



**LHT HOLDINGS LIMITED** (Company Registration No. 198003094E)

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

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## **Unaudited Condensed Interim Consolidated Financial Statements for the six months ended 30 June 2022**



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## **(I) Unaudited Condensed Interim Consolidated Financial Statements**

**A. Condensed Interim Consolidated Income Statement**

	Notes	Group		
		6 months ended 30/06/2022	6 months ended 30/06/2021	Change (%) increase/ (decrease)
		S\$'000	S\$'000	%
<b>Revenue</b>	6, Para 2.1	<b>18,011</b>	<b>17,441</b>	<b>3.3%</b>
Cost of sales		(11,161)	(11,117)	0.4%
<b>Gross profit</b>	Para 2.2	<b>6,850</b>	<b>6,324</b>	<b>8.3%</b>
<i>Other item of income</i>				
Other income	Para 2.3	1,333	1,053	<b>26.6%</b>
<i>Other item of expenses</i>				
Distribution expenses	Para 2.4	(596)	(607)	(1.8%)
Administrative expenses	Para 2.5	(4,018)	(4,040)	(0.5%)
Other expenses	Para 2.6	(188)	(346)	(45.7%)
Finance costs	Para 2.7	(209)	(212)	(1.4%)
<b>Profit before income tax</b>	8, Para 2.8	<b>3,172</b>	<b>2,172</b>	<b>46.0%</b>
Income tax expense	10	(777)	(522)	48.9%
<b>Profit for the financial period</b>		<b>2,395</b>	<b>1,650</b>	<b>45.2%</b>

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**B. Condensed Interim Consolidated Statement of Comprehensive Income**

	Notes	Group		
		6 months ended 30/06/2021	6 months ended 30/06/2021	Change (%) increase/ (decrease)
		S\$'000	S\$'000	%
<b>Profit/(loss) attributable to:</b>				
Owners of the Company		2,395	1,650	45.2%
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences on consolidation of foreign entities (net)		(297)	(143)	107.7%
<b>Total other comprehensive loss for the period</b>		(297)	(143)	107.7%
<b>Total comprehensive income for the period</b>		<b>2,098</b>	<b>1,507</b>	<b>39.2%</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		2,098	1,507	39.2%
<b>Earnings per share attributable to owners of the Company (cents per share)</b>				
Basic and diluted	12	4.50	3.10	45.2%

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**C. Condensed Interim Statements of Financial Position**

	Notes	Group		Company	
		As at 30/06/2022 S\$'000	As at 31/12/2021 S\$'000	As at 30/06/2022 S\$'000	As at 31/12/2021 S\$'000
<b>Non-Current Assets</b>					
Property, plant and equipment	14	8,265	8,635	2,310	2,515
Right-of-use assets	15	8,615	9,260	5,478	5,894
Investments in subsidiaries		-	-	10,300	10,300
	Para 2.9	<b>16,880</b>	<b>17,895</b>	<b>18,088</b>	<b>18,709</b>
<b>Current Assets</b>					
Inventories		7,108	5,886	4,412	3,437
Trade and other receivables		6,688	6,608	6,501	6,576
Fixed deposits	16	16,130	14,107	11,041	11,024
Cash and cash equivalents		20,713	22,298	11,029	12,524
	Para 2.10	<b>50,639</b>	<b>48,899</b>	<b>32,983</b>	<b>33,561</b>
<b>Less:</b>					
<b>Current Liabilities</b>					
Trade and other payables		2,787	2,306	2,891	2,687
Lease liabilities	18	697	729	568	593
Income tax payables		710	554	313	382
	Para 2.11	<b>4,194</b>	<b>3,589</b>	<b>3,772</b>	<b>3,662</b>
<b>Net Current Assets</b>	Para 2.13	<b>46,445</b>	<b>45,310</b>	<b>29,211</b>	<b>29,899</b>
<b>Less:</b>					
<b>Non-Current Liabilities</b>					
Lease liabilities	18	5,210	5,562	5,141	5,432
Deferred capital grant		196	222	196	222
Deferred tax liabilities		893	896	152	152
	Para 2.12	<b>6,299</b>	<b>6,680</b>	<b>5,489</b>	<b>5,806</b>
<b>Net Assets</b>		<b>57,026</b>	<b>56,525</b>	<b>41,810</b>	<b>42,802</b>
<b>Equity</b>					
Share capital	17	24,621	24,621	24,621	24,621
Currency translation reserve		(367)	(70)	-	-
Retained earnings		32,772	31,974	17,189	18,181
<b>Total Equity</b>		<b>57,026</b>	<b>56,525</b>	<b>41,810</b>	<b>42,802</b>

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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
<b>Group</b>					
Balance at 01/01/2022		24,621	(70)	31,974	56,525
Profit for the period		-	-	2,395	2,395
Other comprehensive income:					
Exchange difference on translating foreign subsidiaries		-	(297)	-	(297)
Total comprehensive income for the period		-	(297)	2,395	2,098
Dividend paid	11	-	-	(1,597)	(1,597)
<b>Balance at 30/06/2022</b>		<b>24,621</b>	<b>(367)</b>	<b>32,772</b>	<b>57,026</b>
Balance at 01/01/2021		24,621	64	29,175	53,860
Profit for the period		-	-	1,650	1,650
Other comprehensive income:					
Exchange difference on translating foreign subsidiaries		-	(143)	-	(143)
Total comprehensive income for the period		-	(143)	1,650	1,507
Dividend paid	11	-	-	(1,597)	(1,597)
<b>Balance at 30/06/2021</b>		<b>24,621</b>	<b>(79)</b>	<b>29,228</b>	<b>53,770</b>
<b>Company</b>					
Balance at 01/01/2022		24,621	-	18,181	42,802
Profit for the period, representing total comprehensive income for the period		-	-	605	605
Dividend paid	11	-	-	(1,597)	(1,597)
<b>Balance at 30/06/2022</b>		<b>24,621</b>	<b>-</b>	<b>17,189</b>	<b>41,810</b>
Balance at 01/01/2021		24,621	-	18,266	42,887
Profit for the period, representing total comprehensive income for the period		-	-	226	226
Dividend paid	11	-	-	(1,597)	(1,597)
<b>Balance at 30/06/2021</b>		<b>24,621</b>	<b>-</b>	<b>16,895</b>	<b>41,516</b>



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## E. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		6 months ended 30/06/2022	6 months ended 30/06/2021
		S\$'000	S\$'000
<b>Operating activities:</b>			
Profit before income tax		3,172	2,172
Adjustments for:			
Loss allowance for trade and other receivables		-	181
Loss allowance reversed for trade receivables		(68)	-
Write back of stock obsolescence		(21)	(96)
Bad debt written off		-	1
Depreciation of property, plant and equipment		1,002	1,042
Amortisation of right-of-use assets		511	509
Gain on termination/remeasurement of ROU		(1)	(49)
Gain on disposal of property, plant and equipment	14	(29)	(14)
Property, plant and equipment written off	14	16	49
Deferred grant income – JSS		-	(68)
Interest income		(32)	(30)
Interest expense		209	212
<b>Operating cash flow before movements in working capital</b>		<b>4,759</b>	<b>3,909</b>
Changes in working capital:			
(Increase)/decrease in inventories		(1,201)	766
Increase in trade and other receivables		(12)	(644)
Increase/(decrease) in trade and other payables		481	(636)
<b>Cash generated from operations</b>		<b>4,027</b>	<b>3,395</b>
Income taxes paid		(628)	(557)
<b>Net cash generated from operating activities</b>		<b>3,399</b>	<b>2,838</b>
<b>Investing activities:</b>			
Proceeds from disposal of property, plant and equipment		32	16
Purchase of right-of-use assets	15	(75)	(449)
Purchase of property, plant and equipment	14	(592)	(842)
Placement of fixed deposits		(2,025)	(2,735)
Deferred grant income – CDG		(26)	(26)
Interest received		32	25
<b>Net cash used in investing activities</b>		<b>(2,654)</b>	<b>(4,011)</b>
<b>Financing activities:</b>			
Dividend paid	11	(1,597)	(1,597)
Repayment of lease liabilities		(206)	(446)
Interest received		-	5
Interest paid		(382)	(212)
<b>Net cash used in financing activities</b>		<b>(2,185)</b>	<b>(2,250)</b>
Decrease in cash and cash equivalents		(1,440)	(3,423)
Cash and cash equivalents at beginning of period		22,298	24,073
Net effect of exchange rate changes on the cash and cash equivalents held in foreign currencies		(145)	(70)
<b>Cash and cash equivalents at end of period</b>		<b>20,713</b>	<b>20,580</b>





## F. Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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

### 1. Corporate information

LHT Holdings Limited (the “Company”) (Registration number 198003094E) is a limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprises the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of manufacturing and trading of wooden pallets and timber-related products.

The principal activities of the Group are:

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

### 2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SRF(S) 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 2021. 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 2021.

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

The condensed interim financial statements are presented in Singapore dollar 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.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2021.



## 2.2. Use of estimates and judgements (Cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## 3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## 4. Segment and revenue information

The Group is organised into the following main business segments:

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

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



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## 5. Reportable segments

	Pallet / Packaging		Timber Related Products		Technical Wood® and Related Products		Pallet Rental and Others		Elimination		Consolidated	
	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021	HY2022	HY2021
	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	14,165	13,780	453	917	768	323	2,625	2,421	-	-	18,011	17,441
Inter-segment sales	6,419	5,104	466	458	452	330	-	-	(7,337)	(5,892)	-	-
<b>Total revenue</b>	<b>20,584</b>	<b>18,884</b>	<b>919</b>	<b>1,375</b>	<b>1,220</b>	<b>653</b>	<b>2,625</b>	<b>2,421</b>	<b>(,7337)</b>	<b>(5,892)</b>	<b>18,011</b>	<b>17,441</b>
Segment results	1,713	749	108	121	702	286	1,658	1,271	(800)	(43)	3,381	2,384
Finance cost											(209)	(212)
Profit before income tax											<b>3,172</b>	<b>2,172</b>
Income tax expenses											(777)	(522)
Profit for the financial period											<b>2,395</b>	<b>1,650</b>
<b>Other segment information</b>												
Capital expenditure	103	93	-	-	92	-	1,121	784	(724)	(35)	592	842
Depreciation	335	337	-	-	100	103	703	630	(136)	(28)	1,002	1,042
Amortisation	438	462	-	-	5	3	68	44	-	-	511	509
Property, plant and equipment written off	-	-	-	-	-	-	16	49	-	-	16	49
Gain on disposal of property, plant and equipment	-	-	-	-	-	-	(29)	(14)	-	-	(29)	(14)
Write-back of obsolete inventories	(21)	(96)	-	-	-	-	-	-	-	-	(21)	(96)

### Abbreviation

HY2022 6 months ended 30/06/2022  
HY2021 6 months ended 30/06/2021



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## 5. Reportable segments (Continued)

	Pallet / Packaging	Timber Related Products	Technical Wood® and Related Products	Pallet Rental and Others	Elimination	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>						
<b>30/06/2022</b>						
Segment assets	48,350	1,967	5,383	16,932	(5,113)	67,519
Unallocated assets	-	-	-	-	-	-
<b>Total assets</b>						<b>67,519</b>
Segment liabilities	10,590	310	210	1,407	(3,627)	8,890
Unallocated liabilities*	-	-	-	-	-	1,603
<b>Total liabilities</b>						<b>10,493</b>
<b>Group</b>						
<b>31/12/2021</b>						
Segment assets	48,965	1,401	4,785	15,569	(3,926)	66,794
Unallocated assets	-	-	-	-	-	-
<b>Total assets</b>						<b>66,794</b>
Segment liabilities	10,427	22	236	1,362	(3,228)	8,819
Unallocated liabilities*	-	-	-	-	-	1,450
<b>Total liabilities</b>						<b>10,269</b>

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

### Locations of non-current assets

	Singapore	Malaysia	Others	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>				
<b>30/06/2022</b>				
Non-current assets	11,457	5,423	-	16,880
<b>Group</b>				
<b>31/12/2021</b>				
Non-current assets	12,229	5,666	-	17,895

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



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## 6. Disaggregation of Revenue

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

	Group				
	6 months ended 30/06/2022				
	Pallet/Packaging	Timber Related Products	Technical Wood <sup>®</sup> and Related Products	Pallet Rental and Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or service:					
Sales of goods	14,165	453	768	-	15,386
Pallet rental	-	-	-	2,625	2,625
<b>Total revenue</b>	<b>14,165</b>	<b>453</b>	<b>768</b>	<b>2,625</b>	<b>18,011</b>
Timing of revenue recognition					
At a point in time	14,165	453	768	-	15,386
Over time	-	-	-	2,625	2,625
<b>Total revenue</b>	<b>14,165</b>	<b>453</b>	<b>768</b>	<b>2,625</b>	<b>18,011</b>
Geographical information:					
Singapore	11,918	266	758	1,318	14,260
Malaysia	670	5	-	1,307	1,982
Others	1,577	182	10	-	1,769
<b>Total revenue</b>	<b>14,165</b>	<b>453</b>	<b>768</b>	<b>2,625</b>	<b>18,011</b>

	Group				
	6 months ended 30/06/2021				
	Pallet/Packaging	Timber Related Products	Technical Wood <sup>®</sup> and Related Products	Pallet Rental and Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Types of goods or service:					
Sales of goods	13,780	917	323	-	15,020
Pallet rental	-	-	-	2,421	2,421
<b>Total revenue</b>	<b>13,780</b>	<b>917</b>	<b>323</b>	<b>2,421</b>	<b>17,441</b>
Timing of revenue recognition					
At a point in time	13,780	917	323	-	15,020
Over time	-	-	-	2,421	2,421
<b>Total revenue</b>	<b>13,780</b>	<b>917</b>	<b>323</b>	<b>2,421</b>	<b>17,441</b>
Geographical information:					
Singapore	11,641	373	300	1,410	13,724
Malaysia	1,143	437	-	1,011	2,591
Others	996	107	23	-	1,126
<b>Total revenue</b>	<b>13,780</b>	<b>917</b>	<b>323</b>	<b>2,421</b>	<b>17,441</b>



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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 30/06/2022 and 31/12/2021:

	Group		Company	
	30/06/2022	31/12/2021	30/6/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Trade and other receivables	6,688	6,608	6,501	6,576
Add/(Less):				
Fixed deposits	16,130	14,107	11,041	11,024
Cash and cash equivalents	20,713	22,298	11,029	12,524
GST/VAT receivables	(329)	(317)	-	-
Loss allowance for non-financial assets	295	295	-	-
Prepayments	(564)	(372)	(443)	(311)
<b>Financial assets at amortised cost</b>	<b>42,933</b>	<b>42,619</b>	<b>28,128</b>	<b>29,813</b>
<b>Financial Liabilities</b>				
Trade and other payables	2,787	2,306	2,891	2,687
Add/(Less):				
Lease liabilities	5,907	6,291	5,709	6,025
GST/VAT payables	(152)	(114)	(80)	(80)
Provision for unutilised leave	(73)	(182)	(67)	(170)
Advances from customers	(180)	-	(120)	-
Deferred capital grant - CDG	(51)	(51)	(51)	(51)
<b>Financial liabilities carried at amortised cost</b>	<b>8,238</b>	<b>8,250</b>	<b>8,282</b>	<b>8,411</b>

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**8. Profit before taxation**

	<b>Group</b>	
	<b>6 months ended 30/06/2022</b>	<b>6 months ended 30/06/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Other Income</b>		
Waste collection income	266	253
Heat treatment and utilities income	132	123
Services income	474	27
Gain on disposal of property, plant and equipment	29	14
Loss allowance reversed for trade receivables	68	-
Write back of stock obsolescence	21	96
Interest income	32	30
Sundry income	255	260
Government grants		
- Special Employment Credit	11	18
- Wage Credit Scheme	17	17
- Others	2	2
- Deferred grant income – CDG	26	26
- Covid-19 Grant Support		
a) Jobs Support Scheme	-	67
b) Deferred grant income – JSS	-	68
c) Others	-	52
<b>Total</b>	<b>1,333</b>	<b>1,053</b>
<b>Administrative expenses</b>		
Advertisement / Marketing and promotion expenses	(28)	(33)
Depreciation of property, plant and equipment	(523)	(556)
Amortisation of right-of-use assets	(324)	(308)
Insurance expenses	(243)	(207)
Legal and professional fee	(92)	(79)
Property tax	(134)	(145)
Rental expenses on premises	(1)	(56)
<b>Other expenses</b>		
Foreign exchange loss, net	(172)	(115)
Bad Debts written off	-	(1)
Loss allowance for trade and other receivables	-	(181)
Fixed assets written off	(16)	(49)
<b>Total</b>	<b>(188)</b>	<b>(346)</b>
<b>Finance costs</b>		
Interest expenses in respect of:		
- Lease liabilities	(209)	(212)
<b>Total</b>	<b>(209)</b>	<b>(212)</b>



# LHT HOLDINGS LIMITED (Company Registration No. 198003094E)

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## 8. Profit before taxation (Cont'd)

	Group	
	6 months ended 30/06/2022	6 months ended 30/06/2021
	S\$'000	S\$'000
<b>Profit before income tax is stated after (charging) / crediting</b>		
Audit fees paid to auditors	(52)	(66)
Non-audit fees paid to auditors of the Company	(14)	(15)
Depreciation of property, plant and equipment – cost of sales	(479)	(486)
Amortisation of right-of-use assets – cost of sales	(187)	(201)
Directors' fees	(120)	(113)
Employee benefits expenses		
-Post-employment benefits	(258)	(245)
-Salaries wages and other costs	(3,756)	(3,518)

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

	Group	
	6 months ended 30/06/2022	6 months ended 30/06/2021
	S\$'000	S\$'000
Current income tax expense	777	522
Deferred income tax expense	-	-
<b>Total</b>	<b>777</b>	<b>522</b>

## 11. Dividends

	Group	
	6 months ended 30/06/2022	6 months ended 30/06/2021
	S\$'000	S\$'000
Ordinary dividends paid:		
First and final one-tier tax-exempt dividend paid of \$0.03 (2021: \$0.03) per ordinary share in respect of the previous financial year	1,597	1,597
<b>Total</b>	<b>1,597</b>	<b>1,597</b>



**12. Earnings per ordinary share**

	Group	
	30/06/2022	30/06/2021
Net Profit attributable to owners of the parent (S\$'000)	2,395	1,650
Weighted average number of shares in issue (in '000s)	53,245	53,245
Earnings per share (cents)		
(i) On basic	4.50	3.10
(ii) On a fully diluted basis	4.50	3.10

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	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Net asset (S\$'000)	57,026	56,525	41,810	42,802
Weighted average number of shares in issue (in '000s)	53,245	53,245	53,245	53,245
Net asset value per Ordinary Share (cents) based on issued share capital at the end of financial period	107.10	106.16	78.52	80.39

**14. Property, plant and equipment**

During the six months ended 30 June 2022, the Group acquired assets amounting to \$592,000 (30 June 2021: \$842,000) and disposed and written-off assets amounting to \$3,000 and \$16,000 (30 June 2021: \$2,000 and \$49,000) respectively.

**15. Right-of-use assets**

In the current financial period, a total addition of RM235,000 (approximate \$75,000) in relation to building improvement had being added to the factory premises located at PTB 1238 as listed below.

In the prior financial period, on 30 May 2021, Lian Hup Packaging Industries Sdn Bhd, ("LHP"), a wholly owned subsidiary of the Company had completed the acquisition of a industrial land together with a factory located at PTB 1238 in Mukim of Ulu Sungai Johor, District of Kota Tinggi, Johor, Malaysia for a total consideration of RM2,200,000 (approximates \$709,000). The amount of RM1,000,000 (approximates \$324,000) paid to a third party vendor has been recognised as deposit for leasehold properties in the previous financial year. A total addition of RM2,410,000 (approximates \$777,000) including further improvements in relation to the above transaction have being transferred to the right-of-use assets during the six months ended 30 June 2021.



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## 16. Fixed Deposit

Fixed deposits of the Group amounting to \$59,000 (2021: \$80,000) are pledged to banks as security for credit facilities granted to the Group. On 30 June 2022, the credit facilities being granted by a bank to one of the subsidiaries, Siri Belukar Packaging Sdn Bhd was fully discharged along with the release of the fixed deposit of \$19,000 and the fixed charge over the subsidiary's leasehold property at Lot PTB 1237, Jalan Tun Mutahir 1, Industries Area Fasa 2, Bandar Tenggara, 81440 Johor as stated in Note 18 below.

## 17. Share capital

	The Group and the Company			
	30/06/2022		31/12/2021	
	Number of shares	Amount	Number of shares	Amount
	'000	\$'000	'000	\$'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 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

## 18. Borrowings

	Group		Company	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
<b>Amount repayable within one year or on demand</b>				
Lease Liabilities - Secured	51	102	41	80
Lease Liabilities - Unsecured	646	627	527	513
<b>Total</b>	<b>697</b>	<b>729</b>	<b>568</b>	<b>593</b>
<b>Amount repayable after one year</b>				
Lease Liabilities - Secured	57	78	57	73
Lease Liabilities - Unsecured	5,153	5,484	5,084	5,359
<b>Total</b>	<b>5,210</b>	<b>5,562</b>	<b>5,141</b>	<b>5,432</b>

### Details of any collateral

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

The Group and the Company's hire purchase with a carrying amount of \$0.05 million and \$0.04 million (2021: \$0.10 million and \$0.08 million) are repayable within one year and bear the interest at rates ranging from 4.15% to 5.68% and 4.15% to 5.43% (2021: 4.15% to 5.68% and 4.15% to 5.43%) per annum respectively.

The Group and the Company's hire purchase with a carrying amount of \$0.06 million and \$0.06 million (2021: \$0.08 million and \$0.07 million) are repayable after one year and bear the interest at rates ranging from 4.15% to 5.24% and 4.15% to 5.24% (2021: 4.15% to 5.43% and 4.15% to 5.43%) per annum respectively.

The Group and the Company's lease liabilities with a carrying amount of \$0.65 million and \$0.53 million (2021: \$0.63 million and \$0.51 million) are repayable within one year and bear the interest at rates ranging from 2.28% to 7.00% and 7.00% (2021: 2.28% to 7.00% and 7.00%) per annum respectively.



## **18. Borrowings (Cont'd)**

The Group and the Company's lease liabilities with a carrying amount of \$5.15 million and \$5.08 million (2021: \$5.48 million and \$5.36 million) are repayable after one year and bear the interest at rates ranging from 2.28% to 7.00% and 7.00% (2021: 2.28% to 7.00% and 7.00%) per annum respectively.

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 2021 and during the current financial period respectively. The fixed charge was released on 30 June 2022 along with the discharge of the bank overdraft facility.

## **19. Subsequent events**

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



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## **(II) Other information required by Listing Rule Appendix 7.2**



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

The interim condensed consolidated statements of financial position of LHT Holdings Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated income statements and consolidated statements of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

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

**2.1 Revenue:**

The Group's revenue for the six months period ended 30 June 2022 (HY2022) increased by 3.3% or \$0.57 million to \$18.01 million as compared with \$17.44 million for the six months period ended 30 June 2021 (HY2021).

The sale of pallets and packaging business increased by 2.8% or \$0.39 million from \$13.78 million to \$14.17 million due to higher local customer orders as competition from overseas suppliers are reduced due to supply shortages.

Revenue from trading of timber-related products has decreased by 51.1% or \$0.47 million from \$0.92 million to \$0.45 million due to lower market demand for the HY2022. Trading activities do not follow any seasonal patterns.

Revenue from Technical Wood® and related products increased by 140.1% or \$0.45 million from \$0.32 million to \$0.77 million mainly due to higher woodchip sales.

The pallet rental income increased by 8.7% or \$0.21 million from \$2.42 million to \$2.63 million due to higher rental pallet demand due to increased effort to expand market presence.



**2.2 Gross Profit and Gross Profit Margin:**

The gross profit increased by 8.3% or \$0.53 million from \$6.32 million in HY2021 to \$6.85 million in HY2022 on higher gross profit margin of 38.0% in HY2022 as compared 36.3% in HY2021.

The higher gross margin in HY2022 as compared to HY2021 was due to better product mix and intensified effort in sourcing for cheaper raw materials which led to higher gross margin in HY2022.

**2.3 Other Income:**

Other income increased by 26.6% or \$0.28 million to \$1.33 million in HY2022 as compared to \$1.05 million in HY2021 mainly due to higher service income from logistics, packaging and waste collection services. Please also refer to page 15, Note 8 for more information.

**2.4 Distribution Expenses:**

Distribution expenses decreased by 1.8% or \$0.01 million to \$0.60 million in HY2022 from \$0.61 million in HY2021 as a result of cost savings from using own delivery trucks and consolidating shipments.

**2.5 Administrative Expenses:**

Administrative expenses decreased by 0.5% or \$0.02 million to \$4.02 million in HY2022 from \$4.04 million in HY2021. The decrease in Administrative Expenses are mainly due lower upkeep and maintenance costs incurred for plant & machineries as a result of the Group's effort to consolidate its manufacturing operations.

**2.6 Other Expenses:**

Other expenses decreased by 45.7% or \$0.16 million to \$0.19 million in HY2022 from \$0.35 million in HY2021 mainly due to no additional loss allowance being made for trade and other receivables for HY2022 which is offset by higher exchange losses arising from the effect of weakening Malaysian Ringgit impacting the Group's subsidiaries in Malaysia. Please refer to page 15, Note 8.

**2.7 Finance Costs:**

Finance costs decreased by 1.4% or \$0.003 million to \$0.209 million in HY2022 from \$0.212 million in HY2021 mainly due to the settlement of secured lease liabilities during the current financial year.

**2.8 Profit Before Income Tax:**

The Group's profit before income tax increased by 46.0% or \$1.00 million to \$3.17 million in HY2022 as compared to \$2.17 million in HY2021 mainly due to higher gross profit margin and higher other income as explained above.

**2.9 Non-Current Assets:**

Non-current assets decreased by 5.7% or \$1.02 million from \$17.90 million as at 31 December 2021 (FY2021) to \$16.88 million as at 30 June 2022 (HY2022). The decrease was mainly due to the \$1.51 million in depreciation of property, plant and equipment ("PPE") and amortisation of right-of-use assets (ROU) offset by \$0.68 million of additions to PPE and ROU respectively.

**2.10 Current Assets:**

The increased in current assets by 3.6% or \$1.74 million to \$50.64 million in HY2022 from \$48.90 million in FY2021 was mainly attributable to:

- (1) an increase in inventory to \$7.11 million in HY2022 from \$5.89 million in FY2021 mainly due to increase in purchases as result of increasing sales demand;
- (2) an increase in trade and other receivables to \$6.69 million in HY2022 from \$6.61 million in FY2021 mainly due to increase in trade prepayment to suppliers for goods purchases; and
- (3) an increase in cash and cash equivalents (inclusive of fixed deposit) to \$36.84 million in HY2022 from \$36.41 million in FY2021.



**2.11 Current Liabilities:**

The current liabilities increased by 16.7% or \$0.60 million to \$4.19 million in HY2022 compared to \$3.59 million in FY2021 mainly due to the following:

- (1) a increase in trade and other payables to \$2.79 million in HY2022 from \$2.31 million in FY2021, mainly due to higher trade purchases in line with higher sales turnover;
- (2) a decrease in lease liabilities in HY2022 to \$0.70 million from \$0.73 million in FY2021, mainly due to repayment of lease and secured lease liabilities; and
- (3) a increase in income tax payable to \$0.71 million in HY2022 from \$0.55 million in FY2021.

**2.12 Non-Current Liabilities:**

The decrease of non-current liabilities by 5.7% or \$0.38 million to \$6.30 million in HY2022 from \$6.68 million in FY2021 was mainly due to the repayment of lease liabilities.

**2.13 Net Current Assets:**

The Group's net current assets increased by 2.5% or \$1.14 million to \$46.45 million in HY2022 from \$45.31 million in FY2021. This was mainly due to a increase of \$1.74 million in current assets offset by a decrease in current liabilities of \$0.60 million, as mentioned in Para 2.10 and 2.11 above.

**2.14 Consolidated Statement of Cash Flows:**

The Group's net cash generated from operating activities was an inflow of \$3.40 million in HY2022 as compared to an inflow of \$2.84 million in HY2021. The increase in inflow was mainly due to higher profit before income tax.

Net cash outflow from investing activities of \$2.65 million in HY2021 was lower mainly due to lower placement of fixed deposits (\$2.03 million) and the purchase of property, plant and equipment (\$0.67 million) as compared to the net cash outflow of \$4.01 million in HY2021 due mainly to higher placement of fixed deposits (\$2.74 million) and the higher purchase of property, plant and equipment and right of use assets (\$1.29 million).

Net cash outflow from financing activities of \$2.19 million in HY2022 as compared to the outflow of \$2.25 million in HY2021 was lower mainly due to lower amounts of lease liabilities repayments.



**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.**

Economic conditions remain uncertain as it grapples with high inflation, high interest rates, supply chain disruptions and new variants of Covid-19.

Under such challenging conditions and uncertain business environment, the Group will remain vigilant and prudent and continue to focus on its core businesses as well as costs management.

Apart from intensifying its marketing efforts, it will review and further streamline its operations and production processes.

**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 2022.



**7. Interested person transactions**

For interested person transactions above, no shareholders' mandate pursuant to Rule 920 has been obtained. There were no transactions with interested person as defined in the SGX's Listing Manual for the financial period ended 30 June 2022 that exceeded the stipulated threshold.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$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. \$272,891	-
Leayong Trading ("LT")	LT provides transport services to subsidiaries of the Company. \$40,480	-
Gold Leayong Trading ("GLT")	GLT provides transport services to subsidiaries of the Company. \$30,951	-
<b>Total</b>	<b>\$344,322</b>	-

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

We, the undersigned, being two directors of LHT Holdings Limited (the "Company"), do hereby confirm on behalf of the directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company, which may render the half year financial results for the period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

**Yap Mui Kee**  
Managing Director

**Tan Kok Hiang**  
Non-Executive, Lead Independent Director



**9. Undertakings from directors and executive officers**

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

**BY ORDER OF THE BOARD**

**Yap Mui Kee**  
Managing Director

12 August 2022