's existing operations and long-term growth trajectory.

8.7.2 No compulsory acquisition

The Offer, if successful, will not, as a result of the Offer, acquire 90.00% or more of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees). Accordingly, the rights of compulsory acquisition pursuant to Section 215(1) of the Companies Act will not arise as a result of the Offer.

8.7.3 Confidence of the Offeror

The Offeror's decision to increase its shareholding in the Company may indicate its confidence in the Group's future business prospects and potential for growth. By acquiring additional Shares through the Offer, the Offeror would increase his economic interest in the Company and his exposure to the Group's future financial performance. This may be viewed as a positive indication of the Offeror's confidence in the Group's future prospects.

8.7.4 Capital Management Partners Fund VCC – DH Cornerstone Fund ("CMPF")'s decision to exit its investment

CMPF, which holds 18.45% of the Company, had invested in the Company on 27 August 2025 at an estimated price of S$0.97 per Share, and has so far received dividends totalling S$0.25 per Share during the period of its investment. In connection with this Offer, CMPF has provided an irrevocable undertaking to vote in favour of the Offer and to accept the Offer at S$0.75 per Share. CMPF's decision to accept the Offer, notwithstanding the relatively short investment period, may be indicative of its preference to realise its investment at the Offer Price rather than to continue to hold its Shares in the Company.

8.7.5 Business outlook of the Group

The Company reported net loss for the 6M2026. In its 6M2026 results announcement, the Company stated that the operating environment was expected to remain competitive and challenging for the remainder of FY2026, amid continued global economic uncertainty, inflationary pressures and ongoing geopolitical developments.

8.7.6 Dividend track record of the Company

We note that the Company has a track record of paying annual dividends to its shareholders. In respect of FY2021 to FY2025, the Company paid or proposed annual final dividends of between S$0.03 and S$0.05 per Share. In addition, the Company paid special dividends of S$0.13 per Share in respect of FY2023 and S$0.20 per Share in respect of FY2025.

(S$ cents)	FY2021	FY2022	FY2023	FY2024	FY2025
Ordinary dividend per Share	3.0	5.0	5.0	5.0	5.0
Special dividend per Share	–	–	13.0	–	20.0
Total dividend per Share	3.0	5.0	18.0	5.0	25.0
Average Share price[(1)]	64.2	68.7	78.5	97.5	97.6

(S$ cents)	FY2021	FY2022	FY2023	FY2024	FY2025
Dividend Yield (based on average Share price)[(2)]	4.7%	7.3%	22.9%[(4)]	5.1%	25.6%[(3)]
Earnings per Share	8.26	10.45	8.16	4.18	2.17
Dividend payout ratio	36.3%	47.8%	220.6%	119.6%	1152.1%

Sources: *Bloomberg L.P and annual reports of the Company*

Notes:

(1) Average daily closing prices of the Shares for the respective financial year.

(2) Computed based on the total dividend per Share (including special dividend) divided by the average Share price for the year. Rounded to the nearest one (1) decimal place.

(3) The ordinary dividend yield after removing the special dividend is approximately 5.1%.

(4) The ordinary dividend yield after removing the special dividend is approximately 6.4%.

For Shareholders who had invested in the Company for its dividend, we note that the Group's dividend payments have exceeded its earnings-generating capacity since FY2023, as reflected by the dividend payout ratio above. This indicates that the Group has been distributing more than its earnings to Shareholders, with the excess distributions being funded through its accumulated profits. Such level of dividend payments would not be sustainable, particularly in view of the Group's declining revenue and profitability, and it would further deplete its cash reserves and weaken its financial position.

Shareholders should note that the above analysis of the Company's dividend track record only serves as an illustration and is not indicative of future dividend payments, which remain subject to the Company's future financial performance, cash flow position and the Board's recommendation.

8.7.7 Shareholders may not be able to fully exit their investments

The Offer does not provide Shareholders with an opportunity to exit their entire shareholding in the Company. With the irrevocable undertaking provided by CMPF to vote in favour and to accept the Offer in respect of its entire shareholding, the number of Shares tendered by Shareholders that may ultimately be accepted under the Offer will depend on the overall level of acceptances and the applicable allocation mechanism.

Accordingly, Shareholders who accept the Offer could realise part of their investments at the Offer Price which represents a premium to the Group's NAV per Share while continue to hold a portion of their existing Shares in the Company following the close of the Offer, and the potential to receive future dividends, should the Company continue to declare dividends. We note that the Group continues to maintain substantial cash reserves, which may provide some capacity to support future dividend distributions, notwithstanding its declining financial performance. However, there can be no assurance that the Company will maintain its current level of dividend payment.

8.7.8 Transaction costs in connection with the disposal of the Shares

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open markets which will incur expenses such as brokerage commission and/or other trading costs.

8.7.9 Absence of competing offer

The Recommending Directors have confirmed that, as at the Latest Practicable Date, they are not aware of any firm offer for the Company from any third party, other than the Offer being made by the Offeror, no other third party has made a firm offer for the Company. We also note that there is no publicly available evidence of any alternative offer for the Offer Shares from any third party.

9. OPINION

In arriving at our opinion on the financial terms of the Offer, we have taken into consideration, *inter alia*, the following factors summarised below as well as elaborated elsewhere in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter:

(a) the historical financial performance of the Group, namely, that (i) the net profit of the Group decreased from S$4.35 million in FY2023 to S$1.16 million in FY2025, (ii) the Group incurred a net loss of S$0.49 million in 6M2026, and (iii) net cash flow generated from operating activities ranged from S$3.06 million to S$8.86 million across FY2023, FY2024 and FY2025, before turning into a net cash outflow of S$0.15 million in 6M2026. The decline in revenue may reflect weaker business activity due to lower demand and continued competitive market conditions, while the decline in profitability may be attributable to increased operating costs or other factors;

(b) the Offer Price represents:

  (i) a discount of approximately 1.3%, 0.6%, 2.2%, 13.7% and 10.3% to the VWAP of the Shares for the Last Trading Day, 1-month, 3-month, 6-month and 1-year periods, respectively;

  (ii) a premium of approximately 3.8% to the VWAP of the Shares of S$0.722 during the period after the Offer Announcement Date up to the Latest Practicable Date; and

  (iii) a premium of approximately 3.4% to the closing price of the Shares of S$0.725 on the Latest Practicable Date;

(c) the ADTV of the Shares as a percentage of the Company's free float was low throughout the past 12 months up to the Last Trading Day, reaching a maximum of only approximately 0.11% during the 6-month period prior to the Offer Announcement Date, highlighting the illiquid nature of the Shares;

(d) the Offer Price represents:

  (i) a significant discount of approximately 24.8% to the NAV per Share of S$0.997 as at 31 December 2025 and would value the Group at a P/NAV ratio of 0.75 times; and

  (ii) a premium of approximately 1.5% to the NAV per Share of S$0.739 as at 30 June 2026 and would value the Group at a P/NAV ratio of 1.01 times;

(e) the Ex-Cash NAV per Share as at 30 June 2026 was S$0.35. Accordingly, the Offer Price represents a premium of approximately 3.1% to the Ex-Cash NAV per Share and would value the Group at an Ex-Cash P/NAV ratio of 1.03 times;

(f) in respect of the Comparable Companies:

(i) the Group had recorded a net loss attributable to equity holders of the Company for the LTM, hence the LTM P/E ratio (as implied by the Offer Price) of the Company is not meaningful;

(ii) the LTM EV/EBITDA ratio of the Group of 7.87 times implied by the Offer Price is (i) within the range of the LTM EV/EBITDA ratios of the Comparable Companies of 4.52 times and 33.42 times, (ii) below the mean ratio of the Comparable Companies of 9.94 times, and (iii) above the median ratio of the Comparable Companies of 6.87 times;

(iii) the P/NAV ratio of the Group of 1.01 times implied by the Offer Price is (i) within the range of the P/NAV ratios of the Comparable Companies of 0.09 times and 2.08 times, (ii) close to the mean ratio of the Comparable Companies of 1.03 times, and (iii) above the median ratio of the Comparable Companies of 0.88 times; and

(iv) the Ex-Cash P/NAV of the Group of 1.03 times implied by the Offer Price is (i) within the range of Ex-Cash P/NAV ratios of the Comparable Companies of 0.23 times and 1.71 times, and (ii) above both the mean and median ratios of the Comparable Companies of 0.89 times and 0.65 times, respectively;

(g) in respect of the Precedent POs:

(i) the Offer Price is at the discount to the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares whereas the offer prices of the Precedent POs were premium to the corresponding prices; and

(ii) the P/NAV ratio of the Company of 1.01 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV ratios of the Precedent POs of between 0.52 times and 2.05 times, (ii) below the mean offer price-to-NAV ratio of the Precedent POs of 1.15 times, and (iii) above the median offer price-to-NAV ratio of the Precedent POs of 0.87 times;

(h) in respect of the Precedent Non-Privatisations:

(i) the Offer Price is within the range of Precedent Non-Privatisations but below both the corresponding mean and median premiums, based on the last transacted price, 1-month VWAP, 3-month VWAP and 6-month VWAP of the Shares;

(ii) the P/NAV ratio of the Company of 1.01 times (as implied by the Offer Price) is (i) within the range of offer price-to-NAV ratios of the Precedent Non-Privatisations of between 0.56 times and 5.98 times, (ii) below the corresponding mean of 2.06 times, and (iii) above the corresponding median of 0.92 times to the Precedent Non-Privatisations;

(i) the Offer Price is **within** the range of the Estimated Theoretical Valuation Range of between S$0.71 and S$0.77;

(j) the Company will remain listed on the SGX-ST after the close of the Offer and the Offeror's intentions for the Group;

(k) the Offer will not result in the Offeror acquiring 90.00% or more of the Shares, and therefore, the right to exercise compulsory acquisition under Section 215(1) of the Companies Act will not apply;

(l) the Offeror's decision to increase its shareholding in the Company may indicate its confidence in the Group's future business prospects and potential for growth;

(m) CMPF has provided an irrevocable undertaking to vote in favour of the Offer and to accept the Offer at S$0.75 per Share. CMPF's decision to accept the Offer, notwithstanding the relatively short investment period, may be indicative of its preference to realise its investment at the Offer Price rather than to continue to hold its Shares in the Company;

(n) the Company stated in its 6M2026 results announcement that the operating environment was expected to remain competitive and challenging for the remainder of FY2026, amid continued global economic uncertainty, inflationary pressures and ongoing geopolitical developments;

(o) the Group's dividend payments have exceeded its earnings-generating capacity since FY2023, as reflected by the dividend payout ratio above, funded through its accumulated profits. Such level of dividend payments would not be sustainable, particularly in view of the Group's declining revenue and profitability, and it would further deplete its cash reserves and weaken its financial position;

(p) the number of Shares the Shareholders wish to tender may not necessarily be the number of Shares ultimately accepted by the Offeror due to the undertaking provided by CMPF which will eventually be subject to pro-ration depending on the overall number of tenders. Nevertheless, Shareholders could still realise part of their investment at the Offer Price which represents a premium to the Group's NAV per Share while retaining an interest in the Company and the potential to receive future dividends, should the Company continue to declare dividends;

(q) absence of transaction costs in connection with the disposal of the Shares; and

(r) as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company.

Having considered the various factors set out in the earlier sections of this Letter and summarised below, despite the lack of premium of the Offer Price compared to both Precedent POs and Precedent Non-Privatisations, we are of the opinion that the Offer is, on balance, fair and reasonable.

We consider the Offer to be **FAIR**, after taking into consideration the following factors:

(a) the Offer Price represents a premium to the VWAP of the Shares during the period after the Offer Announcement Date up to the Latest Practicable Date;

(b) the Offer Price represents a premium to the closing price of the Shares as at the Latest Practicable Date;

(c) the Offer Price represents a premium to the NAV per Share and Ex-Cash NAV per Share as at 30 June 2026;

(d) in respect of the Comparable Companies:

  (i) the LTM EV/EBITDA and P/NAV (implied by the Offer Price) are above the median ratio of the Comparable Companies;

  (ii) the P/NAV is close to the mean ratio of the Comparable Companies; and

  (iii) the Ex-Cash P/NAV is above both the mean and median ratios of the Comparable Companies; and

(e) the Offer Price is **within** the range of the Estimated Theoretical Valuation.

We consider the Offer to be **REASONABLE**, after taking into consideration the following factors:

(a) the Company's revenue and net profit declined from FY2023 to FY2025, with revenue further decreasing and the Company recording a net loss in 6M2026, compared with a net profit in 6M2025;

(b) CMPF has provided an irrevocable undertaking to vote in favour of the Offer and to accept the Offer at S$0.75 per Share. CMPF's decision to accept the Offer, notwithstanding the relatively short investment period, may be indicative of its preference to realise its investment at the Offer Price rather than to continue to hold its Shares in the Company;

(c) the Company stated in its 6M2026 results announcement that the operating environment was expected to remain competitive and challenging for the remainder of the FY2026, amid continued global economic uncertainty, inflationary pressures and ongoing geopolitical developments;

(d) the ADTV of the Shares as a percentage of the Company's free float was low throughout the relevant periods, reaching a maximum of only approximately 0.11% during the 6-month period prior to the Offer Announcement Date, highlighting the illiquid nature of the Shares;

(e) the number of Shares the Shareholders wish to tender may not necessarily be the number of Shares ultimately accepted by the Offeror due to the undertaking provided by CMPF which will eventually be subject to pro-ration depending on the overall number of tenders. Nevertheless, Shareholders could still realise part of their investment at the Offer Price which represents a premium to the Group's NAV per Share while retaining an interest in the Company and the potential to receive future dividends, should the Company continue to declare dividends;

(f) Shareholders are able to dispose their Shares for cash without incurring any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage commission and/or other trading costs;

(g) as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal has been received by the Company. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party; and

(h) the Group's dividend payments have exceeded its earnings-generating capacity since FY2023, as reflected by the dividend payout ratio above, funded through its accumulated profits. Such level of dividend payments would not be sustainable, particularly in view of the Group's declining revenue and profitability, and it would further deplete its cash reserves and weaken its financial position.

Accordingly, we advise the Recommending Directors to recommend that Shareholders VOTE FOR AND ACCEPT the Offer.

We further note that the market price of the Shares has declined since the Offer Announcement Date and was approximately S$0.725 per Share as at the Latest Practicable Date, which is below the Offer Price. Accordingly, for Shareholders who remain confident in the Company's long-term prospects, they may consider accepting the Offer of S$0.75 per Share and purchasing Shares in the open market at the lower prevailing price to potentially benefit from the price difference.

We have prepared this Letter for the use of the Recommending Directors for their benefit, in connection with and for the purpose of their consideration on the Offer and should not be relied on by any other party. The recommendation made by the Recommending Directors to the Shareholders in relation to the Offer shall remain the sole responsibility of the Recommending Directors.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of RHTC in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
RHT CAPITAL PTE. LTD.

Khong Choun Mun
Chief Executive Officer

Mah How Soon
Managing Director

APPENDIX B – ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Li Suet Man	c/o 112 Robinson Road #04-02, 112 Robinson, Singapore 068902	Interim Executive Chairman
Lim Kee Way Irwin	c/o 112 Robinson Road #04-02, 112 Robinson, Singapore 068902	Non-Executive Lead Independent Director
Theng Siew Lian Lisa	c/o 112 Robinson Road #04-02, 112 Robinson, Singapore 068902	Non-Executive Independent Director
Tan Peck Joo	c/o 112 Robinson Road #04-02, 112 Robinson, Singapore 068902	Non-Executive Independent Director
Kimmis Pun Kim Ming	c/o 112 Robinson Road #04-02, 112 Robinson, Singapore 068902	Non-Executive Independent Director
Lan Ruilong	c/o 112 Robinson Road #04-02, 112 Robinson, Singapore 068902	Non-Executive Non-Independent Director

2. REGISTERED OFFICE OF THE COMPANY

The registered office of the Company is at 112 Robinson Road, #04-02, 112 Robinson, Singapore 068902.

3. PRINCIPAL ACTIVITIES OF THE COMPANY

The Company was incorporated under the laws of Singapore on 29 August 1980. It was listed on the Mainboard of the SGX-ST on 26 July 1999. The principal activities of the Company are the manufacturing and trading of wooden pallets and timber-related products.

4. SHARE CAPITAL OF THE COMPANY

4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has only one class of shares, being ordinary shares. As at the Latest Practicable Date, the total issued and paid-up share capital of the Company is approximately S$24,620,615 comprising 53,244,997 Shares. The Company does not hold any treasury shares.

There is no restriction in the Constitution of the Company on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to members of the Company or to any other person.

4.2 Rights in respect of capital, voting and dividends

The rights of Shareholders in respect of capital, voting and dividends are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends is reproduced in **Appendix C (Extracts from the Constitution)** to this Circular. All terms and expressions used in **Appendix C (Extracts from the Constitution)** to this Circular shall have the meanings ascribed to them in the Constitution.

4.3 **Number of Shares issued since the end of the last financial year**

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 December 2025, being the end of the last financial year.

4.4 **Convertible Securities**

As at the Latest Practicable Date, the Company has no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting Shares.

The Company does not have an employee share scheme.

5. SUMMARY OF FINANCIAL INFORMATION

As at the Latest Practicable Date, the latest published audited consolidated financial statements of the Group are those for FY2025, while the latest published unaudited condensed interim consolidated financial statements of the Group are those for HY2026. The audited consolidated financial statements of the Group for FY2025 and the unaudited condensed interim consolidated financial statements of the Group for HY2026 are set out in **Appendix D (Audited Consolidated Financial Statements of the Group for FY2025)** and **Appendix E (Unaudited Condensed Interim Consolidated Financial Statements of the Group for HY2026)** to this Circular, respectively.

5.1 **Consolidated statement of comprehensive income**

A summary of the audited consolidated statements of comprehensive income of the Group for FY2023, FY2024 and FY2025, and the unaudited condensed interim consolidated statements of comprehensive income of the Group for HY2026, is set out below.

	Audited FY2023	Audited FY2024	Audited FY2025	Unaudited HY2026
(S$'000)				
Revenue	30,729	28,192	27,083	11,407
Exceptional Items	62	10	(34)	8
Net profit before tax	5,756	3,298	1,724	(269)
Net profit after tax	4,345	2,227	1,158	(493)
Minority interests	–	–	–	–
Net earnings per share (cents)	8.16	4.18	2.17	(0.93)
Net dividends per share (cents)	5	18	5	25

The above summary is extracted from, and should be read in conjunction with, the annual reports of the Company for FY2023, FY2024 and FY2025, and the unaudited condensed interim consolidated statements of comprehensive income of the Group for HY2026, and their respective accompanying notes, copies of which are available for inspection at the Company's registered office as mentioned in **Section 13** of **Appendix B (Additional General Information)** of this Circular.

5.2 **Consolidated statement of financial position**

Statement of the assets and liabilities of the Group for FY2025, being the last published audited accounts, are set out in the audited consolidated financial statements of the Group for FY2025, which can be found in **Appendix D (Audited Consolidated Financial Statements of the Group for FY2025)** of this Circular.

5.3 **Significant accounting policies**

The significant accounting policies of the Group are disclosed in the notes to the audited consolidated financial statements of the Group for FY2025 as set out in the Group's annual report for FY2025.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited consolidated financial statements of the Group for FY2025), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

5.4 **Changes in accounting policies**

As at the Latest Practicable Date, save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the annual report of the Company for FY2025 and the announcements released by the Company on the SGXNET), there is no change in the accounting policies of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

6. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to the announcements, financial statements and annual reports released by the Company on the SGXNET), there are no known material changes in the financial position of the Group since 31 December 2025, being the date of the Group's last published audited financial statements, and since 30 June 2026, being the date of the Group's latest published unaudited condensed interim consolidated financial statements.

7. DISCLOSURE OF INTERESTS OF THE DIRECTORS AND THE IFA

7.1 **Interests of the Company in Offeror Securities**

The Company does not have any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

7.2 Interests of the Directors in Company Securities

As at the Latest Practicable Date, save as disclosed below, none of the Directors has any direct or deemed interests in any Company Securities:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Li Suet Man(2)	–	–	13,821,637	25.96	13,821,637	25.96
Theng Siew Lian Lisa	–	–	–	–	–	–
Tan Peck Joo	–	–	–	–	–	–
Kimmis Pun Kim Ming	–	–	–	–	–	–
Lan Ruilong	9,671,205	18.16	–	–	9,671,205	18.16
Lim Kee Way Irwin	–	–	–	–	–	–

Notes:

(1) Calculated based on a total of 53,244,997 issued Shares (excluding treasury Shares) as at the Latest Practicable Date and rounded to the nearest two decimal places.

(2) Li Suet Man has a deemed interest in 13,821,637 Shares in which Synectix Pte. Ltd., being the Offeror, has an interest by virtue of his interest in the Offeror.

7.3 Interests of the Directors in Offeror Securities

Save as disclosed below and in the Offer Document, none of the Directors has any direct or deemed interest in the Offeror Securities as at the Latest Practicable Date.

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Li Suet Man(2)	1,175,000	25.50	–	–	1,175,000	25.50

Notes:

(1) Calculated based on a total of 4,607,843 issued ordinary shares in the capital of the Offeror following the completion of the Transfer (as defined in Section 1.1 of this Circular), and rounded to the nearest two decimal places.

(2) As disclosed in the Partial Offer Announcement, as at 6 October 2026, Li Suet Man held 1,175,000 ordinary shares in the capital of the Offeror, representing approximately 31.47% of its issued share capital. As announced by BOC, on behalf of the Offeror, on 13 October 2026, following the completion of the Transfer (being the transfer of 1,723,490 Shares in the Company by Li Ear to the Offeror on 12 October 2026, in consideration for the allotment and issue of 874,022 new ordinary shares in the capital of the Offeror to Li Ear), Li Suet Man's shareholding in the Offeror was diluted to approximately 25.50% of its enlarged issued share capital.

7.4 Dealings in the Offeror Securities by the Company

Neither the Company nor its subsidiaries have dealt for value in the Offeror Securities during the period commencing 3 months prior to the Partial Offer Announcement Date and ending on the Latest Practicable Date.

7.5 **Dealings in the Company Securities by the Directors**

Save as disclosed below, none of the Directors has dealt for value in any Company Securities during the period commencing 3 months prior to the commencement of the offer period and ending on the Latest Practicable Date.

On 13 October 2026, BOC announced, for and on behalf of the Offeror, that the Transfer by Mr Li Ear (a director and shareholder of the Offeror) of his direct shareholding of 1,723,490 Shares to the Offeror at a price of S$0.75 per Share (being the same as the Offer Price), for an aggregate consideration of S$1,292,617.50 to be satisfied by the allotment and issue of 874,022 new shares in the Offeror to Mr Li Ear, was completed on 12 October 2026.

As set out in paragraph 8.1 of the Partial Offer Announcement, the SIC has confirmed that (i) the Transfer will not be regarded as an acquisition prohibited under Rule 16.4(b) of the Code and (ii) the Transfer does not constitute a special deal prohibited under Rule 10 of the Code.

7.6 **Dealings in the Offeror Securities by the Directors**

Save as disclosed in the Offer Document, none of the Directors has dealt for value in any Offeror Securities during the period commencing 3 months prior to the commencement of the offer period and ending on the Latest Practicable Date.

7.7 **Company Securities Owned or Controlled by the IFA**

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis, owns or controls any Company Securities.

7.8 **Dealings in the Company Securities by the IFA**

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis, has dealt for value in any Company Securities during the period commencing 3 months prior to the commencement of the offer period and ending on the Latest Practicable Date.

7.9 **Directors' intentions**

Mr Li Suet Man, a Director, has a deemed interest in 13,821,637 Shares in which the Offeror has an interest by virtue of his interest in the Offeror. The Partial Offer is not extended to such Shares in which Mr Li Suet Man holds deemed interest.

Mr Lan Ruilong, the Non-Executive Non-Independent Director of the Company, holds 9,671,205 Shares, representing approximately 18.16% of the total number of issued Shares as at the Latest Practicable Date. Mr Lan Ruilong has, taking into account, *inter alia*, his personal investment objectives, indicated that he intends to: (i) tender 9,671,205 of his Shares in acceptance of the Partial Offer; and (ii) exercise his voting rights in respect of all of his Shares to vote in favour of the Partial Offer.

The other Directors of the Company, namely Mr Lim Kee Way Irwin, Ms Theng Siew Lian Lisa, Ms Tan Peck Joo and Dr Kimmis Pun Kim Ming do not hold any Shares.

7.10 **Directors' service contracts**

As at the Latest Practicable Date:

(a) there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and

(b) there are no such service contracts entered into or amended between any of the Directors or proposed director with the Company or any of its subsidiaries during the period commencing 6 months prior to the Partial Offer Announcement Date and ending on the Latest Practicable Date.

7.11 **Arrangements affecting directors**

Save as disclosed above, as at the Latest Practicable Date:

(a) there are no agreements, arrangements or understandings for any payment or other benefit to be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Partial Offer;

(b) save for the irrevocable undertaking disclosed in **Section 4** of this Circular, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Partial Offer; and

(c) save for the irrevocable undertaking disclosed in **Section 4** of this Circular and the interest of Directors as disclosed in **Section 7.2** and **Section 7.3** in this **Appendix B (Additional General Information)**, none of the Directors has a material personal interest, whether direct or indirect, in any material contracts entered into by the Offeror.

8. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Circular and save for the information relating to the Group and the Partial Offer that is publicly available, there has been no material change in the information previously published by or on behalf of the Company during the period commencing from the Partial Offer Announcement Date and ending on the Latest Practicable Date.

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in any information on the Group which is publicly available (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning 3 years before the Partial Offer Announcement Date and ending on the Latest Practicable Date.

10. MATERIAL LITIGATION

As at the Latest Practicable Date:

(a) save for the information relating to the Company that is publicly available, neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole; and

(b) the Directors are not aware of any litigation, claim, arbitration or other proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

11. COSTS AND EXPENSES

All expenses and costs incurred by the Company in relation to the Partial Offer will be borne by the Company.

12. IFA CONSENT

RHT Capital Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (a) its name, (b) the IFA Letter dated 6 November 2026 issued by RHT Capital Pte. Ltd. containing among others, their opinion and advice in respect of the Partial Offer as set out in **Appendix A (IFA Letter)** to this Circular, and (c) all references thereto, in the form and context in which they appear in this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours for the period during which the Partial Offer remains open for acceptance:

(a) the Constitution;

(b) the annual reports of the Company for FY2023, FY2024 and FY2025 (which contain the audited consolidated financial statements of the Group for FY2023, FY2024 and FY2025);

(c) the unaudited condensed interim consolidated financial statements of the Group for HY2026;

(d) the IFA Letter set out as **Appendix A (IFA Letter)** to this Circular; and

(e) the letter of consent referred to in **Section 12 (IFA Consent)** of **Appendix B (Additional General Information)** to this Circular.

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The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are extracted from the Constitution and reproduced in italics below.

All terms and expressions used in the extract below shall have the meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered office of the Company. Please refer to **Section 13** of **Appendix B (Additional General Information)** to this Circular for further information.

A. RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

SHARES

Company's shares as security

6. Save to the extent permitted by the Act, none of the funds or assets of the Company or of any subsidiary thereof shall be directly or indirectly employed in the purchase or subscription of or in loans upon the security of the Company's shares (or its holding company, if any) and the Company shall not, except as permitted by law, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).

Issue of New Shares

7. (1) Subject to the Act, the listing rules of the Exchange and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Regulation 51, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot, grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:

(a) the rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution; and

(b) subject to any direction to the contrary which may be given by the Company in General Meeting, any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the second sentence of Regulation 51(1) with such adaptations as are necessary shall apply.

(2) Notwithstanding Regulation 51, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including without limitation, the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:

(i) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(ii) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and this Constitution;

(iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest); and

any other issue of shares, the aggregate of which would exceed the limits of the authority conferred by the Ordinary Resolution as referred to in this Regulation, shall be subject to the approval of the Company in General Meeting.

(3) The Company may issue shares for which no consideration is payable to the Company.

8. *(1)* *Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, financial statements and Directors' statements and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.*

Rights attached to Preference shares

(2) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.*

(3) *The total number of preference shares issued shall not exceed the total number of the issued ordinary shares at any time.*

9. *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold and/or deal with its treasury shares in any manner authorised or prescribed by the Act.*

Treasury Shares

10. *(1)* *If at any time the share capital is divided into different classes, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll whereupon any holder of such shares, present in present or by proxy, shall be entitled to one vote for each share of the class in respect of which he is a holder of such shares. If at any adjourned General Meeting of such holders such quorum as aforesaid is not present, any two holders of such shares of the class who are personally present shall be a quorum. Provided always that where the necessary majority for the aforesaid Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the General Meeting shall be as valid and effectual as a Special Resolution carried at the General Meeting. The Directors shall*

Variation of rights

comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or resolution to the Accounting and Corporate Regulatory Authority. Where all the issued shares of the class are held by one person, the necessary quorum shall be one person.

Variation of rights of Preference Shareholders

(2) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a special resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the General Meeting, shall be as valid and effectual as a special resolution carried at the General Meeting.

Creation or issue of further shares with special rights

11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as is in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith.

Power to pay commission and brokerage

12. (1) The Company may pay such commissions or brokerage as may be lawful on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other.

(2) Any expenses (including brokerage and commission) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital of the Company.

Power to charge interest on capital

13. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision.

14. *Except as required by law, no person other than the Depository shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Nothing contained herein in this Regulation relating to the Depository or the Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust.*

15. *(1)* *The Company and the Depository shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, administrators or trustees of the estate of a deceased Member.* *Joint holders*

(2) *If two or more persons are registered as joint holders of any share any one of such person may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.*

(3) *Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders. Only the person whose name stands first in the Depository Register shall be entitled to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.*

16. *No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share.*

Fractional part of a share

17. *If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.*

Payment of instalments

18. *The certificate of title to shares or debentures in the capital of the Company shall be issued under the Seal (or signed by the authorised persons in the manner set out under the Act as an alternative to sealing), in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least two Directors, or by one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up and the amount unpaid (if any) thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company. No certificate shall be issued representing shares of more than one class.*

Share Certificates

19. (1) *Shares must be allotted and certificates despatched within 10 Market Days (or such other period as may be prescribed or approved by the Exchange from time to time) of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within 10 Market Days (or such other period as may be prescribed or approved by the Exchange from time to time) after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S$2 (or such other sum as may be prescribed or approved by the Exchange from time to time). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding*

Entitlement to certificate

S$2 (or such other sum as may be prescribed or approved by the Exchange from time to time) for each such new certificate as the Directors may determine. Where the Member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

Retention of certificate

(2) The retention by the Directors of any unclaimed share certificates shall not constitute the Company a trustee in respect thereof. Any share certificate unclaimed after a period of six years from the date of issue of such share certificate may be forfeited and if so shall be dealt with in accordance with Regulations 40, 44, 48 and 49, mutatis mutandis.

Issue of replacement certificates may be issued

20. (1) Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be replaced on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled thereto, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S$2 (or such other sum as may be prescribed or approved by the Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such replaced certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction, loss or theft.

New certificate in place of one not surrendered

(2) When any shares under the powers in this Constitution herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

TRANSFER OF SHARES

Form of transfer of shares

21. Subject to the restrictions of this Constitution and any restrictions imposed by law or the Exchange or the Depository, any Member may transfer all or any of his shares, but every transfer by any Member must either be by means of:

(a) an instrument in the form approved by the Exchange, which must be left at the Office or such other place or places as the Directors may appoint from time to time for registration

and accompanied by the certificates of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor or his right to transfer the shares ("a registered transfer"). Shares of different classes shall not be comprised in the same instrument of transfer; or

(b) book-entry in the Depository Register in accordance with the Statutes.

22. *Execution*

The instrument of transfer of a share which is the subject of a registered transfer shall be signed by or on behalf of the transferor and the transferee and be witnessed and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register of Members in respect thereof. The Depository may transfer any share in respect of which its name is entered in the Register of Members by means of a registered transfer. The Depository shall not be required as transferee to sign any form of transfer for the transfer of shares to it. The Directors may dispense with the execution of the instrument of transfer by the transferee and the requirement that the instrument of transfer be witnessed in any case in which they think fit in their discretion to do so. Shares of different classes shall not be comprised in the same instrument of transfer. This Regulation shall not apply to any transfer of shares by way of book-entry in compliance with the Statutes.

23. *Person under disability*

No share shall in any circumstances be transferred to any infant, bankrupt or mentally disordered person but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.

24. *(1)* *Directors' power to decline to register*

Subject to this Constitution, the Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, bye-laws or listing rules of the Exchange or of any other stock exchange upon which the shares in the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall within ten Market Days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange from time to time) after the date on which the transfer was lodged with the Company give to both the transferor and the transferee written notice of their refusal to register stating the facts which are considered to justify the refusal as required by the Act.

Retention of transfers

25. (1) In the case of registered transfers, all instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

(2) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall be conclusively presumed in the favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Regulation; and

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

Closing of Register

26. The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty days in the aggregate in any year. Provided always that the Company shall give prior notice of such closure as may be required to the Exchange, stating the period and purpose or purposes for which the closure is made.

27 (1) *Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.*

Renunciation of allotment

(2) *Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.*

Indemnity against wrongful transfer

TRANSMISSION OF SHARES

28. (1) *In case of the death of a registered shareholder, the survivor or survivors, where the deceased was a joint holder, and the legal representatives of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased registered shareholder (whether sole or joint) from any liability in respect of any share held by him.*

Transmission on death

(2) *In the case of the death of a Depositor, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the share; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him.*

29 (1) *Any person becoming entitled to a share in consequences of the death or bankruptcy of any Member or by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing or transfer such share to some other*

Persons becoming entitled on death or bankruptcy of Member may be registered

person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.

(2) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Notice to unregistered executors and trustees

(3) In the case of any person becoming entitled to the interest of a Depositor in respect of a share in consequences of the death of the Depositor, Section 81SQ of the SFA shall apply.

30. A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices of, or to attend or vote at General Meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a Member, unless and until he shall become registered as a shareholder or have his name entered in the Depository Register as a Depositor in respect of the share.

Rights of unregistered executors and trustees

31. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share, such fee not exceeding S$2 (or such other sum as may be prescribed or approved by the Exchange from time to time) as the Directors may from time to time require or prescribe.

Fee for registration of probate, etc.

CALL ON SHARES

32. *The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.* *Call on shares*

33. *A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.* *Time when made*

34. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to recover payment of or in consequence of non-payment of such call but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.* *Interest on calls*

35. *Any sum which by the terms of issue and allotment of a share becomes payable upon allotment or at any fixed date shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Constitution as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.* *Sum due to allotment*

36. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.* *Power to differentiate*

37. *The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in General Meeting ten per cent per annum as the Member paying* *Payment in advance of calls*

such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.

FORFEITURE AND LIEN

38. *If any Member fails to pay in full any call or instalment of a call on or before the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expense which may have accrued by reason of such non-payment.*

Notice requiring payment of calls

39. *The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of nonpayment in accordance therewith the shares on which the call was made will be liable to be forfeited.*

Notice to state time and place

40. *If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. The Directors may accept a surrender of any share liable to be forfeited hereunder.*

Forfeiture on noncompliance with notice

41. *When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or in the Depository Register (as the case may be) opposite to the share; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.*

Notice of forfeiture to be given and entered

42. *Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.*

Directors may allow forfeited share to be redeemed

43. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.*

Sale of shares forfeited

44. *A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at ten per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.*

Rights and liabilities of Members whose shares have been forfeited or surrendered

45. *The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all unpaid calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member.*

Company's lien

46. *No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether along or jointly with any other person, together with interest and expenses (if any).*

Member not entitled to privileges until all calls paid

47. *The Directors may sell in such manner as the Directors think fit any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of seven days after*

Sale of shares subject to lien

notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the Member for the time being in relation to the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.

48. *The net proceeds of sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the unpaid call and accrued interest and expenses and the residue (if any) paid to the Member entitled to the share at the time of sale or his executors, administrators or assigns or as he may direct.*

Application of proceeds of such sale

49. *A statutory declaration in writing by a Director of the Company that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, reallotment or disposal thereof, together with the certificate under Seal (or signed by the authorised persons in the manner set out under the Act as an alternative to sealing) for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share.*

Title to shares forfeited or surrendered or sold to satisfy a lien

ALTERATION OF CAPITAL

50. *Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.*

Rights and privileges of new shares

Issue of new shares to Members

51. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Exchange's listing rules, all new shares shall before issue be offered to the Members in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.

(2) Notwithstanding paragraph (1) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

New shares otherwise subject to provisions of Constitution

52. Except so far as otherwise provided by the conditions of issue or by this Constitution, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Power to consolidate, cancel and subdivide shares

53. (1) The Company may by Ordinary Resolution:

(a) consolidate and/or divide all or any of its share capital;

(b) subdivide its shares or any of them (subject, nevertheless, to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) subject to the provisions of this Constitution and the Act, convert any class of shares into any other class of shares;

(d) cancel any shares not taken or agreed to be taken by any person; and

(e) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.

Power to purchase or acquire its issued shares

(2) Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange, and other written law, the Company may purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. Any shares so purchased by the Company shall, unless held by the Company as treasury shares in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold and/or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

Power to reduce capital and convert classes of shares

54. The Company may by Special Resolution:

(a) reduce its share capital or any other undistributable reserve in any manner and subject to any conditions prescribed by the Act; and

(b) subject to and in accordance with the Act and the listing rules of the Exchange, convert one class of shares into another class of shares.

STOCK

Power to convert into stock

55. The Company may by Ordinary Resolution convert any or all its paid up shares into stock and may from time to time by resolution reconvert any stock into paid up shares.

Transfer of stock

56. The holders of stock may transfer the same or any part thereof in the same manner and subject to this Constitution as and subject to which the shares from which the stock arose might previous to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.

Right of stockholders

57. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

58. *All provisions of this Constitution applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expression herein shall include "stock" or "stockholder".* *Interpretation*

B. RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

GENERAL MEETINGS

59. (1) *Subject to the provisions of the Act and this Constitution, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.* *Annual General Meeting*

(2) *All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.* *Extraordinary General Meetings*

(3) *The Directors may, in their discretion, determine the place where any General Meeting, including an Extraordinary General Meeting, shall be held. Unless not required by the listing rules of the Exchange, all General Meetings, including Extraordinary General Meetings, shall be held in Singapore.* *Place of General Meeting*

60. *The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.* *Calling of Extraordinary General Meetings*

NOTICE OF GENERAL MEETINGS

61. (1) *Subject to the provisions of the Act (including those regarding the calling of General Meetings at short notice) and the listing rules of the Exchange, any General Meeting at which it is proposed to pass a Special Resolution or a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice at least and any other General Meeting by fourteen days' notice at least (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given). Every notice calling a General Meeting shall be given in a manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions of this Constitution and the Act entitled to receive such notices of General Meetings from the Company. Notice of all General Meetings shall be given by advertisement in the daily press and in writing to the Exchange and to such other stock exchanges on which the Company is listed.* *Notice of General Meetings*

(2) The accidental omission to give notice to, the non-receipt by any person entitled thereto or the calling of a General Meeting at short notice, shall not invalidate the proceedings at any General Meeting.

(3) Subject to the Act, a General Meeting shall, notwithstanding that it has been called by a shorter notice than that specified in paragraph (1), be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; or

(b) in the case of any other General Meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than 95% of the total voting rights of all the Members having a right to vote at that General Meeting, as is required by the Act.

62. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the General Meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company.

Contents of notice

(2) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

Notice of Annual General Meeting

(3) In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.

Nature of special business to be specified

63. All business shall be deemed special that is transacted at any Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the financial statements and the Directors' statement and Auditors' statement, and any other documents required to be annexed to the financial statements, electing Directors in place of those retiring by rotation or otherwise and the fixing of the Directors' remuneration and the appointment and fixing of the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed. Any notice of a General Meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

64. *No business shall be transacted at any General Meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two Members present in person shall form a quorum. For the purpose of this Regulation, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member but shall, as required by the Act, exclude the Company where it is a Member by reason of its holding of treasury shares. Provided that:* *Quorum*

(i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum;

(ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum; and

(iii) if only proxies appointed by the Depository attend, any two such proxies (not being proxies for the same Depositor) shall suffice to establish plurality and quorum.

65. *If within half an hour from the time appointed for the holding of the General Meeting a quorum is not present, the General Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place (or if that day is not a business day then to be the next business day following that day), or to such other day and at such other time and place as the Directors may determine, and if at such adjourned General Meeting a quorum is not present within half an hour from the time appointed for holding the General Meeting, the Members present shall form a quorum.* *Adjournment if quorum not present*

66. (1) *Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members.* *Resolutions in writing*

(2) *An ordinary resolution or special resolution to be proposed at a General Meeting by the Directors may be amended by Ordinary Resolution if:*

(a) notice of the proposed amendment is given to the secretary in writing by a person entitled to vote at the General Meeting at which such resolution is to be proposed, not less than 48 hours before the General Meeting is to take place (or such later time as the Chairman of the General Meeting may determine); and

(b) the proposed amendment does not, as determined by the Chairman of the General Meeting in his sole discretion, go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) The Company may at any time prior to a General Meeting, withdraw any resolution proposed to be tabled at that General Meeting. *Withdrawal of resolution*

(4) At any General Meeting, the Chairman of the General Meeting may in his sole discretion, withdrawn any resolution prior to a vote being called for that resolution.

67. The chairman of the Directors or, in his absence, the deputy chairman (if any) shall preside as Chairman at every General Meeting. If there is no such chairman or deputy chairman or if at any General Meeting he is not present within fifteen minutes after the time appointed for holding the General Meeting or is unwilling to act, the Members present shall choose some other Director to be Chairman of the General Meeting or, if no Director is present or if all the Directors present decline to take the Chair, one of themselves to be Chairman of the General Meeting. *Chairman*

68. The Chairman of the General Meeting may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the General Meeting), adjourn the General Meeting from time to time and from place to place, but no business shall be transacted at any adjourned General Meeting except business which might lawfully have been transacted at the General Meeting from which the adjournment took place. When a General Meeting is adjourned for fourteen days or more, at least three days' notice of the place and hour of such adjourned General Meeting shall be given as in the case of the original General Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting. *Adjournment*

69. (1) Unless not required by the listing rules of the Exchange, at any General Meeting, all resolution(s) put to the vote at the General Meeting shall be decided by poll, including any resolution for the adjournment or election of a Chairman of such General Meeting. *Method of voting*

(2) Subject to paragraph (1), at any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote, unless a poll is (before or on the declaration of the result of the show of hands) demanded:

(a) by the Chairman of the General Meeting; or

(b) by at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative and entitled to vote thereat; or

(c) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than 5% of the total voting rights of all the Members having the right to vote at the General Meeting; or

(d) by a Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than 5% of the total number of paid-up shares in the Company (excluding treasury shares) conferring a right to vote at the General Meeting.

Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the Chairman of the General Meeting that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

70. *If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the General Meeting may direct and the result of a poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded. The Chairman of the General Meeting may, and if so requested shall, adjourn the General Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*

Taking a poll

71. *Subject to the Act and the requirements of the Exchange, in the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member.*

Chairman's casting vote

72. (1) *Unless not required by the listing rules of the Exchange, the Chairman of the General Meeting shall appoint scrutineers as follows:* *Appointment of scrutineer*

(a) *At least one (1) scrutineer shall be appointed for each General Meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process at the General Meeting; and*

(b) *The appointed scrutineer(s) shall:*

(i) ensure that satisfactory procedures of the voting process are in place before the General Meeting; and

(ii) direct and supervise the count of the votes cast through proxy and in person and may adjourn the General Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

(c) *Where the appointed scrutineer is interested in any resolution(s) proposed to be passed at the General Meeting, it shall refrain from acting as the scrutineer for such resolution(s).*

(2) *If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same General Meeting or at any adjournment thereof, and unless in the opinion of the Chairman at the General Meeting or at any adjournment thereof, as the case may be, it shall be of sufficient importance to vitiate the result of the voting.* *Votes counted in error*

73. *A poll demanded on any question shall be taken either immediately or at such subsequent time and place as the Chairman of the General Meeting may direct. No notice need be given of a poll not taken immediately.* *Time for taking a poll*

74. *The demand for a poll shall not prevent the continuance of a General Meeting for the transaction of any business, other than the question on which the poll has been demanded.* *Continuance of business after demand for a poll*

75. (1) *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative.* *Voting rights of Members*

(2) On a show of hands every Member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote, provided that:

(a) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman of the General Meeting (or by a person authorised by him) shall vote on a show of hands; and

(b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

(3) On a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents Provided always that notwithstanding anything contained in this Constitution, a Depositor shall not be entitled to attend any General Meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not earlier than 72 hours before that General Meeting (the "cut-off time") as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time for the relevant General Meeting as certified by the Depository to the Company.

76. *Where there are joint holders of any share any one of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.*

Voting rights of joint holders

77. *If a Member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity can vote, whether on a show of hands or on a poll, by a person who properly has the management of the estate of the Member, and any such person may vote by proxy or attorney.*

Voting rights of mentally disordered Members

78. *Subject to the provisions of this Constitution, every Member either personally or by attorney or in the case of a corporation by a representative and every proxy shall be entitled to be present and to vote at any General Meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.* *Right to vote*

79. *No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered and every vote not disallowed at such General Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the General Meeting whose decision shall be final and conclusive.* *Objections*

80. *On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative and unless required by the Act, a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.* *Votes on a poll*

81. *(1) A Member who is not a relevant intermediary may appoint not more than two proxies to attend and vote at the same General Meeting.*

(2) A Member who is a relevant intermediary may appoint more than two proxies to attend and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member.

(3) If the Member is a Depositor, the Company shall be entitled:

(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at the cut-off time as certified by the Depository to the Company; and

(b) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in its Securities Account of that Depositor as at the cut-off time as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(4) Where a Member appoints more than one proxy, he shall specify the proportion of his shareholding or the number of shares and the class of shares to be represented by each proxy. If no such proportion or number or class is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

(5) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant General Meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.

(6) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case of a Depositor, standing to the credit of that Depositor's Securities Account, such proxy may not exercise any of the votes or rights of the shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as at the cut-off time, as the case may be.

(7) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy. The Company is entitled to disregard any votes cast by a proxy that is not in accordance with the instructions or notes (if any).

82. A proxy or attorney need not be a Member, and shall be entitled to vote on a show of hands on any question at any General Meeting.

Proxy need not be a Member

83. (1) Any instrument appointing a proxy shall be in writing in the common form approved by the Directors and:

(a) in the case of an individual, shall be:

(i) under the hand of the appointor or his attorney duly authorised in writing if the instrument is delivered personally or by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a corporation, shall be:

(i) either given under Seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) or under the hand of its attorney duly authorised if the instrument is delivered personally or sent by post; or and

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of paragraph (1), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(2) The Directors may, in their absolute discretion:

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in paragraph (1)(a)(ii) and (1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), paragraphs (1)(a)(i) and (1)(b)(i) shall apply.

84. (1) The instrument appointing a proxy, together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall:

Deposit of proxies

(a) be attached to the instrument of proxy and must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,

and in either case, not less than seventy-two hours before the time appointed for the holding of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used failing which the instrument may be treated as invalid.

(2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in paragraph (1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), paragraph (1)(a) shall apply.

(3) An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the General Meeting to which it relates provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates. An instrument of proxy shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor to move any resolution or amendment thereto and to speak at the General Meeting. Unless otherwise instructed, a proxy shall vote as he thinks fit. The signature on, or authorisation of, an instrument appointing a proxy need not be witnessed.

85. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.

Intervening death or mental disorder of principal not to revoke proxy

86. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purpose of this Constitution and subject to the Act, be deemed to be present in person at any such General Meeting if a person so authorised is present thereat. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation.

Corporations acting by representatives

C. RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

DIVIDENDS

128. *The Directors may, with the sanction of the Company, by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company. No dividend shall exceed the amount recommended by the Directors and a declaration by the Directors as to the amount of profits at any time available for dividends shall be conclusive.*

Payment of dividends

129. *Subject to the rights of holders of shares with special rights as to dividend (if any) and except as otherwise permitted under the Act, all dividends in respect of shares shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid up shares. For the purposes of this Regulation only, no amount paid or credited as paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.*

Apportionment of dividends

130. *Notwithstanding Regulation 129, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.*

Payment of preference and interim dividends

131. *No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.*

Dividends not to bear interests

132. *The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith, or any other account which the Company is required by law to withhold or deduct.*

Deduction from dividend

133. *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*

Retention of dividends on shares subject to lien

134. *The Directors may retain the dividends payable on shares in respect of which any person is under Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.*

Retention of dividends on shares pending transmission

135. *(1)* *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and any dividend and other moneys payable on or in respect of a share that are unclaimed after a period of six years after first being payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends, howsoever and whatsoever.*

Unclaimed dividends

(2) *Without prejudice to the rights of the Company under paragraph (1), the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two (2) consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.*

136. *The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of the Company or of any other company or in any one or more of such ways, and the Directors shall give effect to such Resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*

Payment of dividend in specie

137. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct Provided that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque and warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque and warrant shall be sent at the risk of the person entitled to the money represented thereby.*

Dividends payable by cheque or warrant

138. *A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer.*

Effect of transfer

RESERVES

139. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund, any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it not prudent to divide.*

Power to carry profit to reserve

BONUS ISSUE AND CAPITALISATION OF PROFITS AND RESERVES

Bonus issue and power to capitalise profits and reserves

140. (1) The Directors may, with the sanction of the Company by way of an Ordinary Resolution, including any Ordinary Resolution passed pursuant to Regulation 7:

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 7) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and

(b) capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 7) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class or shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

(2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Regulation 140(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby factional entitlements are

disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter, on behalf of all the Members interested, into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(3) In addition and without prejudice to the powers provided for by Regulations 140(1) and 140(2), the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

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LHT HOLDINGS LIMITED AND ITS SUBSIDIARIES

(Company registration number: 198003094E)

Directors' Statement and Financial Statements
for the financial year ended 31 December 2025

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CORPORATE INFORMATION

Board of Directors	:	Li Suet Man	(Interim Executive Chairman)
		Lan Ruilong	(Non-Executive, Non-Independent Director)
		Irwin Lim Kee Way	(Non-Executive, Lead Independent Director)
		Lisa Theng Siew Lian	(Non-Executive, Independent Director)
		Tan Peck Joo	(Non-Executive, Independent Director)
		Dr Kimmis Pun Kim Ming	(Non-Executive, Independent Director)
		Stepped down on 28 February 2025	
		Tan Kim Sing	(Executive Director)
		Billy Neo Kian Wee	(Executive Director)
		Stepped down on 29 April 2025	
		Lock Wai Han	(Non-Executive, Lead Independent Director)
		Stepped down on 9 September 2025	
		Sally Yap Mei Yen	(Alternate Director to Yap Mui Kee)
		Yap Mui Kee	(Managing Director and Chief Executive Officer)
Company Secretary	:	Sally Yap Mei Yen Chong Eng Wee (Appointed on 20 May 2025)	
Registered office	:	112 Robinson Road #04-02, 112 Robinson, Singapore 068902 Tel: (65) 6269 7890 Fax: (65) 6367 4907	
Websites	:	http://www.lht.com.sg http://www.technicalwood.com.sg http://www.greenflo.com http://www.ecrpallet.com http://www.ippcpallet.com http://www.gpac.com.sg	
Email	:	enquiry@lht.com.sg ir@lht.com.sg (for investor relations matters) sr@lht.com.sg (for sustainability report matters)	
Share registrar	:	B.A.C.S. Private Limited 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 Tel: (65) 6593 4848 Fax: (65) 6593 4847	

**LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES**

CORPORATE INFORMATION

Auditor	:	BDO LLP Public Accountants and Chartered Accountants 600 North Bridge Road #23-01 Parkview Square Singapore 188778 Partner-in-charge: Mr Leong Wenjie, Stephen (Appointed from the financial year ended 31 December 2025)
Principal bankers	:	Bank of China CIMB Bank Berhad DBS Bank Ltd Malayan Banking Berhad OCBC Bank United Overseas Bank Ltd Bank of Investment and Development of Vietnam RHB Bank Berhad

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

The Directors of LHT Holdings Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") and the statement of changes in equity of the Company for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Li Suet Man
Lan Ruilong (Appointed on 1 March 2025)
Irwin Lim Kee Way
Tan Peck Joo
Lisa Theng Siew Lian
Dr Kimmis Pun Kim Ming

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), except as follows:

	Shareholdings registered in the name of Director			Shareholdings in which Director is deemed to have an interest		
Name of Directors The Company	At beginning of year/ Date of appointment	At end of year	At 21 January 2026	At beginning of year/ Date of appointment	At end of year	At 21 January 2026
	Number of ordinary shares			Number of ordinary shares		
Li Suet Man	-	-	-	12,098,147[1]	12,098,147[1]	12,098,147[1]
Lan Ruilong[3]	9,671,205[2]	9,671,205[2]	9,671,205[2]	-	-	-

[1] Mr Li Suet Man is deemed to have an interest in 12,098,147 shares held by Synectix Pte Ltd. These shares are deposited with nominee companies, comprising 6,774,147 shares held through DBS Nominees Pte Ltd and 5,324,000 shares held through CGS International Securities Singapore Pte Ltd.

[2] Mr Lan Ruilong is deemed to have a direct interest in shares held through a nominee account with Philip Securities Pte Ltd.

[3] Mr Lan Ruilong is appointed as Non-Executive Non-Independent Director on 1 March 2025

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

6. Audit and Risk Committee

The Audit and Risk Committee of the Company is chaired by Tan Pek Joo, an independent Director, and includes Irwin Lim Kee Way and Dr Kimmis Pun Kim Ming who are independent Directors. The Audit and Risk Committee has met four times since the last Annual General Meeting and has carried out its functions in accordance with section 201B(5) of the Act, including reviewing the following, where relevant, with the executive Directors and external and internal auditors of the Company:

(a) the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Company's and the Group's financial and operating results and accounting policies;

(c) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;

(d) the half-yearly and full-year announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) the co-operation and assistance given by the management to the Company's internal and external auditor; and

(f) the re-appointment of the external auditor of the Company.

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The internal and external auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting. The Audit and Risk Committee has carried out an annual review of non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

8. Additional disclosures requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited

The auditors of the subsidiaries of the Company are disclosed in Note 5 to the financial statements. In the opinion of the Board of Directors and Audit and Risk Committee, Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

On behalf of the Board of Directors

Signed by:
Li Suet Man
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Li Suet Man
Interim Executive Chairman

Signed by:
Irwin Lim Kee Way
87936345A8B3452...

Irwin Lim Kee Way
Lead Independent Director

Singapore
7 April 2026

Tel: +65 6828 9118
Fax: +65 6828 9111
info@bdo.com.sg
www.bdo.com.sg

BDO LLP
Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

INDEPENDENT AUDITOR'S REPORT

To the Members of LHT Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LHT Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025;
- the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audit of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO LLP (UEN: T10LL0001F) is an accounting Limited Liability Partnership registered in Singapore under Limited Liability Partnerships Act 2005. BDO LLP is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Costing of inventories

Key Audit Matter

As at 31 December 2025, the Group's and Company's inventories amounted to $2,708,000 and $1,017,000 (2024: $5,290,000 and $3,023,000) respectively, which accounted for approximately 6% of the Group's current assets and 2% of the Company's current assets respectively.

The Group adopts a periodic inventory accounting system, using an in-house inventory management system. The Group measures the cost of inventories (finished goods) using standard costing. Standard unit costs of the inventories are computed manually and entered into the inventory management system on a semi-annual basis. Arising from the large quantities of inventories and the Group's manual costing process, the determination of the unit costs for the inventories is laborious.

We focused on this area as a key audit matter as the carrying amount of inventories is a significant balance on both the consolidated statement of financial position of the Group and the statement of financial position of the Company. In addition, the inherent risk of the Group's manual process may lead to incorrect determination of the inventory unit costs and may result in inventories being materially misstated as at 31 December 2025.

Related Disclosures

Refer to Note 6 of the accompanying financial statements.

Audit Response

We have performed the following audit procedures, amongst others:

- tested the computation of purchases using first-in, first-out basis and checked accuracy of the units' cost stated in the inventory management system by matching inventory unit cost from the inventory management system against invoices from suppliers and costing sheets on a sample basis;
- evaluated the reasonableness of the inputs of direct labour and production overheads to the costing sheets and tested the allocation of those costs in converting the materials into finished goods on a sample basis; and
- traced the costs of inventories from the inventory management system to the costs of inventories recorded in the accounting system.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Leong Wenjie, Stephen.

DocuSigned by:
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BDO LLP
Public Accountants and
Chartered Accountants

Singapore
7 April 2026

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group 2025 $'000	2024 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,992	9,139
Right-of-use assets	4	7,476	7,981
Total non-current assets		14,468	17,120
Current assets			
Inventories	6	2,708	5,290
Trade and other receivables	7	5,741	6,783
Fixed deposits	8	34,084	25,092
Cash and cash equivalents	9	4,873	10,749
Total current assets		47,406	47,914
Total assets		61,874	65,034
LIABILITIES AND EQUITY			
Current liabilities			
Lease liabilities	10	570	788
Trade and other payables	11	2,441	3,765
Provisions	12	114	110
Income tax payables		562	444
Total current liabilities		3,687	5,107
Non-current liabilities			
Lease liabilities	10	4,191	4,408
Trade and other payables	11	-	175
Provisions	12	564	528
Deferred tax liabilities	13	340	626
Total non-current liabilities		5,095	5,737
Total liabilities		8,782	10,844
Equity			
Share capital	14	24,621	24,621
Currency translation reserve	15	(293)	(699)
Retained earnings		28,764	30,268
Total equity attributable to owners of the Company		53,092	54,190
Total liabilities and equity		61,874	65,034

The accompanying notes form an integral part of these financial statements.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Company 2025 $'000	2024 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	262	1,065
Right-of-use assets	4	150	276
Investments in subsidiaries	5	10,300	10,300
Deferred tax assets	13	24	-
Total non-current assets		10,736	11,641
Current assets			
Inventories	6	1,017	3,023
Trade and other receivables	7	4,799	5,784
Fixed deposits	8	34,002	13,155
Cash and cash equivalents	9	974	3,028
Total current assets		40,792	24,990
Total assets		51,528	36,631
LIABILITIES AND EQUITY			
Current liabilities			
Lease liabilities	10	158	371
Trade and other payables	11	3,093	3,484
Provision	12	114	110
Income tax payables		108	208
Total current liabilities		3,473	4,173
Non-current liabilities			
Lease liabilities	10	-	-
Trade and other payables	11	-	175
Provisions	12	-	-
Deferred tax liabilities	13	-	27
Total non-current liabilities		-	202
Total liabilities		3,473	4,375
Equity			
Share capital	14	24,621	24,621
Retained earnings		23,434	7,635
Total equity		48,055	32,256
Total liabilities and equity		51,528	36,631

The accompanying notes form an integral part of these financial statements.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 $'000	2024 $'000
Revenue	16	27,083	28,192
Cost of sales		(16,941)	(16,753)
Gross profit		10,142	11,439
Other item of income			
Other income	17	2,848	3,475
Other items of expenses			
Distribution expenses		(971)	(981)
Administrative expenses		(8,670)	(9,749)
Loss allowance reversed/(recognised) for trade receivables	7	34	(10)
Other expenses		(1,263)	(232)
Finance costs	18	(396)	(644)
Profit before income tax	19	1,724	3,298
Income tax expense	21	(566)	(1,071)
Profit for the financial year		1,158	2,227
Profit attributable to:			
Owners of the Company		1,158	2,227
Earnings per share attributable to owners of the Company (cents)			
Basic and diluted	22	2.17	4.18

The accompanying notes form an integral part of these financial statements.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 $'000	2024 $'000
Profit for the financial year		1,158	2,227
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign subsidiaries, net of tax amounting to $Nil (2024: $Nil)		406	833
Total other comprehensive income		406	833
Total comprehensive income for the financial year attributable to owners of the Company		1,564	3,060
Total comprehensive income attributable to:			
Owners of the Company		1,564	3,060

The accompanying notes form an integral part of these financial statements.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Equity attributable to owners of the Company			
		Share capital	Currency translation reserve	Retained earnings	Total equity
		$'000	$'000	$'000	$'000
Group					
Balance at 1 January 2025		24,621	(699)	30,268	54,190
Total comprehensive income for the financial year:					
Profit for the financial year		-	-	1,158	1,158
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries		-	406	-	406
Total comprehensive income for the financial year		-	406	1,158	1,564
Total transactions with owners, recognised directly in equity					
Dividend	26	-	-	(2,662)	(2,662)
Balance at 31 December 2025		24,621	(293)	28,764	53,092
Balance at 1 January 2024		24,621	(1,532)	37,625	60,714
Total comprehensive income for the financial year:					
Profit for the financial year		-	-	2,227	2,227
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries		-	833	-	833
Total comprehensive income for the financial year		-	833	2,227	3,060
Total transactions with owners, recognised directly in equity					
Dividend	26	-	-	(9,584)	(9,584)
Balance at 31 December 2024		24,621	(699)	30,268	54,190

The accompanying notes form an integral part of these financial statements.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital $'000	Retained earnings $'000	Total equity $'000
Company				
Balance at 1 January 2025		24,621	7,635	32,256
Total comprehensive income for the financial year:				
Profit for the financial year		-	18,461	18,461
Total comprehensive income for the financial year		-	18,461	18,461
Total transactions with owners, recognised directly in equity				
Dividend	26	-	(2,662)	(2,662)
Balance at 31 December 2025		24,621	23,434	48,055
Balance at 1 January 2024		24,621	16,448	41,069
Total comprehensive income for the financial year:				
Profit for the financial year		-	771	771
Total comprehensive income for the financial year		-	771	771
Total transactions with owners, recognised directly in equity				
Dividend	26	-	(9,584)	(9,584)
Balance at 31 December 2024		24,621	7,635	32,256

The accompanying notes form an integral part of these financial statements.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 $'000	2024 $'000
Operating activities			
Profit before income tax		1,724	3,298
Adjustments for:			
Loss allowance (reversed)/recognised for trade receivables	7	(34)	10
Write-Back of obsolete inventories	6	(171)	(202)
Property, plant and equipment written off	19	706	61
Impairment loss on property, plant and equipment	19	435	-
Deferred grant income		(30)	(51)
Interest expense	18	396	644
Interest income	17	(522)	(905)
Depreciation of property, plant and equipment	3.3	1,503	1,854
Amortisation of right-of-use assets	4(c)	1,263	1,365
Gain on disposal of property, plant and equipment	17	(855)	(361)
Gain on remeasurement of lease liabilities	17	-	(157)
Gain on discharge of lease	17	(26)	-
Operating cash flows before movements in working capital		4,389	5,556
Changes in working capital:			
Inventories		2,720	(1,186)
Trade and other receivables		1,279	(881)
Trade and other payables		(1,642)	1,135
Cash generated from operations		6,746	4,624
Income taxes paid		(738)	(1,564)
Net cash from operating activities		6,008	3,060
Investing activities			
Purchase of property, plant and equipment		(459)	(430)
(Placement)/Withdrawal of fixed deposits		(7,704)	5,342
Proceeds from disposal of property, plant and equipment		1,152	378
Deposit refunded for acquisition of property	23	-	79
Interest received		491	957
Net cash (used in)/from investing activities		(6,520)	6,326
Financing activities			
Placement of fixed deposits pledged	8	(1,327)	-
Dividend paid	26	(2,662)	(9,584)
Repayment of lease liabilities	10	(1,075)	(1,281)
Interest paid	10	(356)	(602)
Net cash used in financing activities		(5,420)	(11,467)
Net change in cash and cash equivalents		(5,932)	(2,081)
Cash and cash equivalents at beginning of financial year		10,749	12,364
Net effect of exchange rate changes on the cash and cash equivalents held in foreign currencies		56	466
Cash and cash equivalents at end of financial year	9	4,873	10,749

The accompanying notes form an integral part of these financial statements.

LHT HOLDINGS LIMITED
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

LHT Holdings Limited (the "Company") (Registration number 198003094E) is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 27 Sungei Kadut Street 1, Singapore 729335. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Subsequent to the financial year end, the Company relocated its principal place of business to 6 Tuas South Street 10, Singapore 636941 and changed its registered office to 112 Robinson Road #04-02, 112 Robinson, Singapore 068902, both with effect from 2 March 2026.

The principal activities of the Company are those of manufacturing and trading of wooden pallets and timber-related products. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

2. Basis of preparation

The financial statements have been drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention, except as disclosed in the relevant notes to the financial statements. All accounting policies have been consistently applied to the current financial year and comparative period, unless otherwise stated.

Where an accounting policy information is not disclosed in the financial statements, it is considered as not material and mainly standardised accounting requirements. The accounting policy information that are material and necessary for the understanding of the financial statements are disclosed in the relevant notes to the financial statements.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below and detailed disclosures are included in the respective notes to the financial statements.

Significant accounting estimates and assumptions used:

- Depreciation and useful lives (Note 3.1)
- Net realisable value for inventories (Note 6)
- Loss allowance for trade and other receivables (Note 28.1)

2. Basis of preparation (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2025

On 1 January 2025, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements.

New Standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group, except as disclosed below.

Amendments to SFRS(I) 18: Presentation and Disclosure in Financial Statements

The SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures ("MPMs"), which are measures of financial performance based on a total or sub-total required by accounting standards with adjustments made (e.g. adjusted profit or loss'). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027, and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is currently ongoing.

3. Property, plant and equipment

	Leasehold properties $'000	Plant and machinery $'000	Office furniture, fittings and equipment $'000	Motor vehicles and forklifts $'000	Rental pallets $'000	Construction-in-progress $'000	Total $'000
Group							
2025							
Cost							
As at 1 January 2025	14,178	20,138	2,838	1,767	7,083	433	46,437
Additions	-	16	125	33	139	146	459
Disposals	(50)	(12,742)	(14)	(9)	(759)	-	(13,574)
Written off	(646)	(1,913)	(259)	-	(861)	(415)	(4,094)
Transfer from inventories	-	-	-	-	209	-	209
Transfer from assets under construction	-	-	81	-	-	(81)	-
Transfer from right-of-use assets (Note 4)	-	-	-	9	-	-	9
Currency realignment	29	96	16	26	211	-	378
As at 31 December 2025	13,511	5,595	2,787	1,826	6,022	83	29,824
Accumulated depreciation and impairment loss							
As at 1 January 2025	10,085	19,056	2,782	1,138	4,237	-	37,298
Charge for the year	532	195	38	110	628	-	1,503
Disposals	(49)	(12,500)	(14)	(9)	(705)	-	(13,277)
Written off	(643)	(1,865)	(259)	-	(621)	-	(3,388)
Impairment	-	435	-	-	-	-	435
Currency realignment	18	94	12	10	127	-	261
As at 31 December 2025	9,943	5,415	2,559	1,249	3,666	-	22,832
Net carrying amount							
As at 31 December 2025	3,568	180	228	577	2,356	83	6,992

3. **Property, plant and equipment** (Continued)

	Leasehold properties $'000	Plant and machinery $'000	Office furniture, fittings and equipment $'000	Motor vehicles and forklifts $'000	Rental pallets $'000	Construction-in-progress $'000	Total $'000
Group							
2024							
Cost							
As at 1 January 2024	14,137	20,160	2,848	1,356	7,301	307	46,109
Additions	-	36	1	240	-	153	430
Disposals	-	-	-	-	(343)	-	(343)
Written off	-	(220)	(27)	-	(724)	-	(971)
Transfer from inventories*	-	-	-	-	509	-	509
Transfer from assets under construction	-	27	-	-	-	(27)	-
Transfer from right-of-use assets (Note 4)	-	-	-	137	-	-	137
Currency realignment	41	135	16	34	340	-	566
As at 31 December 2024	14,178	20,138	2,838	1,767	7,083	433	46,437
Accumulated depreciation and impairment loss							
As at 1 January 2024	9,326	18,886	2,760	1,036	4,307	-	36,315
Charge for the year	736	260	33	91	734	-	1,854
Disposals	-	-	-	-	(326)	-	(326)
Written off	-	(220)	(26)	-	(664)	-	(910)
Currency realignment	23	130	15	11	186	-	365
As at 31 December 2024	10,085	19,056	2,782	1,138	4,237	-	37,298
Net carrying amount							
As at 31 December 2024	4,093	1,082	56	629	2,846	433	9,139

* The Group represented $509,000 from "Additions" to "Transfer from inventories" to better reflect the nature of these transactions. Accordingly, this resulted in reclassification of $509,000 from cash outflow arising from "Investing activities - Purchase of property, plant and equipment" to "Operating activities – Changes in working capital: Inventories" in the Consolidated Statement of Cash Flows for the financial year ended 31 December 2024.

3. Property, plant and equipment (Continued)

	Leasehold properties $'000	Plant and machinery $'000	Office furniture, fittings and equipment $'000	Motor vehicles and forklifts $'000	Construction-in-progress $'000	Total $'000
Company						
2025						
Cost						
As at 1 January 2025	9,489	15,483	2,265	235	427	27,899
Additions	-	-	38	33	135	206
Disposal	(50)	(12,707)	(5)	(9)	-	(12,771)
Written off	(646)	(1,870)	(251)	-	(415)	(3,182)
Transfer from assets under construction	-	-	64	-	(64)	-
Transfer from right-of-use assets (Note 4)	-	-	-	9	-	9
As at 31 December 2025	8,793	906	2,111	268	83	12,161
Accumulated depreciation						
As at 1 January 2025	9,295	15,082	2,248	209	-	26,834
Charge for the year	190	90	21	17	-	318
Disposal	(49)	(12,473)	(5)	(9)	-	(12,536)
Written off	(643)	(1,823)	(251)	-	-	(2,717)
As at 31 December 2025	8,793	876	2,013	217	-	11,899
Net carrying amount						
As at 31 December 2025	-	30	98	51	83	262

3. **Property, plant and equipment** (Continued)

	Leasehold properties $'000	Plant and machinery $'000	Office furniture, fittings and equipment $'000	Motor vehicles and forklifts $'000	Construction-in-progress $'000	Total $'000
Company						
2024						
Cost						
As at 1 January 2024	9,489	15,583	2,278	235	307	27,892
Additions	-	-	-	-	147	147
Disposal	-	(127)	-	-	-	(127)
Written off	-	-	(13)	-	-	(13)
Transfer from assets under construction	-	27	-	-	(27)	-
As at 31 December 2024	9,489	15,483	2,265	235	427	27,899
Accumulated depreciation						
As at 1 January 2024	8,898	15,064	2,241	200	-	26,403
Charge for the year	397	143	20	9	-	569
Disposal	-	(125)	-	-	-	(125)
Written off	-	-	(13)	-	-	(13)
As at 31 December 2024	9,295	15,082	2,248	209	-	26,834
Net carrying amount						
As at 31 December 2024	194	401	17	26	427	1,065

3. Property, plant and equipment (Continued)

3.1 Depreciation and useful lives

Property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using straight-line method to allocate their depreciable amounts over their estimated useful lives, on the following bases:

Leasehold properties	Over the lease terms ranging from 12 - 99 years
Plant and machinery	5 - 20 years
Office furniture, fittings and equipment	5 years
Motor vehicles and forklifts	5 & 10 years
Rental pallets	5 years

No depreciation is charged on construction-in-progress as they are not yet ready for their intended use as at the end of the financial year.

The estimated useful life and residual value reflect management's estimate of the periods that the Group and the Company intend to derive future economic benefits from the use of the Group's and the Company's property, plant and equipment. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

3.2 Leasehold properties

The details of the leasehold properties are:

Location	Usage	Approximate gross floor area	Tenure from inception
27 Sungei Kadut Street 1 Singapore 729335	Manufacturing and trading of wooden pallets and timber related products and administrative office	23,020 sqm	49 years expiring 2026
6 Tuas South Street 10 Singapore 636941	Wood waste recycling and recovering	8,194 sqm	12 years expiring 2035
Lot PTB 1237, Jalan Tun Matahir 1, Industries Area, Phase 2 Bandar Tenggara, 81000 Kulai, Johor Malaysia	Manufacturing of wooden pallets and timber related products	7,402 sqm	60 years expiring 2052
No. 4, Jalan Pinang Merah 20, Bandar Tenggara, 81000 Kulai, Johor Malaysia	Dormitory for employees	721 sqm	99 years expiring 2090

3. Property, plant and equipment (Continued)

3.2 Leasehold properties (Continued)

Location	Usage	Approximate gross floor area	Tenure
No.6 Jalan Pinang Merah 20, Bandar Tenggara, 81000 Kulai, Johor Malaysia	Dormitory for employees	726 sqm	99 years expiring 2090
No. 8, Jalan Pinang Merah 20, Bandar Tenggara 81000 Kulai, Johor Malaysia	Dormitory for employees	753 sqm	99 years expiring 2090

3.3 Depreciation

The depreciation of property, plant and equipment is recognised in the following line items of the consolidated income statement:

	Group	
	2025	**2024**
	$'000	**$'000**
Cost of sales (Note 19)	582	825
Administrative expenses (Note 19)	921	1,029
	1,503	1,854

3.4 Construction-in-progress

As at 31 December 2025, the Group's construction-in-progress relating to the development of an artificial intelligence-enabled robotic pallet assembly system amounted to $Nil (2024: $280,000).

During the financial year, additions of approximately $135,000 were incurred in respect of the project. Following management's reassessment of the project, the cumulative development costs of approximately $415,000 (comprising prior year balances and current year additions) were written off to profit or loss during the financial year.

During the financial year, included in the transfers from asset under construction of $81,000 is approximately $64,000 of construction-in-progress that was transferred to the relevant property, plant and equipment categories upon completion, mainly relating to infrastructure works at the leasehold property located at 6 Tuas South Street 10 and the Group's server IT infrastructure, which were previously recognised as construction-in-progress in the prior financial year.

3. Property, plant and equipment (Continued)

3.5 Assets pledged as security to banks for banking facilities

The carrying amount of property, plant and equipment pledged to banks for banking facilities, as of 31 December amounted to:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Leasehold properties	-	194	-	194
Plant and machinery	-	130	-	130
	-	324	-	324

3.6 Impairment of property, plant and equipment

During the financial year, following a strategic realignment of operations and the relocation of certain production activities, the Group recognised a one-off impairment loss of $435,000 on certain plant and equipment related to woodchip production.

The recoverable amount of the affected assets of $75,000 has been determined based on their fair value less costs of disposal, based on indicative market quotations obtained for similar assets. The impairment was recognised as the recoverable amount of the assets was assessed to be lower than their carrying amount

The valuation is categorised within Level 3 of the fair value hierarchy as it is based on unobservable inputs, including estimated resale values and scrap proceeds. Costs of disposal were assessed to be not material.

Accordingly, an impairment loss was recognised as the carrying amount of these assets exceeded their recoverable amount.

4. Right-of-use assets

(a) Carrying amounts of right-of-use assets

	Leasehold land	Leasehold buildings	Motor vehicles and forklifts	Total
	$'000	$'000	$'000	$'000
Group				
2025				
At 1 January 2025	6,271	1,523	187	7,981
Lease modification	588	-	73	661
Amortisation charges	(1,026)	(97)	(140)	(1,263)
Transfer to property, plant and equipment (Note 3)	-	-	(9)	(9)
Currency realignment	45	57	4	106
At 31 December 2025	5,878	1,483	115	7,476

4. Right-of-use assets (Continued)

(a) Carrying amounts of right-of-use assets (Continued)

	Leasehold land $'000	Leasehold buildings $'000	Motor vehicles and forklifts $'000	Total $'000
Group				
2024				
At 1 January 2024	11,841	1,485	461	13,787
Additions	-	42	55	97
Lease modification	(4,553)	-	(1)	(4,554)
Amortisation charges	(1,079)	(91)	(195)	(1,365)
Transfer to property, plant and equipment (Note 3)	-	-	(137)	(137)
Discharge of leases	-	-	(6)	(6)
Currency realignment	62	87	10	159
At 31 December 2024	6,271	1,523	187	7,981

	Leasehold land $'000	Motor vehicles and forklifts $'000	Total $'000
Company			
2025			
At 1 January 2025	245	31	276
Lease modification	426	36	462
Amortisation charges	(532)	(47)	(579)
Transfer to property, plant and equipment (Note 3)	-	(9)	(9)
At 31 December 2025	139	11	150
2024			
At 1 January 2024	5,468	139	5,607
Lease modification	(4,624)	(1)	(4,625)
Amortisation charges	(599)	(101)	(700)
Discharge of leases	-	(6)	(6)
At 31 December 2024	245	31	276

4. Right-of-use assets (Continued)

(a) Carrying amounts of right-of-use assets (Continued)

(i) Leasehold land and leasehold buildings

The Group and the Company makes annual lease payments for two (2024: three) parcels of leasehold land in Singapore and four (2024: four) parcels of leasehold land in Malaysia. The details of the leasehold land are:

Location	Usage	Approximate gross floor area	Tenure from inception
27 Sungei Kadut Street 1 Singapore 729335	Manufacturing and trading of wooden pallets and timber related products and administrative office	23,020 sqm	49 years expiring 2026
30 Kranji Way – PID 8201710044 at Kranji Industrial Estate Singapore	Under development	17,988 sqm	Terminated in February 2025
6 Tuas South Street 10 Singapore 636941	Wood waste recycling and recovering	8,194 sqm	12 years expiring 2035
Lot PTB 253, Jalan Tun Mutalib 3, Kawasan Perindustrian Bandar Tenggara, 81440 Bandar Tenggara, Johor, Malaysia	Manufacturing of wooden pallets and timber related products	4,771 sqm	54 years expiring 2078
Lot PTB 1299, Jalan Tun Mutahir 5, Kawasan Perindustrian Bandar Tenggara, 81440 Bandar Tenggara, Johor, Malaysia	Manufacturing of wooden pallets and timber related products	3,963 sqm	28 years expiring 2052
Lot PTB 1238, Jalan Tun Mutahir 1, Kawasan Industri Fasa II, 81440 Bandar Tenggara, Johor, Malaysia	Manufacturing of wooden pallets and timber related products	2,032 sqm	32 years expiring 2056
Lot PTB 1237, Jalan Tun Matahir 1, Industries Area, Phase 2 Bandar Tenggara, 81000 Kulai, Johor Malaysia	Manufacturing of wooden pallets and timber related products	7,402 sqm	60 years expiring 2052

The lease arrangements in Singapore prohibit the Group and the Company from subleasing the assets to third parties.

4. Right-of-use assets (Continued)

(a) Carrying amounts of right-of-use assets (Continued)

(i) Leasehold land and leasehold buildings (Continued)

30 Kranji Way – PID 8201710044 at Kranji Industrial Estate ("Kranji property")

On 4 October 2024, the Group had announced the termination of agreement of lease for the Kranji property. The handover of the property was completed in February 2025. Accordingly, the right-of-use assets for the Kranji property was modified in October 2024 along with the lease liabilities modified to reflect the lease term ending in February 2025.

During the current financial year, the handover was completed on 4 February 2025, accordingly, the lease was discharged, resulting in the derecognition of lease liabilities. A gain of approximately $26,000 was recognised in other income (Note 17).

In the prior financial year, a gain of $157,000 was recognised in other income (Note 17) because of the lease modification and derecognition of the right-of-use assets. A total of $298,000 and $518,000 was recognised respectively in administrative expenses (Note 19) for the reinstatement works and liquidation damages as required by JTC for the Kranji property before the handover.

(ii) Motor vehicles and forklifts

The Group and the Company lease motor vehicles and forklifts for its operations. The lease arrangements prohibit the Group and the Company from subleasing the equipment to third parties.

During the current financial year, carrying amounts of motor vehicles and forklifts of the Group which amounted to $9,000 (2024: $137,000) were transferred to property, plant and equipment in Note 3 to the financial statements as the attributable lease liabilities have been fully paid up.

The Group's and the Company's obligation under these leases are secured by the leased assets. There are several lease contracts that include extension option which are further discussed at Note 4(d) to the financial statements.

The Group and the Company also have leases with terms of 12 months or less. The Group and the Company apply the "short-term lease" recognition exemptions for these leases.

(iii) Impairment of right-of-use assets

During the current financial year, no impairment indicator has been noted during the impairment assessment.

(b) Lease liabilities

The carrying amounts of lease liabilities, movements during the financial year and the maturity analysis of lease liabilities are disclosed in Note 10 to the financial statements.

4. Right-of-use assets (Continued)

(c) Amount recognised in profit or loss

	Group	
	2025	**2024**
	$'000	**$'000**
Amortisation of right-of-use assets	1,263	1,365
Interest expense on lease liabilities (Notes 10 and 18)	356	602
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases (included in administrative expenses and cost of sales)	5	3
Total amount recognised in profit or loss	1,624	1,970

The amortisation of right-of-use assets is recognised in the following line items of the consolidated income statement:

	2025	**2024**
	$'000	**$'000**
Cost of sales (Note 19)	443	407
Administrative expenses (Note 19)	820	958
	1,263	1,365

(d) Extension options

The Group has several lease contracts for leasehold buildings and forklifts that include extension options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Management has included the Group's and the Company's potential cash outflows of $16,000 (2024: $16,000) and $16,000 (2024: $16,000) respectively in the measurement of lease liabilities for forklifts, as it is reasonably certain that the extension option will be exercised.

Restrictions

As at 31 December 2025, the Group's and the Company's motor vehicles and forklifts with a carrying amount of $Nil (2024: $9,000) and $Nil (2024: $9,000) respectively are secured over the lease liabilities owing to financial institutions amounting to $Nil (2024: $6,000) and $Nil (2024: $6,000) respectively.

The carrying amount of the leasehold building erected on the leasehold land secured for the facilities are disclosed in Note 3.5 to the financial statements.

The Group's and the Company's motor vehicles under right-of-use-assets included assets held in trust by the Directors of the Company with carrying amount of $Nil (2024: $9,000)

5. Investments in subsidiaries

	Company	
	2025	2024
	$'000	$'000
Unquoted equity shares, at cost	14,019	14,019
Impairment loss	(3,719)	(3,719)
	10,300	10,300

There were no movements in impairment loss during the financial year.

Significant restriction

Cash and bank balances of $94,000 (2024: $98,000) held with a subsidiary in the People's Republic of China are subjected to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus affect the Group's ability to access or use the cash and settle liabilities outside of the People's Republic of China.

Details of the subsidiaries are as follow:

Name of Company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership	Interest held by the Group
		2025	2024
		%	%
Kim Hiap Lee Company (Pte.) Limited [1] (Singapore)	Timber merchants, sawmillers and pallet rental	100	100
Lian Hup Packaging Industries Sdn. Bhd. [2] (Malaysia)	Dealers in wood products, pallets and packaging and pallet rental	100	100
Siri Belukar Packaging Sdn. Bhd. [2] (Malaysia)	Manufacturer, importer and exporter of wooden pallets and related products	100	100
LHT Marketing Pte Ltd [1] (Singapore)	Timber merchants and commission agents	100	100
LHT Ecotech Resources Pte Ltd [1] (Singapore)	Wood waste recycling and recovering	100	100
LHT Gpac Technology (M) Sdn. Bhd.[2] (Malaysia)	Manufacturer, wood waste recycling, importer and exporter of green products and woodchips	100	100

5. Investments in subsidiaries (Continued)

Name of Company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership 2025 %	Interest held by the Group 2024 %
LHT ECR Packaging (Vietnam) Company Limited [2] (Socialist Republic of Vietnam)	Trading and providing of other services with respect to timber, pallets and other packaging materials	100	100
LHT Ecotech Resources (Tianjin) Co., Ltd [3] (People's Republic of China)	Trading and exporter of wooden pallets and related products	100	100

[1] Audited by BDO LLP, Singapore

[2] Audited by overseas member firms of the BDO network in the respective countries

[3] Reviewed by BDO LLP, Singapore for consolidation purposes

The business license of LHT Ecotech Resources (Tianjin) Co., Ltd is for a term of 30 years, with effect from 23 April 2012 to 22 April 2042. The business license of LHT ECR Packaging (Vietnam) Company Limited is for a term of 10 years, with effect from 3 August 2017 in force until 1 August 2027 inclusive. LHT Ecotech Resources (Tianjin) Co., Ltd has been dormant since 2021.

6. Inventories

	Group		Company	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
At cost				
Raw materials	2,011	3,914	429	1,808
Finished goods	697	1,376	588	1,215
	2,708	5,290	1,017	3,023

The cost of inventories recognised as an expense and included in cost of sales line item in profit or loss is disclosed in Note 19 to the financial statements.

The cost of inventories is assigned using first-in, first-out method. Inventories are measured at lower of cost and net realisable value. The Group reviews the ageing analysis of inventories semi-annually and writes down for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories is estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

In the current financial year, the Group has recognised a reversal of $171,000 (2024: $202,000) being part of an inventory write-down in the previous financial years, as the inventories were sold above carrying amount in 2025. The reversal has been included in other expenses (Note 19).

7. Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Current				
Trade receivables				
- third parties	4,776	6,342	3,768	4,618
- subsidiaries	-	-	274	771
	4,776	6,342	4,042	5,389
Less: Loss allowance	(6)	(244)	(5)	(47)
Total trade receivables	4,770	6,098	4,037	5,342
GST/VAT receivables	302	320	-	-
Other receivables- third parties	207	63	122	-
Interest receivables	82	51	82	24
Refundable deposits	179	310	80	243
Prepayments	496	236	478	175
Less: Loss allowance for GST/VAT receivables	(295)	(295)	-	-
Total trade and other receivables	5,741	6,783	4,799	5,784
Add/(Less):				
- Fixed deposits (Note 8)	34,084	25,092	34,002	13,155
- Cash and cash equivalents (Note 9)	4,873	10,749	974	3,028
- GST/VAT receivables	(302)	(320)	-	-
- Loss allowance for GST/VAT receivables	295	295	-	-
- Prepayments	(496)	(236)	(478)	(175)
Financial assets at amortised cost	44,195	42,363	39,297	21,792

Trade receivables from third parties and subsidiaries are non-interest bearing and repayable within the normal credit terms of 30 to 90 days. They are recognised at their original invoice amounts which represent their values on initial recognition.

Trade and other receivables are stated inclusive of Goods and Services Tax ("GST") and Value-Added Tax ("VAT"), where applicable. GST and VAT are consumption taxes imposed by the respective tax authorities and are recoverable from or payable to those authorities.

The non-trade balances due from third parties and subsidiaries are unsecured, non-interest bearing, repayable on demand and expected to be settled in cash.

Included in other receivables is an amount of approximately $122,000 placed with the Group's banker, DBS Bank, as a cash margin deposit for bank guarantees issued. This amount is restricted and is not available for general use by the Group.

7. Trade and other receivables (Continued)

Movements in loss allowance for trade receivables are as follow:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
At 1 January	244	234	47	50
Loss allowance (reversed)/recognised	(34)	10	(13)	(3)
Loss allowance written off	(204)	-	(29)	-
At 31 December	6	244	5	47

The ageing analysis of the trade receivables are set out in Note 28.1 to the financial statements.

The currency profiles of the Group's and Company's trade and other receivables excluding GST/VAT receivables, loss allowance for GST/VAT receivables and prepayments at the end of the financial year are as follows:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore dollar	4,699	5,784	4,316	5,548
Ringgit Malaysia	534	723	-	53
United States dollar	5	8	5	8
Vietnamese dong	-	7	-	-
	5,238	6,522	4,321	5,609

8. Fixed deposits

Fixed deposits are denominated in the following currencies:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore dollar	34,002	24,326	34,002	13,155
Ringgit Malaysia	82	689	-	-
United States dollar	-	77	-	-
	34,084	25,092	34,002	13,155

The fixed deposits of the Group amounting to $1,404,000 (2024: $77,000) are pledged to three (2024: two) banks as security for bank guarantee facilities granted to the subsidiaries. The fixed deposits bear effective interest rates ranging from 1.48% to 2.75% (2024: 2.37% to 3.70%) per annum with tenors of 1 to 12 months (2024: 3 to 12 months) and maturing within 0.2 to 8.5 months (2024: 3 months) from the end of the financial year.

9. Cash and cash equivalents

Cash and cash equivalents comprise the following at the end of the financial year:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Cash on hand	15	20	1	10
Bank balances	4,858	10,729	973	3,018
	4,873	10,749	974	3,028

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore dollar	2,743	7,318	958	2,966
Ringgit Malaysia	1,710	2,647	1	5
United States dollar	326	684	15	57
Renminbi	94	98	-	-
Vietnamese dong	-	2	-	-
	4,873	10,749	974	3,028

10. Lease liabilities

	Leasehold land	Leasehold buildings	Motor vehicles and forklifts	Total
	$'000	$'000	$'000	$'000
Group				
2025				
At 1 January 2025	4,960	47	189	5,196
Discharge of leases	(26)	-	-	(26)
Interest expenses (Note 18)	346	2	8	356
Lease modification	588	-	73	661
Lease payments				
- Principal portion	(893)	(33)	(149)	(1,075)
- Interest portion	(346)	(2)	(8)	(356)
Currency realignment	1	-	4	5
At 31 December 2025	4,630	14	117	4,761

10. Lease liabilities (Continued)

	Leasehold land $'000	Leasehold buildings $'000	Motor vehicles and forklifts $'000	Total $'000
Group				
2024				
At 1 January 2024	10,701	34	353	11,088
Additions	-	42	55	97
Discharge of leases	-	-	(6)	(6)
Interest expenses (Note 18)	586	2	14	602
Lease modification	(4,710)	-	(1)	(4,711)
Lease payments				
- Principal portion	(1,031)	(30)	(220)	(1,281)
- Interest portion	(586)	(2)	(14)	(602)
Currency realignment	-	1	8	9
At 31 December 2024	4,960	47	189	5,196

	Leasehold land $'000	Motor vehicles and forklifts $'000	Total $'000
Company			
2025			
At 1 January 2025	341	30	371
Discharge of leases	(26)	-	(26)
Interest expenses	22	2	24
Lease modification	426	36	462
Lease payments			
- Principal portion	(594)	(55)	(649)
- Interest portion	(22)	(2)	(24)
At 31 December 2025	147	11	158
2024			
At 1 January 2024	5,780	125	5,905
Discharge of leases	-	(6)	(6)
Interest expenses	254	5	259
Lease modification	(4,779)	(1)	(4,780)
Lease payments			
- Principal portion	(660)	(88)	(748)
- Interest portion	(254)	(5)	(259)
At 31 December 2024	341	30	371

10. Lease liabilities (Continued)

The maturity of lease liabilities of the Group and the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Contractual undiscounted cash flows				
- Not later than a year	879	1,116	160	378
- Later than one year and not later than five years	3,154	2,509	-	-
- Over five years	2,498	3,587	-	-
	6,531	7,212	160	378
Less: Future interest expense	(1,770)	(2,016)	(2)	(7)
Present value of lease liabilities	4,761	5,196	158	371
Presented in statements of financial position				
- Current	570	788	158	371
- Non-current	4,191	4,408	-	-
	4,761	5,196	158	371

The Group and the Company leases leasehold land in Singapore and Malaysia. It is customary for lease contract in Singapore to revise the lease payment annually based on the prevailing market rent. The Group and the Company also lease certain machineries and motor vehicles (i.e. commercial vehicles and forklifts) from third parties with only fixed payment over the lease terms.

The Group also leases office premises on short-term basis (i.e. less than 12 months). The election of short-term leases exemption is made on lease-by-lease basis.

The average incremental borrowing rate applied in the leases for the Group and the Company range from 2.28% to 7.00% (2024: 2.28% to 7.00%) and 7.00% (2024: 4.15% to 7.00%) respectively.

The total cash outflow for all leases including short-term leases for the Group amounted to $1,437,000 (2024: $1,886,000) for the current financial year.

Lease liabilities payables are denominated in the following currencies:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore dollar	4,639	4,989	158	371
Ringgit Malaysia	122	207	-	-
	4,761	5,196	158	371

11. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Non-current				
Deferred capital grant				
- Enterprise Development Grant ("EDG")	-	175	-	175
Current				
Trade payables				
- third parties	598	1,700	157	923
- subsidiaries	-	-	1,615	1,097
	598	1,700	1,772	2,020
GST/VAT payables	254	238	153	159
Amount owing to a director	-	25	-	-
Accrued expenses	841	1,131	704	963
Deposits received	85	76	15	17
Accrual for unutilised leave	213	298	192	272
Deferred capital grant – Capability Development Grant ("CDG")	-	30	-	30
Advances from customers (Note 16(b))	154	93	82	23
Sundry payables	296	174	175	-
Total current trade and other payables	2,441	3,765	3,093	3,484
Total trade and other payables	2,441	3,940	3,093	3,659
Add/(Less):				
- Lease liabilities (Note 10)	4,761	5,196	158	371
- GST/VAT payables	(254)	(238)	(153)	(159)
- Accrual for unutilised leave	(213)	(298)	(192)	(272)
- Advances from customers (Note 16(b))	(154)	(93)	(82)	(23)
- Deferred capital grant – EDG	-	(175)	-	(175)
- Deferred capital grant – CDG	-	(30)	-	(30)
Financial liabilities carried at amortised cost	6,581	8,302	2,824	3,371

The trade amounts due to third parties and subsidiaries are unsecured, non-interest bearing and repayable within the normal credit term of 30 to 90 days.

Deposits received comprise substantially deposits for rental from lessees.

11. Trade and other payables (Continued)

Deferred capital grant – Capability Development Grant ("CDG")

The deferred capital grant – Capability Development Grant ("CDG") relates to a government grant that is given to the Company for the eligible cost incurred for its development project (deployment of automated pallet assembly lines for smart and sustainable manufacturing) on process redesign and business process enhancement for productivity for the qualifying period from 1 September 2017 to 31 August 2019, which was capitalised as property, plant and equipment. During the financial year ended 31 December 2021, $329,000 grant income had been approved and received by the Group and the Company. As of 31 December 2025, the Group and the Company recognised $30,000 (2024: $51,000) in profit or loss under other income (Note 17).

Deferred capital grant – Enterprise Development Grant ("EDG")

The deferred capital grant – Enterprise Development Grant ("EDG") relates to a government grant that is given to the Company for the eligible cost incurred for its development project for its artificial intelligence enabled robotic pallet assembly system. The original qualifying period was from 1 July 2020 to 31 December 2022. Following approval from Enterprise Singapore on 3 January 2025, the qualifying period was extended to 30 September 2025, with the claim submission period extended to 29 March 2026.

During the financial year ended 31 December 2025, the Group and the Company recognised $Nil (2024: $Nil) of the grant income in profit or loss. The remaining unutilised grant of $175,000 (2024: $175,000) was reclassified as sundry payables from deferred capital grant following the Group's realignment of the project line with its operation focus.

The currency profiles of the Group's and Company's trade and other payables excluding GST/VAT payables, provision for unutilised leave, advances from customers and deferred capital grant at the end of the financial year are as follows:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Singapore dollar	1,212	1,809	1,900	2,253
Ringgit Malaysia	414	407	753	497
United States dollar	14	706	13	250
Renminbi	176	180	-	-
Vietnam dong	4	4	-	-
	1,820	3,106	2,666	3,000

12. Provisions

	Costs of dismantlement, removal or restoration			
	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
At 1 January	638	596	110	102
Unwind of discount (Note 18)	40	42	4	8
At 31 December	678	638	114	110

The provision for restoration is the estimated costs of dismantlement, removal or restoration of leased properties to their original conditions as stipulated in the terms and conditions of lease contract.

Presented in statement of financial position

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
- Current	114	110	114	110
- Non-current	564	528	-	-
	678	638	114	110

13. Deferred tax liabilities/assets

	Group		Company	
	2025	2025	2025	2024
	$'000	$'000	$'000	$'000
Deferred tax liabilities/(assets)	340	626	(24)	27

The movements for the financial year in deferred tax position are as follow:

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
At 1 January	626	653	27	20
Charged/(Credit) to profit or loss (Note 21)	(292)	(41)	(51)	7
Currency realignment	6	14	-	-
At 31 December	340	626	(24)	27

The following are the major deferred tax liabilities and assets recognised by the Group and the Company (prior to offsetting balances within the same tax jurisdiction) and movements thereon during the financial year.

13. Deferred tax liabilities/assets (Continued)

13.1 Deferred taxes

	Accelerated tax depreciation	Right of Use assets	Lease liabilities	Industrial building allowance	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
At 1 January 2025	736	774	(815)	(5)	(64)	626
Charged/(Credit) to profit or loss	(351)	(747)	786	1	19	(292)
Currency realignment	6	-	-	-	-	6
At 31 December 2025	391	27	(29)	(4)	(45)	340
At 1 January 2024	824	1,752	(1,857)	(6)	(60)	653
Charged/(Credit) to profit or loss	(102)	(978)	1,042	1	(4)	(41)
Currency realignment	14	-	-	-	-	14
At 31 December 2024	736	774	(815)	(5)	(64)	626
Company						
At 1 January 2025	89	44	(55)	(5)	(46)	27
Charged/(Credit) to profit or loss	(75)	(18)	28	1	13	(51)
At 31 December 2025	14	26	(27)	(4)	(33)	(24)
At 1 January 2024	153	914	(997)	(6)	(44)	20
Charged/(Credit) to profit or loss	(64)	(870)	942	1	(2)	7
At 31 December 2024	89	44	(55)	(5)	(46)	27

13.2 Deferred tax assets not recognised

Deferred tax assets not recognised relate to the following:

	Group	
	2025	2024
	$'000	$'000
Unutilised tax losses	75	109

As at 31 December 2025, the Group has unutilised tax losses of $299,000 (2024: $435,000) arising from its subsidiary in the jurisdiction of the People's Republic of China, available for set-off against future taxable profits subject to agreement with the relevant tax authorities and compliance with certain provision of the tax legislation of the country in which the subsidiary operates. The deferred tax assets have not been recognised because it is not certain that whether future taxable profit will be available against which the subsidiary can utilise the benefits.

13. Deferred tax liabilities/assets (Continued)

13.2 Deferred tax assets not recognised (Continued)

The unutilised tax losses of the subsidiary can only be utilised for set-off against its future taxable profits within five years from the date the tax losses were incurred. The unutilised tax losses will expire as follows:

	Group	
	2025	**2024**
	$'000	**$'000**
Year 2025	-	138
Year 2026	293	293
Year 2027	2	2
Year 2028	1	1
Year 2029	1	1
Year 2030	2	-
	299	435

14. Share capital

	Group and Company			
	2025	**2024**	**2025**	**2024**
	Number of ordinary shares		**Share capital**	
	'000	**'000**	**$'000**	**$'000**
Issued and paid up:				
Balance at beginning and end of financial year	53,245	53,245	24,621	24,621

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

15. Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

16. Revenue

(a) Disaggregation of revenue

The Group has disaggregated revenue to reflect the operations of the business segments identified by management. The segment information together with other information utilised for the purpose of management monitoring of operating results of the segments, which includes the geographical markets and type of goods and services are disclosed in Note 27 to the financial statements.

	Group	
	2025	**2024**
	$'000	**$'000**
Revenue from contracts with customers (SFRS(I) 15)		
Sales of goods - Point in time	23,406	23,485
Revenue from leases (SFRS(I) 16)		
Pallet rental	3,677	4,707
Total revenue	27,083	28,192

Sale of goods

Revenue from sale of goods is recognised at point in time when the controls of the products (i.e. risk of obsolescence and loss of shipment) are transferred to the customers.

Pallet rental

The Group, as a lessor, leases its pallets under operating leases to non-related parties. Lease income is recognised on a straight-line basis over the lease term in accordance with SFRS(I) 16.

(b) Contract balances

	Group	
	2025	**2024**
	$'000	**$'000**
Contract liabilities		
Advances from customers (Note 11)		
- sales of goods	154	93

The timing of revenue recognition and payments received from customers would affect the amount of contract liabilities recognised at the end of the financial year.

The vast majority of the Group's contracts are for the delivery of goods which are expected to be fulfilled within the next 12 months. Accordingly, the allocation of aggregate transaction price to the remaining performance obligations and explanation on when the Group expects the revenue to be recognised are not disclosed.

16. Revenue (Continued)

(b) Contract balances (Continued)

Significant changes in contract liabilities during the financial year are tabled as follow:

	Group	
	2025	**2024**
	$'000	**$'000**
As at 1 January	93	23
Amount recognised as revenue	(70)	-
Cash received in advance of performance and not recognised as revenue	131	70
At 31 December	154	93

The contract liabilities arise from delivery of goods mainly due to the advance payments received from customers at end of financial year do not necessarily equal to the amount of revenue recognised on the contracts.

17. Other income

	Group	
	2025	**2024**
	$'000	**$'000**
Gain on disposal of property, plant and equipment	855	361
Gain on remeasurement of lease liabilities (Note 4(a)(i))	-	157
Gain on discharge of lease liabilities (Note 4(a)(i))	26	-
Government grants:		
(i) Corporate Income Tax Rebate Cash Grant	6	6
(ii) Capability Development Grant	30	51
(iii) Enterprise Development Grant	92	-
(iv) Wage Credit Scheme	22	46
(v) CPF Transition Offset	4	4
(vi) Others government grants	3	3
Heat treatment income	278	383
Interest income	522	905
Logistics service income	108	298
Waste collection income	502	738
Sundry income	400	523
	2,848	3,475

17. Other income (Continued)

Heat treatment and logistics service income

Heat treatment and logistics service income are recognised at point in time when services are provided.

Waste collection income

Waste collection income from waste wood collection is recognised at point in time when collection services are provided.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

18. Finance costs

	Group	
	2025	**2024**
	$'000	**$'000**
Interest expense in respect of:		
- Lease liabilities (Note 10)	356	602
- Unwind of discount on site restoration provision (Note 12)	40	42
	396	644

19. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2025	**2024**
	$'000	**$'000**
Cost of sales		
Cost of inventories included in cost of sales	10,755	9,679
Employee benefits expenses (Note 20)	3,227	3,739
Repair and maintenance expenses	566	476
Depreciation of property, plant and equipment (Note 3.3)	582	825
Amortisation of right-of-use assets (Note 4(c))	443	407
Short term lease expense	3	1
Utilities expenses	544	668

19. Profit before income tax (Continued)

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges: (Continued)

	Group	
	2025	**2024**
	$'000	**$'000**
Distribution expenses		
Transportation and carriage expenses	971	981
Administrative expenses		
Advertisement/marketing promotion expenses	80	30
Audit fees		
- Auditors of the Company	143	143
- Other auditors	44	37
Non-audit fees – non-audit related service[(1)]		
- Auditors of the Company	17	21
- Other auditors/firm	59	28
Depreciation of property, plant and equipment (Note 3.3)	921	1,029
Amortisation of right-of use assets (Note 4(c))	820	958
Directors' fees (Note 25)	300	229
Employee benefits expenses (Note 20)	3,956	4,075
Insurance	230	234
Legal and professional fees	378	331
Property tax	359	400
Short term lease expense	2	2
Upkeep and maintenance expenses	338	513
Plant dismantlement and decommissioning cost	178	-
Reinstatement cost (Note 4(a)(i))	-	298
Liquidation damages (Note 4(a)(i))	-	518
Other expenses		
Foreign exchange loss, net	293	373
Impairment loss on property, plant and equipment	435	-
Property, plant and equipment written off	706	61
Write-back of obsolete inventories (Note 6)	(171)	(202)

[(1)] There are no audit-related services paid/payable to the auditors of the Company and other auditors.

20. Employee benefits expenses

	Group	
	2025	2024
	$'000	$'000
Salaries, wages and other costs	6,729	7,341
Defined contribution plans	454	473
	7,183	7,814

The employee benefits expenses are recognised in the following line items in the consolidated income statement:

	Group	
	2025	2024
	$'000	$'000
Cost of sales	3,227	3,739
Administrative expenses	3,956	4,075
	7,183	7,814

The employee benefits expenses include compensation of key management personnel as disclosed in Note 25 to the financial statements.

21. Income tax expense

	Group	
	2025	2024
	$'000	$'000
Based on results for the financial year:		
- current income tax	819	1,168
- deferred tax	(245)	(77)
	574	1,091
(Over)/Under provision in prior years:		
- current income tax	39	(56)
- deferred tax	(47)	36
	(8)	(20)
Total income tax expense	566	1,071

Domestic income tax is calculated at 17% (2024: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The corporate income tax applicable to the Company's subsidiaries in Malaysia is at 24% (2024: 24%), Vietnam at 20% (2024: 20%) and China at 25% (2024: 25%).

21. Income tax expense (Continued)

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore statutory tax rate of 17% (2024: 17%) to profit before income tax as a result of the following differences:

	Group	
	2025	**2024**
	$'000	**$'000**
Profit before income tax	1,724	3,298
Income tax calculated using applicable tax rate of 17% (2024: 17%)	293	561
Add/(Less):		
Effect of different tax rates of overseas operations	99	168
Effect of income not subject to tax	(6)	(26)
Effect of non-allowable items	231	452
Tax incentive	(43)	(64)
(Over)/Under provision in prior years	(8)	(20)
Total income tax expense	566	1,071

22. Earnings per share

The calculation for earnings per share is based on:

	Group	
	2025	**2024**
Profit after income tax attributable to owners of the Company ($'000)	1,158	2,227
Actual number of ordinary shares in issue during the year applicable to basic earnings per share ('000)	53,245	53,245
Earnings per shares (in cents)		
- Basic and diluted	2.17	4.18

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the actual number of ordinary shares in issue during the financial year. As the Company has no dilutive potential ordinary shares, the diluted earnings per share is equivalent to basic earnings per share for the financial year.

23. Capital commitments

	Group		Company	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Capital expenditure committed but not contracted				
- Artificial intelligence enabled robotic pallet assembly system	-	475	-	475

Artificial intelligence enabled robotic pallet assembly system

As of 31 December 2020, the Company had applied for government grant from Singapore authority for its artificial intelligence enabled robotic pallet assembly system for the qualifying period from 1 July 2020 to 31 December 2022. The maximum amount supported by the capital grant is $551,765 for eligible expenses amounting to $755,000.

On 3 January 2023, the Company had obtained extension from Singapore authority for the above project qualifying period to be extended till 30 September 2025, with the claim submission deadline extended to 29 March 2026.

During the financial year, the Group undertook a strategic review of the project and decided to discontinue the development. The previously capitalised development costs were written off, as disclosed in Note 3.4 to the financial statements, as they no longer met the criteria for capitalisation.

As at 31 December 2025, there are no outstanding capital commitments relating to the artificial intelligence enabled robotic pallet assembly system.

24. Contingent liabilities

As at 31 December 2025, the contingent liabilities of the Company were as follows:

	Company	
	2025	2024
	$'000	$'000
Banker's guarantee for a subsidiary's customer as security in relation to a sales contract	308	186

The banker's guarantee is secured by the Company's cash deposits. In the prior year, the banker's guarantee was secured by the Company's leasehold properties with a carrying amount of $194,000, which has since been fully disposed of / derecognised during the financial year.

The maximum amount that the Company could be forced to settle under the corporate guarantee and banker's guarantee should the respective subsidiaries default on their financial obligations as mentioned above and if the full guaranteed amount is claimed by the respective counterparties which provided the hire purchase facilities and banker's guarantee would be approximately $308,000 (2024: $186,000).

25. Significant related party transactions

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed by and between the parties:

	Company	
	2025	2024
	$'000	$'000
Subsidiaries:		
- Trade sales	1,238	1,533
- Trade purchases	9,174	9,598
- Transport charges	191	145
- Pallet repair income	44	124
- Dividend income	18,974	1,210
- Management fee charged from	120	120
- Service rendered by	111	110
- Sundry income	68	78
- Rental income	96	96

As at 31 December 2025, the outstanding balances in respect of the above transactions are disclosed in Notes 7 and 11 to the financial statements.

Key management personnel remuneration

Key management personnel are the Directors and those having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly. The Group's and the Company's key management personnel are the Directors of the Group and the Company and Head of Key Functions.

Compensation of key management personnel

The details of the key management personnel remunerations are as follow:

	Group	
	2025	2024
	$'000	$'000
Short-term employee benefits	1,000	1,385
Post-employment benefits	73	67
Directors' fees		
- Directors of the Company	300	229
	1,373	1,681
Comprise amounts paid to:		
- Directors of the entities in the Group	807	1,417
- Other key management executives	566	264
	1,373	1,681

The remuneration of key management personnel are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

26. Dividend

	Group and Company	
	2025	2024
	$'000	$'000
Dividends paid during the financial year:		
Ordinary dividends paid:		
First and final one-tier tax-exempt dividend paid of $0.05 (2024: $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 $Nil (2024: $0.13) per ordinary share in respect of the previous financial year	-	6,922
	2,662	9,584

The dividends paid during the current financial year relate to dividends declared in the previous financial year.

Dividends proposed but not recognised as liabilities

The Directors of the Company recommend a first and final one-tier tax exempt dividend of $0.05 per ordinary share amounting to approximately $2,662,000 and a final and special one-tier tax-exempt dividend of $0.20 per ordinary share amounting to approximately $10,649,000 to be paid in respect of financial year ended 31 December 2025.

This first and final ordinary and special dividend have not been recognised as a liability as at year end as it is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

27. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker which includes a Interim Executive Chairman and the Chief Executive Officer who make strategic decisions of the Group.

The Group's operating businesses are organised and managed into 4 main operating segments, namely pallet/packaging, timber related products, Technical Wood® and related products, and pallet rental and others. The pallets/packaging segment is mainly engaged in the manufacture and supply of wooden pallets and cases for the packing of industrial products. The timber related products segment is mainly engaged in the trading of raw timber related products. The Technical Wood® and related products segment is mainly engaged in the manufacture of Technical Wood®, Technical Wood® flooring and wood waste collection. The pallet rental and others segment are mainly engaged in pallet-leasing business.

During the financial year, the "Technical Wood® and related products" segment was renamed to "Waste Management and Recycling" to better reflect the Group's current operational focus. There is no change to the composition or aggregation of operating segments, and accordingly, comparative figures have not been restated.

Subsequent to the financial year end, the Group ceased the production and sale of woodchips. The Group will continue its wood waste collection and recycling activities.

27. Segment information (Continued)

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes and finance costs are managed by the management on a Group basis.

The accounting policies of the operating segments are the same as those described in the material accounting policies as disclosed in respective notes to the financial statements. There is no asymmetrical allocation to reportable segments.

Management evaluates performance on the basis of profit or loss from operations before income tax expense.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter-segment sales and transfers on arm's length basis as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one financial year.

27. Segment information (Continued)

27.1 Business segments

	Pallet/ Packaging		Timber Related Products		Waste Management and Recycling		Pallet Rental and Others		Elimination		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue												
Sales to external customers	21,840	21,764	472	619	1,094	1,102	3,677	4,707	-	-	27,083	28,192
Inter-segment sales	9,417	9,921	734	852	244	402	-	1	(10,395)	(11,176)	-	-
Total revenue	31,257	31,685	1,206	1,471	1,338	1,504	3,677	4,708	(10,395)	(11,176)	27,083	28,192
Segment results	18,718	2,886	974	75	(842)	(272)	1,732	2,628	(18,462)	(1,375)	2,120	3,942
Finance costs											(396)	(644)
Profit before income tax											1,724	3,298
Income tax expense											(566)	(1,071)
Profit for the financial year											1,158	2,227

27. Segment information (Continued)

27.1 Business segments (Continued)

	Pallet/ Packaging $'000	Timber Related Products $'000	Waste Management and Recycling $'000	Pallet Rental and Others $'000	Elimination $'000	Consolidated $'000
Group						
31 December 2025						
Segment assets	46,913	461	8,664	9,398	(3,562)	61,874
Total assets						61,874
Segment liabilities	4,091	92	5,208	796	(2,307)	7,880
Unallocated liabilities*	-	-	-	-	-	902
Total liabilities						8,782
Other segment information						
Capital expenditures	220	-	9	230	-	459
Depreciation	418	-	436	1,311	(662)	1,503
Amortisation	704	-	508	204	(153)	1,263
Property, plant and equipment written off	465		241	-	-	706
Impairment loss on property, plant and equipment	-	-	435	-	-	435
(Gain)/Loss on disposal of property, plant and equipment	(242)	-	5	(618)	-	(855)
Interest income	(367)	(21)	(11)	(123)	-	(522)
Heat treatment income	(136)	(7)	-	(135)	-	(278)
Waste collection income	(438)	(23)	-	(41)	-	(502)
Write-back of obsolete inventories	(171)	-	-	-	-	(171)

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

27. Segment information (Continued)

27.1 Business segments (Continued)

	Pallet/ Packaging $'000	Timber Related Products $'000	Waste Management and Recycling $'000	Pallet Rental and Others $'000	Elimination $'000	Consolidated $'000
Group						
31 December 2024						
Segment assets	34,114	2,462	11,590	20,774	(3,906)	65,034
Total assets						65,034
Segment liabilities	5,196	244	5,339	1,128	(2,133)	9,774
Unallocated liabilities*	-	-	-	-	-	1,070
Total liabilities						10,844
Other segment information						
Capital expenditures	322	-	73	37	(2)	430
Depreciation	646	-	460	1505	(757)	1,854
Amortisation	822	-	495	192	(144)	1,365
Property, plant and equipment written off	-	-	-	61	-	61
Gain on disposal of property, plant and equipment	-	-	-	(361)	-	(361)
Interest income	(574)	(33)	(33)	(265)	-	(905)
Heat treatment income	(144)	(8)	-	(231)	-	(383)
Waste collection income	(668)	(42)	-	(28)	-	(738)
Write-back of obsolete inventories	(202)	-	-	-	-	(202)

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

27. Segment information (Continued)

27.2 Geographical information

Revenue from external customers

	Singapore		Malaysia		Others		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue to external customers	23,847	23,940	2,609	3,466	627	786	27,083	28,192

The revenue information above is based on the location of the customers.

Major Customers

For financial year ended 31 December 2025, there is 1 customer (2024: 1) whose revenue represents more than 10% of the Group's total revenue. This revenue is attributable to Singapore's pallet/packaging segment.

Location of non-current assets

	Singapore		Malaysia		Consolidated	
	2025	2024	2025	2024	2025	2024
	$'000	$'000	$'000	$'000	$'000	$'000
Non-current assets	9,747	12,212	4,721	4,908	14,468	17,120

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.

28. Financial instruments and financial risk

The Group's and the Company's activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks) and liquidity risks. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

28.1 Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is the Group's policy, implemented locally, to assess the credit risk of new customers before entering contracts.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer.

The Board of Directors determines concentrations of credit risk by periodic monitoring, at least annually, of the credit limit of existing customers and through a monthly review of the trade receivables' ageing analysis. Customers are assessed individually for any period-end receivables if specific information is available and the expected credit losses are estimated to be 100%.

The Group's and the Company's major classes of financial assets are trade and other receivables, fixed deposits and cash and cash equivalents.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2025	2024
	$'000	$'000
Financial guarantees provided for facilities (Note 24)	308	186

The Group and the Company do not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except for the top five trade receivables from third parties which accounts for 34% (2024: 28%) and 40% (2024: 33%) of the Group's and the Company's total trade receivables respectively, and receivables from subsidiaries which accounts for 7% (2024: 14%) of the Company's total trade receivables, as at the end of the financial year. The Group defines counterparties as having similar characteristics if they are related entities.

28. Financial instruments and financial risk (Continued)

28.1 Credit risks (Continued)

Trade receivables

The ageing analysis of trade receivables is as follows:

	Group					
	2025			2024		
	Gross	Loss allowance	Net	Gross	Loss allowance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Current	3,335	(4)	3,331	4,044	(16)	4,028
Past due 1 to 30 days	953	(1)	952	999	(5)	994
Past due 31 to 60 days	385	(1)	384	690	(5)	685
Past due for more than 60 days	103	-	103	609	(218)	391
	4,776	(6)	4,770	6,342	(244)	6,098

	Company					
	2025			2024		
	Gross	Loss allowance	Net	Gross	Loss allowance	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Current	3,044	(3)	3,041	4,026	(14)	4,012
Past due 1 to 30 days	641	(1)	640	654	(3)	651
Past due 31 to 60 days	261	(1)	260	419	(2)	417
Past due for more than 60 days	96	-	96	290	(28)	262
	4,042	(5)	4,037	5,389	(47)	5,342

Management measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are determined based on historical loss rates and historical payment pattern, adjusted for the current conditions and forecast of future economic conditions that may affect the ability of the customers to settle the trade receivables at the end of the financial year.

Management is confident on the recoveries of the Company's past due trade receivables due from subsidiaries having taken into account the available internal information on the subsidiaries' past, current and expected operating performance. In addition, the timing of payment is controlled by the Company taking into account cash flow management within the Group. Accordingly, management has measured the ECL on the Group's and the Company's trade receivables to be insignificant.

A trade receivable is written off when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed under liquidation or has entered into bankruptcy proceedings. The Group and the Company wrote-off impaired trade receivables of $204,000 and $29,000, respectively, against the allowance for expected credit losses during the current financial year (2024: Nil).

28. Financial instruments and financial risk (Continued)

28.1 Credit risks (Continued)

Non-trade receivables

Management monitors and assess at the end of the financial year on any indicator of significant increase in credit risk for the non-trade receivables due from third parties (Note 7). In the assessment for indicators, management took into account information that are available internally about these counterparties and if the entities had defaulted in their debts. Based on the assessment, management has determined that the credit risk for these assets has not increased significantly since their initial recognition, and accordingly, the non-trade amounts have been measured based on 12-month expected credit loss model. At the end of the financial year, the Group and the Company did not expect any significant credit losses from non-performance by the counterparties and accordingly, no loss allowance has been recognised.

A non-trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The Group and the Company did not write-off any non-trade receivable during the current and previous financial years.

Cash and cash equivalents and fixed deposits

Credit risk also arises from balances held with banks. The Group and the Company substantially placed its bank balances and fixed deposits in 3 and 2 (2024: 3 and 2) banks which represent 99% and 99% (2024: 97% and 99%) respectively of the Group's and the Company's bank balances and fixed deposits as at 31 December 2025.

The Board of Directors monitors the credit ratings of counterparties regularly. Impairment of bank balances, and fixed deposits have been measured based on 12-month expected credit loss model. At the end of the financial year, the Group and the Company did not expect any material credit losses from non-performance by these banks which are assigned with minimum rating "A" and above by international credit-rating agencies.

Financial guarantee contracts

The Company has issued financial guarantees to banks and a financial institution for its subsidiaries' facilities. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

28. Financial instruments and financial risk (Continued)

28.2 Market risks

The Group's and the Company's activities are affected by various financial risks, including the effects of changes in foreign currency exchange rates and interest rates as described in the following paragraphs. The policies for managing each of these risks are summarised below.

(i) Foreign currency risk

The Group is exposed to currency risk on sales, purchases and expenditure that are denominated in a currency other than the respective functional currencies of Group entities and the Company. The key currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD"), Malaysian Ringgit ("RM") and United States Dollar ("USD"). Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

At the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in SGD, RM and USD other than the respective Group entities' functional currencies are as follows:

	Group Functional currency of individual entities within the Group				Company
	SGD	RM	VND	Total	SGD
	$'000	$'000	$'000	$'000	$'000
2025					
Monetary assets					
SGD	-	1,244	-	1,244	-
RM	1	-	-	1	1
USD	255	-	76	331	21
Monetary liabilities					
SGD	-	217	-	217	-
RM	847	-	-	847	753
USD	14	-	-	14	13
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currency					
SGD	-	1,027	-	1,027	-
RM	(846)	-	-	(846)	(752)
USD	241	-	76	317	8

28. Financial instruments and financial risk (Continued)

28.2 Market risks (Continued)

(i) Foreign currency risk (Continued)

	Group Functional currency of individual entities within the Group				Company
	SGD	RM	VND	Total	SGD
	$'000	$'000	$'000	$'000	$'000
2024					
Monetary assets					
SGD	-	2,584	-	2,584	-
RM	58	-	-	58	58
USD	1,292	-	90	1,382	65
Monetary liabilities					
SGD	-	404	-	404	-
RM	560	-	-	560	497
USD	402	456	-	858	250
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currency					
SGD	-	2,180	-	2,180	-
RM	(502)	-	-	(502)	(439)
USD	890	(456)	90	524	(185)

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity analysis

The following table details the sensitivity to a 10% (2024: 10%) increase and decrease in the relevant foreign currencies against the functional currency of the respective entities within the Group with all other variables held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss.

28. Financial instruments and financial risk (Continued)

28.2 Market risks (Continued)

(i) Foreign currency risk (Continued)

Foreign currency sensitivity analysis (Continued)

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit will increase/(decrease) by:

	Group		Company	
	Increase/(Decrease) in profit for the year			
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
RM				
Strengthens against functional currency	(85)	(50)	(75)	(44)
Weakens against functional currency	85	50	75	44
USD				
Strengthens against functional currency	32	52	1	(19)
Weakens against functional currency	(32)	(52)	(1)	19
SGD				
Strengthens against functional currency	103	218	N/A	N/A
Weakens against functional currency	(103)	(218)	N/A	N/A

(ii) Interest rate risk

The Group's and the Company's exposure to interest rate risk arises from interest-bearing financial assets and liabilities. The Group's and the Company's policy is to maintain an efficient and optimum cost structure using a combination of fixed and variable rate debts, long and short-term borrowings.

At the end of the financial year, the Group does not have any significant exposure to cash flow interest rate risk. Its interest rate risk is primarily attributable to lease liabilities which are mainly subject to fixed interest rates, as shown in Note 10 to the financial statements. The Group does not use derivative financial instruments to hedge its interest rate risk.

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

28. Financial instruments and financial risk (Continued)

28.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's and the Company's liquidity risks are managed centrally by maintaining an adequate level of cash and cash equivalents as well as to match the payment and receipt cycle to finance the Group's and the Company's operations. Long-term borrowing is a preferred source of financing to ensure continuity of funding. The Group and the Company also ensure there are adequate lines of bank credit to address any short-term funding requirement. The Group's and the Company's surplus funds are also managed centrally by placing them with reputable financial institutions.

Contractual maturity analysis – non-derivative financial instruments

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial instrument based on the earlier of the contractual date or when the Group and the Company expected to pay. The table includes both expected interest and principal cash flows.

	Not later than 1 year or on demand	Between 1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
Group				
2025				
Interest bearing				
- lease liabilities	879	3,154	2,498	6,531
Non-interest bearing				
- trade and other payables*	1,820	-	-	1,820
	2,699	3,154	2,498	8,351
2024				
Interest bearing				
- lease liabilities	1,116	2,509	3,587	7,212
Non-interest bearing				
- trade and other payables*	3,106	-	-	3,106
	4,222	2,509	3,587	10,318

* Excluding GST/VAT payables, accrual for unutilised leave, advances from customers and deferred capital grant.

28. Financial instruments and financial risk (Continued)

28.3 Liquidity risk (Continued)

Contractual maturity analysis – non-derivative financial instruments (Continued)

	Not later than 1 year or on demand $'000	Between 1 to 5 years $'000	Over 5 years $'000	Total $'000
Company				
2025				
Interest bearing				
- lease liabilities	160	-	-	160
Non-interest bearing				
- trade and other payables*	2,666	-	-	2,666
	2,826	-	-	2,826
Financial guarantee contracts (Note 24)	308	-	-	308
2024				
Interest bearing				
- lease liabilities	378	-	-	378
Non-interest bearing				
- trade and other payables*	3,000	-	-	3,000
	3,378	-	-	3,378
Financial guarantee contracts (Note 24)	186	-	-	186

* Excluding GST/VAT payables, provision for unutilised leave, advances from customers and deferred capital grant.

The disclosed amount for the financial guarantee contract represents the maximum amount and at the earliest period for which the Company could be called upon by the bank or financial institution to pay should the subsidiaries default on the repayments (Note 24).

29. Capital management policies and objectives

The Group and the Company manages its capital to ensure that entities in the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital (Note 14), reserves and retained earnings as disclosed in the consolidated statement of changes in equity.

The Group's management reviews the capital structure on a semi-annual basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new shares issues and share buy-backs as well as the utilisation of new banking facilities or the repayment of existing borrowings.

As disclosed in Note 5, a subsidiary of the Group in the People's Republic of China is subjected to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends.

The Group and the Company are not subjected to any externally imposed capital requirements for the financial years ended 31 December 2025 and 31 December 2024.

The Group and the Company's overall strategy remains unchanged from 2024.

30. Fair values measurement

30.1 Fair value of non-financial assets that are carried at fair value

The Group and the Company do not have any non-financial assets that are measured at fair value.

30.2 Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of trade and other receivables, fixed deposits, cash and cash equivalents, trade and other payables approximate their respective fair values due to the relative short-term maturity of these financial instruments.

30.3 Financial instruments that are carried at fair value

The Group and the Company do not hold any financial instruments that are measured at fair value as at the end of the financial year.

31. Subsequent events

Subsequent to the financial year end, the Group commenced the relocation of its operations from its existing premises at 27 Sungei Kadut Street 1 to a new facility located at 6 Tuas South Street 10, Singapore 636941. The relocation took effect on 2 March 2026. This relocation forms part of the Group's strategic realignment and consolidation of its production and operational activities to enhance operational efficiency and support future business growth.

The above event is considered a non-adjusting subsequent event and does not have a material impact on the Group's financial position as at 31 December 2025.

32. Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2025 were authorised for issue by the Board of Directors on 7 April 2026.

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LHT HOLDINGS LIMITED (Company Registration No. 198003094E)
Address: 6 Tuas South Street 10, Singapore 636941 Tel: (65) 6269 7890 Email: enquiry@lht.com.sg URL: www.lht.com.sg

Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2026

LHT HOLDINGS LIMITED (Company Registration No. 198003094E)

Address: 6 Tuas South Street 10, Singapore 636941 Tel: (65) 6269 7890 Email: enquiry@lht.com.sg URL: www.lht.com.sg

Table of Contents

Item No.	Description	Page No.
(I)	Unaudited Condensed Interim Consolidated Financial Statements	
	A. Condensed Interim Consolidated Income Statement	4
	B. Condensed Interim Consolidated Statement of Comprehensive Income	5
	C. Condensed Interim Statements of Financial Position	6
	D. Condensed Interim Statements of Changes in Equity	7
	E. Condensed Interim Consolidated Statement of Cash Flows	8
	F. Notes to the Unaudited Condensed Interim Consolidated Financial Statements	9
(II)	Other information required by Listing Rule Appendix 7.2	19

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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 30/06/2026	6 months ended 30/06/2025	Change (%) increase/ (decrease)
		S$'000	S$'000	%
Revenue	6, Para 2.1	11,407	14,465	(21.1%)
Cost of sales		(7,332)	(9,391)	(21.9%)
Gross profit	Para 2.2	**4,075**	**5,074**	**(19.7%)**
Other item of income				
Other income	Para 2.3	904	1,660	(45.5%)
Other item of expenses				
Distribution expenses	Para 2.4	(527)	(479)	(10.0%)
Administrative expenses	Para 2.5	(4,332)	(4,158)	4.2%
Loss allowance (recognised)/reversed for trade receivables		(8)	22	136.4%
Other expenses	Para 2.6	(195)	(93)	109.7%
Finance costs	Para 2.7	(186)	(205)	(9.3%)
(Loss)/Profit before income tax	8, Para 2.8	**(269)**	**1,821**	**(114.8%)**
Income tax expense	10	(224)	(482)	(53.5%)
(Loss)/Profit for the financial period		**(493)**	**1,339**	**(136.8%)**

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B. Condensed Interim Consolidated Statement of Comprehensive Income

	Notes	Group		
		6 months ended 30/06/2026	6 months ended 30/06/2025	Change (%) increase/ (decrease)
		S$'000	S$'000	%
(Loss)/Profit attributable to:				
Owners of the Company		(493)	1,339	
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences on consolidation of foreign entities (net)		56	(137)	140.9%
Total other comprehensive income/(loss) for the period, net of tax		56	(137)	
Total comprehensive (loss)/income for the period		**(437)**	**1,202**	**(136.4%)**
Total comprehensive (loss)/income attributable to:				
Owners of the Company		(437)	1,202	(136.4%)
Earnings per share attributable to owners of the Company (cents per share)				
Basic and diluted	12	(0.93)	2.51	(137.1%)

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C. Condensed Interim Statements of Financial Position

	Notes	Group		Company	
		As at 30/06/2026	As at 31/12/2025	As at 30/06/2026	As at 31/12/2025
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	6,210	6,992	200	262
Right-of-use assets	15	7,468	7,476	7,121	150
Investments in subsidiaries		-	-	10,300	10,300
Deferred tax assets		-	-	24	24
Total non-current assets	Para 2.9	**13,678**	**14,468**	**17,645**	**10,736**
Current Assets					
Inventories		4,261	2,708	1,278	1,017
Trade and other receivables		4,893	5,741	3,727	4,799
Fixed deposits		9,663	34,084	9,580	34,002
Cash and cash equivalents		15,717	4,873	12,042	974
Total current assets	Para 2.10	**34,534**	**47,406**	**26,627**	**40,792**
Total assets		**48,212**	**61,874**	**44,272**	**51,528**
LIABILITIES AND EQUITY					
Current Liabilities					
Lease liabilities	17	537	570	555	158
Trade and other payables		2,909	2,441	3,136	3,093
Provisions		-	114	-	114
Income tax payables		146	562	-	108
Total current liabilities	Para 2.11	**3,592**	**3,687**	**3,691**	**3,473**
Net current assets	Para 2.13	**30,942**	**43,719**	**22,936**	**37,319**
Non-Current Liabilities					
Lease liabilities	17	4,327	4,191	6,580	-
Provisions		583	564	-	-
Deferred tax liabilities		366	340	-	-
Total non-current liabilities	Para 2.12	**5,276**	**5,095**	**6,580**	**-**
Total liabilities		**8,868**	**8,782**	**10,271**	**3,473**
Net assets		**39,344**	**53,092**	**34,001**	**48,055**
Equity					
Share capital	16	24,621	24,621	24,621	24,621
Currency translation reserve		(237)	(293)	-	-
Retained earnings		14,960	28,764	9,380	23,434
Total equity attributable to owners of the Company		**39,344**	**53,092**	**34,001**	**48,055**
Total liabilities and equity		**48,212**	**61,874**	**44,272**	**51,528**

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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 01/01/2026		24,621	(293)	28,764	53,092
Loss for the period		-	-	(493)	(493)
Other comprehensive income:					
Exchange difference on translating foreign subsidiaries		-	56	-	56
Total comprehensive loss for the period		**-**	**56**	**(493)**	**(437)**
Dividend paid	11	-	-	(13,311)	(13,311)
Balance at 30/06/2026		**24,621**	**(237)**	**14,960**	**39,344**
Balance at 01/01/2025		24,621	(699)	30,268	54,190
Profit for the period		-	-	1,339	1,339
Other comprehensive income:					
Exchange difference on translating foreign subsidiaries		-	(137)	-	(137)
Total comprehensive income for the period		**-**	**(137)**	**1,339**	**1,202**
Dividend paid	11	-	-	(2,662)	(2,662)
Balance at 30/06/2025		**24,621**	**(836)**	**28,945**	**52,730**
Company					
Balance at 01/01/2026		24,621	-	23,434	48,055
Loss for the period, representing total comprehensive loss for the period		-	-	(743)	(743)
Dividend paid	11	-	-	(13,311)	(13,311)
Balance at 30/06/2026		**24,621**	**-**	**9,380**	**34,001**
Balance at 01/01/2025		24,621	-	7,635	32,256
Profit for the period, representing total comprehensive income for the period		-	-	283	283
Dividend paid	11	-	-	(2,662)	(2,662)
Balance at 30/06/2025		**24,621**	**-**	**5,256**	**29,877**

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E. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		6 months ended 30/06/2026	6 months ended 30/06/2025
		S$'000	S$'000
Operating activities:			
(Loss)/Profit before income tax		(269)	1,821
Adjustments for:			
Loss allowance made/(reversed) for trade receivables		8	(22)
Write-back of obsolete inventories		(34)	(48)
Depreciation of property, plant and equipment		834	930
Amortisation of right-of-use assets		514	618
Deferred grant income		-	(26)
Gain on disposal of property, plant and equipment		(303)	(427)
Reversal of reinstatement provision		(114)	-
Property, plant and equipment written off	14	77	34
Gain on discharge/remeasurement of lease liabilities		-	(25)
Interest income		(134)	(311)
Interest expense		186	205
Operating cash flow before movements in working capital		**765**	**2,749**
Changes in working capital: Inventories		(1,583)	917
Trade and other receivables		814	946
Trade and other payables		468	(1,253)
Cash generated from operations		**464**	**3,359**
Income taxes paid		(613)	(627)
Net cash (used in)/from operating activities		**(149)**	**2,732**
Investing activities:			
Proceeds from disposal of property, plant and equipment		535	534
Purchase of property, plant and equipment	14	(281)	(158)
Withdrawal of fixed deposits		24,421	8,340
Interest received		160	321
Net cash from investing activities		**24,835**	**9,037**
Financing activities:			
Dividend paid	11	(13,311)	(2,662)
Repayment of lease liabilities		(390)	(546)
Interest paid		(167)	(183)
Net cash used in financing activities		**(13,868)**	**(3,391)**
Net change in cash and cash equivalents		10,818	8,378
Cash and cash equivalents at beginning of period		4,873	10,749
Net effect of exchange rate changes on the cash and cash equivalents held in foreign currencies		26	(40)
Cash and cash equivalents at end of period	Para 2.14	**15,717**	**19,087**

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F. Notes to the Unaudited Condensed Interim Consolidated Financial Statements

These notes form 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 2026 comprise 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 2026 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 2025. 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 2025.

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 dollars ("$") which is the Company's functional currency.

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.

Except for the revision to the estimated useful life and residual value of rental pallets as disclosed in Note 14, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the consolidated financial statements as at and for the year ended 31 December 2025.

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.

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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:

Business segments	Nature of activities
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 and timber-related products.
Waste Management and Recycling	Mainly engaged in the production and supply of woodchips derived from collected wood waste
Pallet rental and others	Mainly engaged in pallet leasing and related 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		Waste Management and Recycling		Pallet Rental and Others		Elimination		Consolidated	
	HY2026	HY2025	HY2026	HY2025	HY2026	HY2025	HY2026	HY2025	HY2026	HY2025	HY2026	HY2025
	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	9,234	11,898	242	226	80	474	1,851	1,867	-	-	11,407	14,465
Inter-segment sales	4,952	4,826	12	525	6	182	5	-	(4,975)	(5,533)	-	-
Total revenue	**14,186**	**16,724**	**254**	**751**	**86**	**656**	**1,856**	**1,867**	**(4,975)**	**(5,533)**	**11,407**	**14,465**
Segment results	(249)	1,001	(28)	16	(151)	(236)	126	987	(219)	258	(83)	2,026
Finance cost											(186)	(205)
(Loss)/Profit before income tax											**(269)**	**1,821**
Income tax expenses											(224)	(482)
(Loss)/Profit for the financial period											**(493)**	**1,339**
Other segment information												
Capital expenditure	16	130	-	-	-	3	265	25	-	-	281	158
Depreciation	80	328	-	-	245	218	807	710	(298)	(326)	834	930
Amortisation	407	339	-	-	242	253	167	100	(302)	(74)	514	618
Property, plant and equipment written off	2	4	-	-	-	30	75	-	-	-	77	34
(Gain)/Loss on disposal of property, plant and equipment	(20)	(32)	-	-	(225)	5	(58)	(400)	-	-	(303)	(427)
Write-back of obsolete inventories	(34)	(48)	-	-	-	-		-	-	-	(34)	(48)

Abbreviation
HY2026 6 months ended 30/06/2026
HY2025 6 months ended 30/06/2025

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5. Reportable segments (Continued)

	Pallet / Packaging	Timber Related Products	Waste Management and Recycling	Pallet Rental and Others	Elimination	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
30/06/2026						
Segment assets	40,373	458	8,085	11,820	(12,524)	48,212
Total assets						**48,212**
Segment liabilities	11,329	108	5,086	3,434	(11,601)	8,356
Unallocated liabilities*	-	-	-	-	-	512
Total liabilities						**8,868**
Group						
31/12/2025						
Segment assets	46,913	461	8,664	9,398	(3,562)	61,874
Total assets						**61,874**
Segment liabilities	4,091	92	5,208	796	(2,307)	7,880
Unallocated liabilities*	-	-	-	-	-	902
Total liabilities						**8,782**

* 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			
30/06/2026			
Non-current assets	**8,918**	**4,760**	**13,678**
Group			
31/12/2025			
Non-current assets	**9,747**	**4,721**	**14,468**

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.

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6. Disaggregation of Revenue

Revenue from an individual geographical region is disclosed separately when it represents 10% or more of the Group's revenue.

	Group 6 months ended 30/06/2026				
	Pallet/Packaging	Timber Related Products	Waste Management and Recycling	Pallet Rental (Operating leases)	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Types of goods or service:					
Sales of goods	9,234	242	80	-	9,556
Pallet rental income	-	-	-	1,851	1,851
Total revenue	**9,234**	**242**	**80**	**1,851**	**11,407**
Timing of revenue recognition					
At a point in time	9,234	242	80	-	9,556
Total revenue	**9,234**	**242**	**80**	**-**	**9,556**
Geographical information:					
Singapore	8,733	236	80	1,121	10,170
Malaysia	495	6	-	730	1,231
Others	6	-	-	-	6
Total revenue	**9,234**	**242**	**80**	**1,851**	**11,407**

	Group 6 months ended 30/06/2025				
	Pallet/Packaging	Timber Related Products	Waste Management and Recycling	Pallet Rental (Operating leases)	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Types of goods or service:					
Sales of goods	11,898	226	474	-	12,598
Pallet rental	-	-	-	1,867	1,867
Total revenue	**11,898**	**226**	**474**	**1,867**	**14,465**
Timing of revenue recognition					
At a point in time	11,898	226	474	-	12,598
Total revenue	**11,898**	**226**	**474**	**-**	**12,598**
Geographical information:					
Singapore	10,671	222	474	1,144	12,511
Malaysia	720	4	-	723	1,447
Others	507	-	-	-	507
Total revenue	**11,898**	**226**	**474**	**1,867**	**14,465**

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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 30/06/2026 and 31/12/2025:

	Group		Company	
	30/06/2026	31/12/2025	30/6/2026	31/12/2025
	S$'000	S$'000	S$'000	S$'000
Financial Assets				
Trade and other receivables	4,893	5,741	3,727	4,799
Add/(Less):				
Fixed deposits	9,663	34,084	9,580	34,002
Cash and cash equivalents	15,717	4,873	12,042	974
GST/VAT receivables	(304)	(302)	-	-
Loss allowance for GST/VAT receivables	295	295	-	-
Prepayments	(280)	(496)	(271)	(478)
Financial assets at amortised cost	**29,984**	**44,195**	**25,078**	**39,297**
Financial Liabilities				
Trade and other payables	2,909	2,441	3,136	3,093
Add/(Less):				
Lease liabilities	4,864	4,761	7,135	158
GST/VAT payables	(180)	(254)	(88)	(153)
Accrual for unutilised leave	(79)	(213)	(77)	(192)
Advances from customers	(160)	(154)	(82)	(82)
Financial liabilities carried at amortised cost	**7,354**	**6,581**	**10,024**	2,824

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8. Profit before taxation

	Group	
	6 months ended 30/06/2026	6 months ended 30/06/2025
	S$'000	S$'000
Other Income		
Waste collection income	50	352
Heat treatment income	141	134
Logistic services income	47	54
Gain on disposal of property, plant and equipment	303	427
Interest income	134	311
Sundry income	199	213
Government grants		
- Wage Credit Scheme	16	16
- Enterprise Development Grant	-	92
- Others	14	10
- Deferred grant income – CDG	-	26
Total	**904**	**1,660**
Administrative expenses		
Advertisement / Marketing and promotion expenses	7	23
Depreciation of property, plant and equipment	354	568
Amortisation of right-of-use assets	409	408
Insurance expenses	118	132
Legal and professional fees	212	147
Property tax	119	166
Rental expenses on premises	1	1
Upkeep and maintenance expenses	159	213
Reversal of provision for reinstatement costs, net of expenses incurred	(46)	-
Sales tax and customs duties arising from voluntary disclosure	265	-
Other expenses		
Foreign exchange loss, net	152	107
Property, plant and equipment written off	77	34
Write-back of obsolete inventories	(34)	(48)
Total	**195**	**93**
Finance costs		
Interest expenses in respect of:		
- Lease liabilities	167	183
- Unwind of discount on site restoration provision	19	22
Total	**186**	**205**

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8. Profit before taxation (Cont'd)

	Group	
	6 months ended 30/06/2026	6 months ended 30/06/2025
	S$'000	S$'000
Profit before income tax is stated after (charging) / crediting		
Audit fees paid to auditors	72	72
Audit fees paid to other auditors/firm	8	8
Non-audit fees paid to auditors of the Company	10	10
Non-audit fees paid to other auditors/firm	42	32
Depreciation of property, plant and equipment – cost of sales	480	362
Amortisation of right-of-use assets – cost of sales	105	210
Short term lease expenses – cost of sales	2	2
Utilities expenses – cost of sales	99	312
Transportation and carriage expenses – distribution expenses	505	456
Directors' fees	148	156
Employee benefits expenses		
- Post-employment benefits	227	205
- Salaries, wages and other costs	2,998	3,351

9. Related party transactions

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

10. Income tax expense

The Group calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The corporate income tax applicable to the Company's subsidiaries in Malaysia is at 24% (2025: 24%), Vietnam at 20% (2025: 20%) and China at 25% (2025: 25%).

The major components of income tax expense in the income statement are:

	Group	
	6 months ended 30/06/2026	6 months ended 30/06/2025
	S$'000	S$'000
Based on results for the financial period		
- Current income tax	246	482
- Deferred tax	-	-
	246	**482**
Under/(Over) provision in prior periods:		
- Current income tax	(48)	-
- Deferred tax	26	-
	(22)	**-**
Total	**224**	**482**

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11. Dividends

	Group	
	6 months ended 30/06/2026	6 months ended 30/06/2025
	S$'000	S$'000
Ordinary dividends paid:		
First and final one-tier tax-exempt dividend paid of $0.05 (2025: $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 $0.20 (2025: $Nil) per ordinary share in respect of the previous financial year	10,649	-
Total	**13,311**	**2,662**

12. Earnings per ordinary share

	Group	
	30/06/2026	30/06/2025
Net (Loss)/Profit attributable to owners of the parent (S$'000)	(493)	1,339
Weighted average number of shares in issue (in '000s)	53,245	53,245
Earnings per share (cents)		
(i) On basic	(0.93)	2.51
(ii) On a fully diluted basis	(0.93)	2.51

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	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Net asset (S$'000)	39,344	53,092	34,001	48,055
Number of shares in issue at the end of the financial period (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	73.89	99.71	63.86	90.25

14. Property, plant and equipment

Change in accounting estimate – rental pallets
During the period, the Group revised the estimated useful life of its rental pallets from 5 years to 6.5 years and their residual value to nil, with effect from 1 January 2026.

The changes were accounted for prospectively and resulted in an increase in depreciation expense of approximately $219,000 for the six months ended 30 June 2026.

Movements in property, plant and equipment
During the six months ended 30 June 2026, the Group acquired property, plant and equipment amounting to $281,000 through cash purchases and $64,200 through transfers from inventories (30 June 2025: $158,000 and $127,000, respectively). During the same period, the Group disposed of and wrote off property, plant and equipment with carrying amounts of $232,000 and $77,000, respectively (30 June 2025: $107,000 and $34,000, respectively).

LHT HOLDINGS LIMITED (Company Registration No. 198003094E)
Address: 6 Tuas South Street 10, Singapore 636941 Tel: (65) 6269 7890 Email: enquiry@lht.com.sg URL: www.lht.com.sg

15. Right-of-use assets

Relocation of operations
The Group relocated its operations from 27 Sungei Kadut Street 1 to its new facility at 6 Tuas South Street 10, Singapore 636941, on 2 March 2026. Following the return of the premises at 27 Sungei Kadut Street 1 to JTC on 31 March 2026, the related right-of-use asset and lease liability were fully derecognised.

16. Share capital

	The Group and the Company			
	30/06/2026		31/12/2025	
	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 2026 and 31 December 2025.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

17. Borrowings

	Group		Company	
	30/6/2026	31/12/2025	30/6/2026	31/12/2025
	S$'000	$'000	$'000	S$'000
Amount repayable within one year or on demand				
Lease Liabilities - Unsecured	537	570	555	158
Total	**537**	**570**	**555**	**158**
Amount repayable after one year				
Lease Liabilities - Unsecured	4,327	4,191	6,580	-
Total	**4,327**	**4,191**	**6,580**	**-**

Details of any collateral
The borrowings of the Group and the Company comprise unsecured lease liabilities relating mainly to factory and forklift leases recognised in accordance with SFRS(I) 16 Leases.

The Group and the Company's lease liabilities with a carrying amount of $0.54 million and $0.56 million respectively (2025: $0.57 million and $0.16 million) are repayable within one year and bear interest at rates ranging from 2.28% to 7.00% (2025: 2.28% to 7.00%) per annum.

The Group and the Company's lease liabilities with a carrying amount of $4.33 million and $6.58 million (2025: $4.19 million and $Nil) are repayable after one year and bear interest at a rate of 7.00% (2025: 7.00%) per annum.

18. Subsequent events

There were no known subsequent events that would require adjustment to, or disclosure in, these condensed interim financial statements.

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(II) Other information required by Listing Rule Appendix 7.2

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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 2026 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-month 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-month period ended 30 June 2026 ("HY2026") decreased by 21.1%, or $3.06 million, to $11.41 million, compared with $14.47 million for the six-month period ended 30 June 2025 ("HY2025").

Revenue from the pallet and packaging products segment decreased by 22.4%, or $2.67 million, from $11.90 million in HY2025 to $9.23 million in HY2026, mainly due to lower market demand and continued competitive market conditions.

Revenue from timber-related products increased by 7.1%, or $0.02 million, from $0.23 million in HY2025 to $0.24 million in HY2026. Trading activities do not follow any significant seasonal pattern.

Revenue from the waste management and recycling segment decreased by 83.1%, or $0.39 million, from $0.47 million in HY2025 to $0.08 million in HY2026, mainly due to the cessation of woodchip production and sales during the period.

Pallet rental income remained relatively stable at $1.85 million in HY2026, compared with $1.87 million in HY2025.

LHT HOLDINGS LIMITED (Company Registration No. 198003094E)
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2.2 Gross Profit and Gross Profit Margin:

The Group's gross profit decreased by 19.7%, or $1.00 million, from $5.07 million in HY2025 to $4.08 million in HY2026, mainly in line with the decrease in revenue.

The gross profit margin increased marginally to 35.7% in HY2026, compared with 35.1% in HY2025, notwithstanding the additional depreciation expense of approximately $0.22 million arising from the revision of the estimated useful life and residual value of rental pallets. The change in accounting estimate was applied prospectively with effect from 1 January 2026.

2.3 Other Income:

Other income decreased by 45.5%, or $0.76 million, from $1.66 million in HY2025 to $0.90 million in HY2026. The decrease was mainly attributable to:

1. lower waste collection income of $0.05 million in HY2026, compared with $0.35 million in HY2025;
2. lower interest income of $0.13 million in HY2026, compared with $0.31 million in HY2025;
3. lower gain on disposal of property, plant and equipment of $0.30 million in HY2026, compared with $0.43 million in HY2025; and
4. the absence of Enterprise Development Grant income and deferred grant income recognised in HY2025.

Please refer to Note 8 for further information.

2.4 Distribution Expenses:

Distribution expenses increased by 10.0%, or $0.05 million, from $0.48 million in HY2025 to $0.53 million in HY2026, mainly due to higher transportation and carriage expenses following the relocation of the Group's manufacturing operations to Malaysia. The relocation resulted in more frequent trips and longer travelling distances, coupled with higher fuel surcharges during the period.

2.5 Administrative Expenses:

Administrative expenses increased by 4.2%, or $0.17 million, from $4.16 million in HY2025 to $4.33 million in HY2026. The increase was mainly attributable to sales tax and customs duties of approximately $0.27 million arising from a voluntary disclosure by a subsidiary, as well as higher legal and professional fees arising from various corporate and advisory matters during the period.These costs were not directly correlated with the Group's revenue performance.

These increases were partially offset by lower depreciation, property tax, upkeep and maintenance expenses, and the reversal of provision for reinstatement costs, net of expenses incurred.

2.6 Other Expenses:

Other expenses increased by 109.7%, or $0.10 million, from $0.09 million in HY2025 to $0.20 million in HY2026. The increase was mainly due to a higher net foreign exchange loss of $0.15 million in HY2026, compared with $0.11 million in HY2025, and a higher carrying amount of property, plant and equipment written off of $0.08 million in HY2026, compared with $0.03 million in HY2025. These were partially offset by the write-back of obsolete inventories of $0.03 million in HY2026.

2.7 Finance Costs:

Finance costs decreased by 9.3%, or $0.02 million, from $0.21 million in HY2025 to $0.19 million in HY2026. The decrease was mainly due to lower interest expense on lease liabilities, partially offset by the unwinding of the discount on the site restoration provision.

2.8 Loss Before Income Tax:

The Group recorded a loss before income tax of $0.27 million in HY2026, compared with a profit before income tax of $1.82 million in HY2025. The weaker performance was mainly attributable to lower revenue, gross profit and other income, together with higher administrative and other expenses, as explained above.

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2.9 Non-Current Assets:

Non-current assets decreased by 5.5%, or $0.79 million, from $14.47 million as at 31 December 2025 to $13.68 million as at 30 June 2026. The decrease was mainly attributable to depreciation of property, plant and equipment and amortisation of right-of-use assets during the period, partially offset by additions to property, plant and equipment.

During HY2026, the Group acquired property, plant and equipment amounting to $0.28 million through cash purchases and $0.06 million through transfers from inventories. The Group also disposed of and wrote off property, plant and equipment with carrying amounts of $0.23 million and $0.08 million, respectively.

2.10 Current Assets:

Current assets decreased by 27.2%, or $12.87 million, from $47.41 million as at 31 December 2025 to $34.53 million as at 30 June 2026. The decrease was mainly attributable to:

1. a decrease in fixed deposits from $34.08 million as at 31 December 2025 to $9.66 million as at 30 June 2026, following the maturity and withdrawal of fixed deposits;
2. a decrease in trade and other receivables from $5.74 million to $4.89 million, mainly due to lower revenue during the period and more active collection of outstanding receivables; and
3. an increase in inventories from $2.71 million to $4.26 million, mainly due to the build-up of inventories to maintain a higher safety stock level in view of persistent supply chain disruption and various macro economic uncertainties.

Cash and cash equivalents increased from $4.87 million as at 31 December 2025 to $15.72 million as at 30 June 2026, mainly due to the withdrawal of fixed deposits during the period.

The Group's combined fixed deposits and cash and cash equivalents decreased by $13.58 million, from $38.96 million as at 31 December 2025 to $25.38 million as at 30 June 2026. The decrease was mainly attributable to dividends amounting to $13.31 million paid during HY2026.

2.11 Current Liabilities:

Current liabilities decreased by 2.6%, or $0.10 million, from $3.69 million as at 31 December 2025 to $3.59 million as at 30 June 2026. The decrease was mainly attributable to:

1. a decrease in income tax payables from $0.56 million to $0.15 million;
2. the utilisation and reversal of the current provision for reinstatement costs of $0.11 million; and
3. a decrease in current lease liabilities from $0.57 million to $0.54 million.

The decreases were partially offset by an increase in trade and other payables from $2.44 million to $2.91 million.

2.12 Non-Current Liabilities:

Non-current liabilities increased by 3.6%, or $0.18 million, from $5.10 million as at 31 December 2025 to $5.28 million as at 30 June 2026. The increase was mainly attributable to higher non-current lease liabilities arising from new forklift and other lease additions, as well as a variable lease payment adjustment, partially offset by lease repayments. Provisions and deferred tax liabilities also increased marginally during the period.

2.13 Net Current Assets:

The Group's net current assets decreased by 29.2%, or $12.78 million, from $43.72 million as at 31 December 2025 to $30.94 million as at 30 June 2026. The decrease was mainly attributable to the $12.96 million decrease in current assets, partially offset by the $0.10 million decrease in current liabilities, as explained in paragraphs 2.10 and 2.11 above. Notwithstanding the decrease, the Group remained in a net current asset position as at 30 June 2026.

LHT HOLDINGS LIMITED (Company Registration No. 198003094E)
Address: 6 Tuas South Street 10, Singapore 636941 Tel: (65) 6269 7890 Email: enquiry@lht.com.sg URL: www.lht.com.sg

2.14 Consolidated Statement of Cash Flows:

The Group recorded net cash used in operating activities of $0.15 million in HY2026, compared with net cash generated from operating activities of $2.73 million in HY2025. The outflow was mainly due to the loss before income tax, higher inventories and income taxes paid, partially offset by lower trade and other receivables and higher trade and other payables.

Net cash generated from investing activities increased from $9.04 million to $24.84 million, mainly due to the withdrawal of fixed deposits of $24.42 million.

Net cash used in financing activities increased from $3.39 million to $13.87 million, mainly due to dividends paid of $13.31 million.

Consequently, cash and cash equivalents increased from $4.87 million as at 1 January 2026 to $15.72 million as at 30 June 2026.

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 factors or events that may affect the Group in the next operating period and the next 12 months.

The operating environment is expected to remain competitive and challenging for the remainder of the financial year, amid continued global economic uncertainty, inflationary pressures and ongoing geopolitical developments.

For the second half of FY2026, the Group will continue to focus on opportunities to strengthen its pallet sales and pallet rental business.

During the financial period, the Group ceased the production and sale of woodchips and waste wood collection income under its Waste Management and Recycling segment. Accordingly, revenue contribution from this segment is lower in FY2026 compared with the previous financial year.

Following the completion of the relocation of its production facilities, the Group will continue to focus on stabilising operations, improving productivity, product quality, service reliability and operational efficiency across its core pallet manufacturing and pallet rental businesses.

LHT HOLDINGS LIMITED (Company Registration No. 198003094E)
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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/recommended, a statement to that effect and the reasons for the decision.

The Group's practice is to consider declaring dividends on an annual basis. Therefore, there was no interim dividend declared for the half year ended 30 June 2026.

7. Interested person transactions

The Group has not obtained a general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual. There were no interested person transactions exceeding the applicable disclosure threshold during the six months ended 30 June 2026. For completeness, the Group has voluntarily disclosed the transaction below notwithstanding that its aggregate value was below $100,000.

Name of interested person	Nature of relationship	Aggregate value of interested person transactions during the financial period under review not conducted under a shareholders' mandate pursuant to Rule 920 (including transactions below $100,000 voluntarily disclosed)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Leayong Trading ("LT")	LT is operated by an employee of the Group who is also a director of three Malaysian subsidiaries of the Company.	LT provides transport services to subsidiaries of the Company. S$43,401.00	-
Total		**S$43,401.00**	-

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

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 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Li Suet Man
Interim Executive Chairman

Irwin Lim Kee Way
Lead Independent Director

9. Undertakings from directors and executive officers

In view of the latest guidance 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

Li Suet Man
Interim Executive Chairman

14 August 2026

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