

**Unaudited Full Year Financial Statements And Dividend Announcement For The Year Ended 31 December 2020**

- 1(a) An income statement and statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

	Notes	Group		
		31/12/2020 S\$'000	31/12/2019 S\$'000	Change (%) increase / (decrease)
Revenue	Para 9.01	33,625	38,120	(11.8%)
Cost of sales		(21,545)	(27,518)	(21.7%)
Gross profit	Para 9.02	12,080	10,602	13.9%
Other income	(i) & Para 9.03	3,273	4,162	(21.4%)
Distribution expenses	Para 9.04	(1,293)	(1,630)	(20.7%)
Administrative expenses	(ii) & Para 9.05	(8,763)	(9,258)	(5.3%)
Other expenses	(iii) & Para 9.06	(1,247)	(723)	72.5%
Finance costs	(iv) & Para 9.07	(406)	(330)	23.0%
Profit before income tax	(v) & Para 9.08	3,644	2,823	29.1%
Income tax expenses	(vi)	(739)	(614)	20.4%
Profit after income tax		2,905	2,209	31.5%
Attributable to:				
Owners of the parent		2,905	2,209	31.5%

Consolidated Statement of Comprehensive Income

	Group 31/12/2020 S\$'000	Group 31/12/2019 S\$' 000	Change (%)
Total profit for the year	2,905	2,209	31.5%
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	15	(41)	-
Total comprehensive income for the financial year	2,920	2,168	34.7%

Total comprehensive income attributable to:

Owners of the parent 2,920 2,168


Notes to the consolidated income statement

Notes		Note	Group	
			31/12/2020 S\$'000	31/12/2019 S\$'000
(i)	Other Income			
	Allowance for doubtful trade receivables written back		-	4
	Gain on disposal of property, plant and equipment	(a)	-	271
	Heat treatment and utilities income		252	321
	Interest income		121	201
	Rental and services income		727	1,612
	Waste collection income		269	241
	Write-back of obsolete stock		67	-
	Sundry income		506	1,234
	Government Grants			
	- Special Employment Credits		41	64
	- Wage Credit Scheme		17	17
	- Capability Development Grant		96	155
	- Others		22	42
	- Covid-19 Grant Support			
	a) Jobs Support Scheme		798	-
	b) Foreign Worker Levy Rebate		126	-
	c) Rental Relief		114	-
	d) Others		117	-
	Total		3,273	4,162
(ii)	Administrative expenses			
	Advertisement expenses / Marketing and promotion expenses		(19)	(57)
	Depreciation of property, plant and equipment		(1,123)	(1,303)
	Amortisation of right-of-use assets	Paras 5, 6	(1,051)	(923)
	Insurance expenses		(377)	(372)
	Legal and professional fee		(305)	(114)
	Property tax		(289)	(358)
	Rental expenses on premises		(12)	(103)
	Subletting fee		(12)	(52)
	Upkeep and maintenance expenses		(146)	(183)
	Allowance for obsolete stock		-	(126)
(iii)	Other expenses			
	Plant and equipment written-off		(260)	(401)
	Impairment on plant and machinery		(372)	-
	Loss on disposal of property, plant and equipment		(261)	-
	Provision for doubtful debts		(69)	-
	Bad debts written off		-	(74)
	Foreign exchange loss		(285)	(248)
	Total		(1,247)	(723)
(iv)	Finance costs			
	Interest expense in respect of:			
	- lease liabilities	Paras 5, 6	(406)	(330)
	Total		(406)	(330)

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(v)	Profit before income tax is stated after (charging) / crediting		Group 31/12/2020 S\$'000	Group 31/12/2019 S\$'000
	Audit fees paid to auditors		(133)	(140)
	Non-audit fees paid to auditors		(28)	(26)
	Depreciation of property, plant and equipment – cost of sales		(1,047)	(1,106)
	Amortisation of right-of-use assets – cost of sales	Para 5, 6	(589)	(799)
	Directors' fees		(228)	(214)
	Employee benefit expenses:			
	-Defined contribution plans		(475)	(554)
	-Salaries, wages and other costs		(7,701)	(8,250)
(vi)	Income tax (expenses)/refund			
	Based on result for the financial year: -			
	-Current income tax		(735)	(684)
	-Deferred tax		131	76
	(Under)/over provision in respect of prior years: -			
	-Current tax		(42)	10
	-Deferred tax		(93)	(16)
	Total		(739)	(614)

Note:

(a) The Group had disposed of property, plant and equipment with proceeds as shown below:

	31/12/2020 S\$'000	31/12/2019 S\$'000
Rental pallets	8	474
Plant and machinery	1	100
Other equipment	-	5
Total	9	579

**1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as the end of the immediately preceding financial year.****Statements of Financial Position**

	Notes	Group		Company	
		As at 31/12/2020 S\$'000	As at 31/12/2019 S\$'000	As at 31/12/2020 S\$'000	As at 31/12/2019 S\$'000
Non-Current Assets	Para 9.09				
Property, plant and equipment		9,207	9,849	2,795	3,698
Right-of-use assets	Para 5, 6	8,701	4,067	6,754	3,599
Deposit for land acquisition		447	71	-	-
Investments					
-Subsidiary companies		-	-	10,300	10,300
		18,355	13,987	19,849	17,597
Current Assets	Para 9.10				
Inventories		4,794	7,345	3,112	5,569
Trade receivables		5,893	7,463	4,672	5,830
Amounts due from subsidiary companies		-	-	1,171	1,903
Other receivables		914	1,035	428	530
Fixed deposits		11,435	11,332	11,274	11,171
Cash and bank balances		24,073	20,672	12,920	9,064
		47,109	47,847	33,577	34,067
Less:					
Current Liabilities	Para 9.11				
Trade payables and accruals		1,630	2,395	982	1,395
Amount due to subsidiary companies		-	-	1,127	1,041
Other payables		1,362	1,824	1,018	1,316
Deferred grant income		120	-	110	-
Lease liabilities	Para 5, 6	830	1,397	592	1,112
Income tax payables		440	419	268	128
		4,382	6,035	4,097	4,992
Net Current Assets	Para 9.13	42,727	41,812	29,480	29,075
Less:					
Non-Current Liabilities	Para 9.12				
Lease liabilities	Para 5, 6	6,367	2,551	6,144	2,452
Deferred tax liabilities		673	711	116	137
Deferred grant income		182	-	182	-
		7,222	3,262	6,442	2,589
Net Assets		53,860	52,537	42,887	44,083
Equity	Para 1 d(i)				
Share capital		24,621	24,621	24,621	24,621
Currency translation reserve		64	49	-	-
Retained earnings		29,175	27,867	18,266	19,462
		53,860	52,537	42,887	44,083

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

	<u>As at 31/12/2020</u>		<u>As at 31/12/2019</u>	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	231	599	133	1,264

Amount repayable after one year

	<u>As at 31/12/2020</u>		<u>As at 31/12/2019</u>	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Lease liabilities	181	6,186	167	2,384

Details of any collateral

The borrowings of the Group constitute of secured borrowings, i.e. hire purchases that are secured by charges on motor vehicles, plant and machinery and legal mortgage of certain properties and unsecured borrowings that pertain to lease liabilities with respect to factory rental and forklift rentals recognised in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 on Leases. Please refer to Notes 5 and 6 for more details.

Hire purchase with a carrying amount of \$0.23 million (2019: \$0.13 million) are repayable within one year and bear the interest at rates ranging from 4.15% to 5.68% (2019: 5.06% to 5.68%) per annum.

Hire purchase with a carrying amount of \$0.18 million (2019: \$0.17 million) are repayable after one year and bear the interest at rates ranging from 4.15% to 5.68% (2019: 5.06% to 5.68%) per annum.

Lease liabilities with a carrying amount of \$0.59 million (2019: \$1.26 million) are repayable within one year and bear the interest at rates ranging from 2.28% to 7.00% (2019: 6.05% to 7.00%) per annum.

Lease liabilities with a carrying amount of \$6.18 million (2019: \$2.38 million) are repayable after one year and bear the interest at rates ranging from 2.28% to 7.00% (2019: 6.05% to 7.00%) per annum.

The bank overdraft facility granted by a bank to one of the subsidiaries, Siri Belukar Packaging Sdn Bhd, was secured by fixed charge over the subsidiary's leasehold property at Lot PTB 1237, Jalan Tun Mutahir 1, Industries Area Fasa 2, Bandar Tenggara, 81440 Johor. The facility was not utilised as of 31 December 2020.

Fixed deposits of the Group amounting to \$160,000 (2019: \$160,000) are pledged to banks as security for credit facilities granted to the Group.

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.****Consolidated Statement of Cash Flows**

	31/12/2020 S\$'000	31/12/2019 S\$'000
Operating activities:		
Profit before income tax	3,644	2,823
Adjustments for:		
Allowance made for trade receivables	69	-
Write-back of obsolete stock	(67)	-
Allowance for obsolete stock	-	126
Bad debts written off	-	74
Loss allowance reversed for trade receivables	-	(4)
Property, plant and equipment written off	260	401
Loss on disposal of property, plant and equipment	261	-
Impairment on plant and machinery	372	-
Interest expense	406	330
Deferred government grants – Job Support Scheme	(21)	-
Interest income	(121)	(201)
Depreciation of property, plant and equipment	2,170	2,409
Amortisation of right-of-use assets	1,640	1,722
Gain on disposal of property, plant and equipment	-	(271)
Operating cash flow before movements in working capital	8,613	7,409
Changes in working capital:		
Inventories	2,618	2,844
Trade and other receivables	1,712	205
Trade and other payables	(1,227)	(2,913)
Cash generated from operations	11,716	7,545
Income taxes paid	(756)	(696)
Net cash generated from operating activities	10,960	6,849
Investing activities:		
Purchase of property, plant and equipment	(2,657)	(1,359)
Additions to right of use assets	(1,317)	-
Placements of fixed deposits	(103)	(171)
Deferred Government Grants received – Capability Development Grant	234	-
Deposit for land acquisition	(376)	(71)
Proceeds from disposal of property, plant and equipment	9	579
Interest received	103	171
Net cash used in investing activities	(4,107)	(851)
Financing activities:		
Dividend paid	(1,597)	(1,597)
Repayment of lease liabilities	(1,542)	(1,661)
Interest received	18	30
Interest paid on lease liabilities	(406)	(330)
Net cash used in financing activities	(3,527)	(3,558)
Net increase/(decrease) in cash and cash equivalents	3,326	(2,440)
Cash and cash equivalents at beginning of financial year	20,672	18,256
Net effect of exchange rate changes on the cash and cash equivalents held in foreign currencies	75	(24)
Cash and cash equivalents at end of financial year	24,073	20,672



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1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	← Equity attributable to owners of the parent →				
	Share capital	Asset revaluation reserve	Currency translation reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group					
Balance at 1 January 2020	24,621	-	49	27,867	52,537
Profit for the year	-	-	-	2,905	2,905
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries	-	-	15	-	15
Total comprehensive income for the year	-	-	15	2,905	2,920
Dividends	-	-	-	(1,597)	(1,597)
Balance at 31 December 2020	24,621	-	64	29,175	53,860
Balance at 1 January 2019	24,621	-	90	27,255	51,966
Profit for the year	-	-	-	2,209	2,209
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries	-	-	(41)	-	(41)
Total comprehensive income for the year	-	-	(41)	2,209	2,168
Dividends	-	-	-	(1,597)	(1,597)
Balance at 31 December 2019	24,621	-	49	27,867	52,537
Company					
Balance at 1 January 2020	24,621	-	-	19,462	44,083
Profit for the year, representing total comprehensive income for the year	-	-	-	401	401
Dividends	-	-	-	(1,597)	(1,597)
Balance at 31 December 2020	24,621	-	-	18,266	42,887
Balance at 1 January 2019	24,621	-	-	20,099	44,720
Profit for the year, representing total comprehensive income for the year	-	-	-	960	960
Dividend	-	-	-	(1,597)	(1,597)
Balance at 31 December 2019	24,621	-	-	19,462	44,083



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There is no change in the Company's issued and paid-up capital nor any conversion and any outstanding convertibles, treasury shares and subsidiary holdings for the financial period reported on.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at the end of the current financial year was 53,244,997 (2019: 53,244,997).

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

As at 31 December 2020, the Company did not hold any of its issued shares as treasury shares. (2019: Nil).

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

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

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.



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

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

Not applicable.

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

Not applicable.

This is not required for any audit issue that is a material uncertainty relating to going concern.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group's financial statements of the financial year ended 31 December 2020 is prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council ("ASC").

Except as disclosed in paragraph 6 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, as those used for the audited consolidated financial statements as at 31 December 2019.

6. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2020. However, these new amendments to SFRS(I)s have no significant impact on the Group's financial statements.

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Definition of a Business (Amendments to SFRS(I) 3)
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I)1- 8)

There are a number of standards, amendments to standards, and interpretations, which have been issued by ASC 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.



7. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	FY 2020	FY 2019
Net Profit attributable to owners of the parents (S\$'000)	2,905	2,209
Weighted average number of shares in issue (in '000s)	53,245	53,245
Earnings per share (cents)		
(i) On basic	5.46	4.15
(ii) On a fully diluted basis	5.46	4.15

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 year.

8. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net Asset (S\$'000)	53,860	52,537	42,887	44,083
Weighted average number of shares in issue (in '000s)	53,245	53,245	53,245	53,245
Net asset value per Ordinary Share (cents) based on issued share capital at the end of financial year	101.16	98.67	80.55	82.79

9. 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.

9.01 Revenue:

The Group's revenue for the financial year ended 31 December 2020 (FY2020) decreased by 11.8% or \$4.49 million to \$33.63 million as compared to \$38.12 million for the financial year ended 31 December 2019 (FY2019).

The unprecedented Covid-19 pandemic that started in the first quarter of 2020 has negatively affected many businesses in Singapore and all around the world, especially those that were affected by closures due to Covid-19 safeguard measures during the Circuit Breaker and Extended Circuit Breaker periods. However, as the Group provides essential services and had remained open, the negative impact, if any, was mitigated. Being an essential services provider, the Group supports essential services sectors like pharmaceuticals, food, drinks and nutrition, daily essentials, electronics and oil and gas, which sees continued demand from these sectors. Some slowdowns from non-essential sectors were observed but the demand from essential services sectors have made up for some of the shortfall.



Revenue from pallets and packaging business decreased by 12.3% or \$3.85 million from \$31.23 million to \$27.38 million. The decrease in this segment was due to lower demand from the local exporters but offset by increased orders from essential services sectors as explained above.

Revenue from trading of timber related products decreased by 45.8% or \$0.76 million from \$1.66 million to \$0.90 million due to decrease in demand from local agents for the export market during the pandemic year. Trading activities do not follow any seasonal patterns.

Revenue from Technical Wood® and related products decreased by 42.3% or \$0.44 million from \$1.04 million to \$0.60 million mainly due to an decrease in sale of woodchips and temporary slowing down of the Technical Wood operations as a few of the Group's China employees who went back on home leave to China were unable to return due to the Covid-19 travel restrictions, and others have been mobilised to help with pallets production to meet demand during the year. Some China workers have since returned and others have been recruited to fill in the vacancies.

Pallet rental and others increased by 13.1% or \$0.55 million from \$4.20 million to \$4.75 million mainly due to increase in demand in the logistics market in Singapore, especially during the initial Circuit Breaker period in the first half of the year.

9.02 Gross Profit and Gross Profit Margin:

Gross profit increased by 13.96% or \$1.48 million from \$10.60 million in FY2019 to \$12.08 million in FY2020. The higher gross profit resulted from a better product mix despite the lower volume and revenue.

The higher gross margin achieved during this pandemic year was mainly due to a few reasons – the Group being able to operate during the Circuit Breaker period, acceptance by customers of a better product mix offering with higher production efficiency, thus yielding higher gross margins and the provision of upcycling supplies and pallets to essential services sectors during the critical period in the first half of the year. As restrictions are being eased with the arrival of vaccines, management is cautiously optimistic that the economies of Singapore and its trading partners will gradually normalise in the months ahead.

9.03 Other Income:

Other income decreased by 21.4% or \$0.89 million to \$3.27 million in FY2020 as compared to \$4.16 million in FY2019.

As previously announced on 12 December 2019 and 13 August 2020, one of our existing leases has expired in December 2020, and has been handed back to the landlord on 29 January 2021. As rental income was derived from this lease previously, this rental income has now ceased with the return of the lease back to the landlord.

The Group received government grants given out by the Government as financial support during the Covid-19 period. Included in Other Income is \$1.16 million of government grants received in relation to Covid-19 grant support. The Group has elected to present this government grant separately, rather than reducing the related expense. Please refer to Para 1(a)(i) on Page 2 for more information on Other Income and grants received.

Going forward, the Covid-19 grant support will be reduced in line with the pull back of Covid-19 relief measures as announced by the Government as businesses are expected to eventually revert back to normalcy with the vaccination programme currently being rolled out in Singapore and elsewhere.



9.04 Distribution Expenses:

Distribution expenses decreased by 20.7% or \$0.34 million to \$1.29 million in FY2020 from \$1.63 million in FY2019, in line with decreases in revenue.

9.05 Administrative Expenses:

Administrative expenses decreased by 5.4% or \$0.50 million to \$8.76 million in FY2020 as compared to \$9.26 million in FY2019 mainly due to lower depreciation costs, lower provision for obsolete stocks and lower Tianjin operational costs as the Tianjin operations were scaled down further in FY2020. As of the date of this announcement, the Tianjin operations is now dormant. The Groups will monitor the situation closely to see if there are opportunities to re-enter the China market. Please refer to page 2, para 1(a)(ii) for information on Administrative Expenses.

Additionally, during the year, with respect to the Covid-19 pandemic, there are increased obligations by the relevant authorities in Singapore for employers to provide more for its employees, especially foreign workers who have been provided accommodation. In line with these requirements, these and other employees were provided catered meals, fruits, masks, certain daily necessities, hand sanitizers, etc. The provision of these items amounted to approximately \$0.14 million for FY2020.

9.06 Other Expenses:

Other expenses increased by 72.8% or \$0.53 million to \$1.25 million in FY2020 compared to \$0.72 million in FY2019 mainly due to loss on disposal of assets \$0.26 million, fixed assets write-off \$0.26 million and impairment of plant and machinery \$0.37 million.

Loss on disposal of assets of \$0.26 million were mainly due to a wood crusher that was damaged by fire beyond economic repair, but offset by a gain on disposal of a motor vehicle.

Fixed assets write-off of \$0.26 million were mainly for production drag chain and conveyor system that were, due to its advanced age and layout constraint, making it not economically and structurally feasible for relocation to the group's smaller site when the lease on the larger site expired at the end of the year, as mentioned on page 12, para 9.03 above.

Impairment of plant and machinery of \$0.37 million were mainly for the Group's mould pallet machineries in Malaysia where the demand for mould pallets have dropped drastically in recent times, especially more so during the pandemic. Accordingly, the carrying amount of the mould pallet machineries were impaired to its recoverable amount based on Fair Value Less Cost of Disposal (FVLCD).

Please refer to page 2, para 1(a)(iii) for information on Other Expenses.

9.07 Finance Costs:

Finance costs increased by 24.2% or \$0.08 million to \$0.41 million in FY2020 from \$0.33 million in FY2019 due to higher lease interest costs arising from the recognition of a new thirty year lease of a leasehold land as announced on 12 December 2019 and subsequently approved in the EGM on 21 January 2020.

9.08 Profit Before Income Tax:

The Group's net profit before income tax increased by 29.1% or \$0.82 million to \$3.64 million in FY2020 from \$2.82 million in FY2019 mainly due to better gross profits, receipt of Covid-19 government grants and tighter control over administrative expenses.



9.09 Non-Current Assets:

Non-current assets increased by 31.2% or \$4.37 million to \$18.36 million in FY2020 from \$13.99 million in FY2019 mainly due to the recognition of right-of-use assets arising from the new lease as mentioned in note 9.07 above, addition of new rental pallets but offset by yearly depreciation of fixed assets.

9.10 Current Assets:

Current assets decreased by 1.5% or \$0.74 million to \$47.11 million in FY2020 from \$47.85 million in FY2019 mainly due to:

- (1) a decrease in inventories to \$4.79 million in FY2020 from \$7.35 million in FY2019;
- (2) a decrease in trade receivables to \$5.89 million in FY2020 from \$7.46 million in FY2019 due to better receivables control and a decrease in revenue; and offset by
- (3) an increase in fixed deposits, cash and bank balances to \$35.51 million in FY2020 from \$32.00 million in FY2019; and
- (4) an decrease in other receivables to \$0.91 million in FY2020 from \$1.10 million in FY2019.

9.11 Current Liabilities:

Current liabilities decreased by 27.5% or \$1.66 million to \$4.38 million in FY2020 from \$6.04 million in FY2019 mainly due to:

- (1) a decrease in trade payables and accruals to \$1.63 million in FY2020 from \$2.40 million in FY2019 due to decrease in business volume;
- (2) a decrease in other payables to \$1.36 million in FY2020 from \$1.82 million in FY2019;
- (3) a decrease in lease liabilities to \$0.83 million in FY2020 from \$1.40 million in FY2019, due to a lease which was fully paid upon the expiry of the lease back to the landlord; offset by
- (4) an increase in the provision of income tax to \$0.44 million in FY2020 from \$0.42 million in FY2019.

9.12 Non-Current Liabilities:

Non-current liabilities increased by 121.5% or \$3.96 million to \$7.22 million in FY2020 from \$3.26 million in FY2019 mainly due to the recognition of a new lease as mentioned in note 9.07 above.

9.13 Net Current Assets:

The Group's net current assets increased by 2.2% or \$0.92 million to \$42.73 million in FY2020 from \$41.81 million in FY2019. This was mainly due to the decreases in trade payables and accruals, other payables, offset by the increase in lease liabilities, increases in fixed deposits, cash and bank balances and other receivables but offset by decreases in inventories and trade receivables as explained in paragraphs 9.10 and 9.11 above.

9.14 Consolidated Statement of Cash Flows:

The Group's net cash generated from operating activities was an inflow of \$10.96 million in FY2020 as compared to an inflow of \$6.85 million in FY2019. The increase in inflow was mainly due to the increase profit before income tax, increase non-cash items like impairment of plant and machinery, decrease in inventories, trade and other receivables and trade and other payables.

Net cash outflow from investing activities of \$4.11 million in FY2020 was mainly due to purchases of property, plant and equipment, and additions to right-of-use assets in FY2020.

Net cash used in financing activities of \$3.53 million in FY2020 was mainly used for the repayment of lease liabilities and payment of dividend in FY2020.



10. 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.

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

In view of the current uncertain economic conditions, the Group expects market conditions to remain challenging. Given this, the Group will continue to keep up its marketing efforts as well as cost management.

Under such uncertainties and challenging conditions, the Group will intensify its marketing efforts, redesign and continue to review and consolidate its production bases and operations, and be prudent in managing costs. As part of these measures, the Group's operations in Tianjin has been downsized and dormant at the end of FY2020.

12. Dividend
(a) Current Financial Period Reported On

Any dividend declared for the current financial year (FY2020) reported on? **Yes**

Name of Dividend : First and final dividend
Dividend : Cash
Dividend amount per share: 3.0 cents per ordinary share (one tier exempt dividend)
Tax Rate : Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding year of the immediately preceding financial year (FY2019)? **Yes**

Name of Dividend : First and final dividend
Dividend : Cash
Dividend amount per share: 3.0 cents per ordinary share (one tier exempt dividend)
Tax Rate : Tax exempt

(c) Date payable

Subject to shareholders' approval at the Annual General Meeting to be held on 29 April 2021, the dividend will be paid on 28 May 2021.

(d) Books closure date

Registrable Transfers received by the Company's Registrar, B.A.C.S Private Limited, at 8 Robinson Road, #03-00, ASO Building, Singapore 048544, up to 5.00 p.m. on 19 May 2021 will be registered before entitlements to the proposed dividend are determined. The Register of Transfer and the Register of Members of the Company will be closed on 20 May 2021 for the preparation of dividend warrants.

13. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.



14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

By Business Segment

	Pallet / Packaging		Timber Related Products		Technical Wood® and Related Products		Pallet Rental and Others		Consolidation adjustments		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	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	27,377	31,228	902	1,656	596	1,036	4,750	4,200	-	-	33,625	38,120
Inter-segment sales	10,105	9,556	1,509	3,917	594	993	5	-	(12,213)	(14,466)	-	-
Total revenue	37,482	40,784	2,411	5,573	1,190	2,029	4,755	4,200	(12,213)	(14,466)	33,625	38,120
Segment results	1,419	1,654	158	(905)	(69)	368	2,438	1,747	104	289	4,050	3,153
Finance cost	-	-	-	-	-	-	-	-	-	-	(406)	(330)
Profit before income tax	-	-	-	-	-	-	-	-	-	-	3,644	2,823
Income tax expenses	-	-	-	-	-	-	-	-	-	-	(739)	(614)
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	2,905	2,209
Segment assets	50,578	28,082	1,242	1,679	3,874	4,666	14,169	31,359	(4,399)	(3,952)	65,464	61,834
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-
Total assets											65,464	61,834
Segment liabilities	12,117	9,645	185	361	135	392	2,273	1,335	(4,219)	(3,566)	10,491	8,167
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	1,113	1,130
Total Liabilities											11,604	9,297
Other segment information												
Capital expenditures	507	529	-	30	26	23	2,300	1,262	(176)	(485)	2,657	1,359
Deprecation of plant, property & equipment	875	1,062	-	38	225	252	1,119	1,079	(49)	(22)	2,170	2,409
Amortisation of right-of-use assets	1,542	1,601	-	-	28	30	70	91	-	-	1,640	1,722
Insurance claim	-	(850)	-	-	-	-	-	-	-	-	-	(850)
(Gain)/loss on disposal of property, plant and equipment	-	57	-	-	-	(4)	-	(324)	-	-	-	(271)
Property, plant & equipment written off/(Gain on disposal)	(89)	14	-	332	540	-	70	55	-	-	521	401
Net (reversal of)/allowance for obsolete stock	(67)	126	-	-	-	-	-	-	-	-	(67)	126

**14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.****By Geographical Location**

	Singapore		Malaysia		China and others		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales to external customers	27,661	28,872	4,129	7,023	1,835	2,225	33,625	38,120
Location of non-current assets								
Non-current assets	13,196	10,510	5,159	3,429	-	48	18,355	13,987

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**15.1 By Business Segments**

- (a) Please refer to para 9.01 for turnover contributions.
- (b) The segment results showed that the pallet and packaging business decreased by 13.9% or \$0.23 million from \$1.65 million in FY2019 to \$1.42 million in FY2020. Timber trading results was a profit of \$0.16 million in FY2020 as compared to a loss of \$0.91 million in FY2019 mainly due to scale down costs of the Tianjin operations in FY2019, as explained in the previous. Results from Technical Wood® products and others dropped to a loss of \$0.07 million in FY2020 as compared to a profit of \$0.37 million in FY2019 mainly due to decrease in woodchip demand and a general woodchip oversupply in the market. The results for pallet rental business increased by 39.4% or \$0.69 million from \$1.75 million to \$2.44 million mainly due to increased demand in the essential services during the pandemic in FY2020.

15.2 By Geographical Locations

The sales to Singapore decreased by 4.19% or \$1.21 million from \$28.87 million in FY2019 to \$27.66 million in FY2020 mainly due to slower market demand amid market uncertainty. Sales to Malaysia decreased by 41.2% or \$2.89 million from \$7.02 million in FY2019 to \$4.13 million in FY2020 mainly due to lower market demand in Malaysia during the pandemic year. For China and others, sales decreased by 17.5% or \$0.39 million from \$2.23 million in FY2019 to \$1.84 million in FY2020 mainly due higher market competition amid a lower demand in FY2020.

**16. A breakdown of sales.**

	Group		
	FY2020	FY2019	Change (%)
	S\$'000	S\$'000	
Sales reported for the first half year	17,769	19,244	(7.7%)
Operating profit after tax	2,403	322	646.3%
Sales reported for the second half year	15,856	18,876	(16.0%)
Operating profit after tax	502	1,887	(73.4%)

The Operating profit after tax for the second half year of FY2020 is lower than the Operating profit after tax for the first half of FY2020.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary – First and Final Dividend	1,597	1,597
Preference	-	-
Total:	1,597	1,597

**18. Interested Person Transactions.**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hwee Wong Transport Trading Pte Ltd ("HWT")	HWT provides transport services to the Company. \$586,237	-
Leayong Trading ("LT")	LT provides transport services to the Company and its subsidiaries. \$91,765	-
Gold Leayong Trading ("GLT")	GLT provides transport services to the Company and its subsidiaries. \$95,546	-
Mr Yeo Wen Torng ("YWT")	YWT provided short term accommodation for Malaysian workers affected by the closing of Malaysia-Singapore border during critical Malaysian Movement Control Order (MCO) period. \$11,901	-
Total	\$785,449	-

For interested person transactions above, no shareholders' mandate pursuant to Rule 920 has been obtained. There were no other transactions with interested person as defined in the SGX's Listing Manual for the financial year ended 31 December 2020 that exceeded the stipulated threshold.



19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, we append below the persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder.

Name	Age	Family Relationship with any director and/or Substantial Shareholders	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Neo Kah Seng	57	Uncle of Billy Neo Kian Wee (Executive Director, Substantial Shareholder)	Appointed as Plant Manager - Wood Recycling on 1 st January 2005. Overseeing the operation and maintenance of the Wood Waste Recycling Plant.	No Change
Sally Yap Mei Yen	57	Sister of Yap Mui Kee (Managing Director, Substantial Shareholder)	Appointed as Alternate Director to Yap Mui Kee on 20 th July 1998. Corporate Secretary of LHT Holdings Limited. Secretary to Board of Directors and Board Committees and Personal Assistant to Managing Director on 1 st July 2000. Appointed as Corporate Secretary of LHT Ecotech Resources Pte Ltd (subsidiary) on 9 th July 2008. Appointed as Supervisor of LHT Ecotech	No Change



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			Resources (Tianjin) Co. Ltd on 11 th December 2012. Appointed as Corporate Secretary of Kim Hiap Lee Co. (Pte) Ltd and LHT Marketing Pte Ltd (subsidiaries) on 23 rd May 2014.	
Yap Mei Lan	52	Sister of Yap Mui Kee (Managing Director, Substantial Shareholder)	Appointed as Senior Sales Manager on 1 st July 2007. Responsible for supervision of the sales department as well as attending to sales inquiries.	No Change
Yeo Wen Torng	60	Spouse of Yap Mui Kee (Managing Director, Substantial Shareholder)	Appointed as ECR-RFID Project Manager of Kim Hiap Lee Company (Pte) Limited (subsidiary company) on 1 st May 2008. Overseeing the operational activities of ECR and RFID projects.	No Change
Tay Kee Kuang	48	Cousin of Billy Neo Kian Wee (Executive Director, Substantial Shareholder)	Appointed as Sales & Admin Assistant Manager of Siri Belukar Packaging Sdn Bhd (subsidiary company) in 1994. Appointed as Director of Lian Hup Packaging Industries Sdn Bhd (subsidiary company) on 15 th January 1997. Appointed as Director of Siri Belukar Packaging Sdn Bhd (subsidiary company) on 1 st January 2016. Discharge the duties of a	Resigned on 6 th January 2020



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			director in the subsidiary company and overseeing the whole company.	
Tay Kee Soon	50	Cousin of Billy Neo Kian Wee (Executive Director, Substantial Shareholder)	Appointed as Assistant Factory Manager of Siri Belukar Packaging Sdn Bhd on 1 April 1993.	No change
Tan Hwei Hsia	41	Daughter of Tan Kim Sing (Executive Director, Substantial Shareholder)	Appointed as Accounts Manager of LHT Holdings Ltd on 2 April 2013.	No change
Yap Chun Chun	47	Cousin of Yap Mui Kee (Managing Director, Substantial Shareholder)	Appointed as Assistant Sales Manager of LHT Holdings Ltd on 1 July 2007.	No change
Yap Lai Eng	51	Cousin of Yap Mui Kee (Managing Director, Substantial Shareholder)	Appointed as Assistant Sales Manager of LHT Holdings Ltd on 1 July 2007	No change



20. Undertakings from directors and executive officers

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

BY ORDER OF THE BOARD

Yap Mui Kee
Managing Director

26 February 2021