

**Unaudited Half Year Financial Statements For The Period Ended 30 June 2015**

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

CONSOLIDATED INCOME STATEMENT

	Notes	Group		
		30/06/2015 S\$' 000	30/06/2014 S\$' 000	Change (%) increase / (decrease)
Revenue	Para 8.01	25,749	22,453	14.7
Cost of sales		(19,530)	(17,252)	13.2
Gross profit	Para 8.02	6,219	5,201	19.6
Other income	(i) & Para 8.03	2,067	1,886	9.6
Distribution expenses	Para 8.04	(1,089)	(921)	18.2
Administrative expenses	(ii) & Para 8.05	(4,433)	(4,364)	1.6
Other expenses	(iii) & Para 8.06	(63)	(264)	(76.1)
Finance costs	(iv) & Para 8.07	(49)	(60)	(18.3)
Profit before income tax	(v) & Para 8.08	2,652	1,478	79.4
Income tax expenses	(vi) & Para 8.11(4)	(519)	(542)	(4.2)
Profit for the financial period		2,133	936	127.9
Attributable to: Owners of the parent		2,133	936	

Notes to the consolidated income statement

Notes		Note	Group	
			30/06/2015 S\$' 000	30/06/2014 S\$' 000
(i)	Other Income			
	Waste collection income		130	191
	Heat treatment and utilities income		218	149
	Rental and services income		1,210	1,284
	Gain on disposal of property, plant and equipment	(a)	4	61
	Accreditation of deferred grants		-	15
	Government grants		317	140
	Reversal of doubtful trade receivables written off		73	-
	Other income		115	46
	Total		2,067	1,886



Notes		Note	Group	
			30/06/2015 S\$' 000	30/06/2014 S\$' 000
(ii)	Administrative expenses			
	Advertisement expenses / Marketing and promotion expenses		(39)	(118)
	Depreciation of property, plant and equipment		(860)	(784)
	Insurance expenses		(160)	(152)
	Legal and professional fee		(82)	(41)
	Property tax		(208)	(150)
	Rental expenses on premises		(394)	(374)
	Subletting fee		(57)	(45)
	Upkeep and maintenance expenses		(140)	(260)
(iii)	Other expenses			
	Foreign exchange loss, net		(55)	(135)
	Allowance for doubtful trade receivables		-	(57)
	Allowance for obsolete stock		(8)	(72)
	Total		(63)	(264)
(iv)	Finance costs			
	- Finance leases		(19)	(24)
	- Loan Interest		(30)	(36)
	Total		(49)	(60)
(v)	Profit before income tax is stated after (charging) / crediting			
	Non-audit fees paid to auditors of the Company		(22)	(9)
	Depreciation of property, plant and equipment – cost of sales		(920)	(901)
	Directors' fees		(68)	(68)
	Employee benefits expenses			
	- Post-employment benefits		(216)	(197)
	- Salaries wages and other costs		(3,294)	(3,184)
(vi)	Income tax expenses			
	Charge for income tax in respect of profit for the period:			
	- Current tax		(519)	(542)

There was no investment income during the period.

Note:

(a) The Group had disposed off property, plant and equipment comprising rental pallets, forklift and motor vehicles with proceeds shown as below:

	30/06/2015 S\$' 000	30/06/2014 S\$' 000
Rental pallets	5	76
Equipment and machinery	2	-
Total	7	76



LHT HOLDINGS LIMITED

(Company Registration No. 198003094E)

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Statement of Comprehensive Income for the Period Ended 30 June 2015

	Group 30/06/2015 S\$' 000	Group 30/06/2014 S\$' 000	Change + / (-) %
Total profit for the period	2,133	936	127.9%
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(469)	(52)	801.9%
Total comprehensive income for the period	1,664	884	88.2%

Total comprehensive income attributable to:

Owners of the parent	<u>1,664</u>	<u>884</u>	88.2%
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**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 30/06/2015	As at 31/12/2014	As at 30/06/2015	As at 31/12/2014
		S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets	Para 8.09				
Property, plant and equipment		21,826	22,198	11,127	11,368
Investments					
-Subsidiary companies		-	-	13,951	13,951
-Investment Property		5,750	5,750	5,750	5,750
		27,576	27,948	30,828	31,069
Current Assets	Para 8.10				
Inventories		6,308	8,163	5,077	7,040
Trade receivables		11,410	10,328	8,560	8,271
Amounts due from subsidiary companies		-	-	2,751	2,767
Other receivables		1,329	1,353	360	625
Fixed deposits		186	174	-	-
Cash and cash equivalents		6,237	5,915	2,055	1,458
		25,470	25,933	18,803	20,161
Less:					
Current Liabilities	Para 8.11				
Trade payables and accruals		3,717	4,300	2,369	3,237
Amounts due to subsidiary companies		-	-	2,378	2,256
Other payables		790	785	470	455
Finance lease payables		456	453	143	141
Term loan, secured		972	960	972	960
Income tax payables		788	536	554	436
		6,723	7,034	6,886	7,485
Net Current Assets	Para 8.13	18,747	18,899	11,917	12,676
Less:					
Non-Current Liabilities	Para 8.12				
Finance lease payables		550	777	91	163
Term loan, secured		1,459	1,923	1,459	1,923
Deferred tax liabilities		1,199	1,205	563	563
		3,208	3,905	2,113	2,649
		43,115	42,942	40,632	41,096
Equity	Para 1 d(i)				
Share capital		24,621	24,621	24,621	24,621
Currency translation reserve		(1,357)	(888)	-	-
Asset revaluation reserve		1,376	1,376	1,376	1,376
Retained earnings		18,475	17,833	14,635	15,099
		43,115	42,942	40,632	41,096

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

As at 30/06/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,428	-	1,413	-

Amount repayable after one year

As at 30/06/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,009	-	2,700	-

Details of any collateral

The term loans are secured by joint first legal mortgage over certain leasehold and investment properties and fixed charge on certain plant and machinery.

The term loan I are repayable over a maximum period of 7 years from the commencement date in July 2011 and bear effective interest rates ranging from 2.41% to 2.89% (FY2014: 2.39% to 2.41%) per annum.

The term loan II are repayable over a maximum period of 5 years from the commencement date in April 2013 and bear effective interest rates ranging from 1.93% to 2.33% (FY2014: 1.90% to 1.91%) per annum.

The borrowings are denominated in Singapore dollars.

**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 FOR THE PERIOD ENDED 30 JUNE 2015**

	30/06/2015 S\$'000	30/06/2014 S\$'000
Operating activities:		
Profit before income tax	2,652	1,478
Adjustments for:		
Accreditation of deferred grants	-	(15)
Reversal of doubtful trade receivables written off	(73)	-
Allowance for doubtful trade receivables	-	57
Currency realignment	(188)	(38)
Depreciation of property, plant and equipment	1,780	1,685
Gain on disposal of property, plant and equipment	(4)	(61)
Property, plant, equipment written off	12	-
Interest Income	(8)	(7)
Interest expense	49	60
Operating cash flow before movements in working capital	4,220	3,159
Changes in working capital:		
Increase in trade and other receivables	(930)	(167)
Decrease in inventories	1,855	49
Decrease in trade and other payables	(578)	(975)
Cash generated from operations	4,567	2,066
Interest received	8	7
Interest paid	(49)	(60)
Income taxes paid	(321)	(475)
Net cash from operating activities	4,205	1,538
Investing activities:		
Proceeds from disposal of property, plant and equipment	7	76
Purchase of property, plant and equipment	(1,710)	(1,313)
Net cash used in investing activities	(1,703)	(1,237)
Financing activities:		
Dividend paid	(1,491)	(1,065)
(Increase) / Decrease in fixed deposit pledged	(12)	13
Repayment of finance lease obligations	(225)	(197)
Repayment of term loans	(452)	(443)
Net cash used in financing activities	(2,180)	(1,692)
Net change in cash and cash equivalents	322	(1,391)
Cash and cash equivalents at beginning of financial period	5,915	8,313
Cash and cash equivalents at end of financial period	6,237	6,922

Cash and cash equivalents at end of financial period consist of:

	30/06/2015 S\$'000	30/06/2014 S\$'000
Cash and cash equivalents	6,237	6,922
Fixed deposits	186	179
Sub-total	6,423	7,101
Fixed deposits pledged with bank	(186)	(179)
Total	6,237	6,922



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.

	← Attributable to equity holders of the Company →				
	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 2015	24,621	1,376	(888)	17,833	42,942
Total comprehensive income for the period					
Profit for the year	-	-	-	2,133	2,133
Other comprehensive income:					
Exchange difference on translating foreign subsidiaries	-	-	(469)	-	(469)
Total comprehensive income for the period	-	-	(469)	2,133	1,664
Dividend paid	-	-	-	(1,491)	(1,491)
Balance at 30 June 2015	24,621	1,376	(1,357)	18,475	43,115
Balance at 1 January 2014	24,621	1,376	(781)	15,890	41,106
Total comprehensive income for the period					
Profit for the year	-	-	-	936	936
Other comprehensive income:					
Exchange difference on translating foreign subsidiaries	-	-	(52)	-	(52)
Total comprehensive income for the period	-	-	(52)	936	884
Dividend paid	-	-	-	(1,065)	(1,065)
Balance at 30 June 2014	24,621	1,376	(833)	15,761	40,925
Company					
Balance at 1 January 2015	24,621	1,376	-	15,099	41,096
Total comprehensive income for the period					
Profit for the year	-	-	-	1,027	1,027
Total comprehensive income for the period	-	-	-	1,027	1,027
Dividend paid	-	-	-	(1,491)	(1,491)
Balance at 30 June 2015	24,621	1,376	-	14,635	40,632
Balance at 1 January 2014	24,621	1,376	-	13,136	39,133
Total comprehensive income for the period					
Profit for the year	-	-	-	997	997
Total comprehensive income for the period	-	-	-	997	997
Dividend paid	-	-	-	(1,065)	(1,065)
Balance at 30 June 2014	24,621	1,376	-	13,068	39,065



- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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 for the period.

- 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 at the end of the financial period was 212,980,000 (As at 31 December 2014: 212,980,000).

- 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 30 June 2015, the Company did not hold any of its issued shares as treasury shares. (As at 30 June 2014: Nil).

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

The figures have not been audited or reviewed by the auditors.

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

Not applicable.

- 4. 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 has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2014. The adoption of the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which are effective for financial period beginning on or after 1 January 2015 has no significant impact on the financial position or performance of the Group.

- 5. 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.**

There are no changes in accounting policies and methods of computation used in the preparation of the financial information in this announcement.



6. 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.

	30/06/2015	30/06/2014	Change +/- (%)
Earnings per share (cents)			
(i) On basic	1.00	0.44	127.3%
(ii) On a fully diluted basis	1.00	0.44	127.3%

Note: The earnings per share are calculated based on 212,980,000 (30 June 2014: 212,980,000) ordinary shares in issue during the period.

7. 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		
	30/06/2015	31/12/2014	+/-)%	30/06/2015	31/12/2014	+/-)%
Net asset value per Ordinary Share (cents) based on issued share capital at the end of financial period	20.24	20.16	0.40%	19.08	19.30	(1.14)%

8. 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.

8.01 Revenue:

The Group's revenue for the six months period ended 30 June 2015 (HY2015) increased by 14.7% or \$3.3 million to \$25.75 million as compared with \$22.45 million for the six months period ended 30 June 2014 (HY2014).

The sale of pallets and packaging business increased by 16.0% or \$2.86 million from \$17.88 million to \$20.74 million due to stronger demand in HY2015.

The pallet rental income increased slightly, by 3.4% or \$0.07 million from \$2.05 million to \$2.12 million.

Technical Wood® and Technical Wood® related products decreased by 72.9% or \$0.35 million from \$0.48 million to \$0.13 million.

Revenue from trading of timber related products has increased by 9.7% or \$0.15 million from \$1.55 million to \$1.70 million due to increase in market demand.



The revenue arising from the supply of woodchip increased by 112.0% or \$0.56 million from \$0.50 million to \$1.06 million due to the increased demand during the period.

8.02 Gross Profit and Gross Profit Margin:

The gross profit increased by 19.6% or \$1.02 million from \$5.20 million in HY2014 to \$6.22 million in HY2015 and the gross profit margin has improved by 1.0% to 24.2% in HY2015 as compared to 23.2% in HY2014.

8.03 Other Income:

Other income increased by 9.5% or \$0.18 million to \$2.07 million in HY2015 as compared to \$1.89 million in HY2014 due to increase in government grants, heat treatment income and reversal of doubtful trade receivables written off but partially offset by the reduction of rental and service income and waste collection income. Please refer to page 1, note (i).

8.04 Distribution Expenses:

Distribution expenses increased by 18.5% or \$0.17 million to \$1.09 million in HY2015 from \$0.92 million in HY2014 in line with revenue growth and higher transport charges.

8.05 Administrative Expenses:

Administrative expenses increased by 1.6% or \$0.07 million to \$4.43 million in HY2015 from \$4.36 million in HY2014 which was mainly due to the increase of administrative salaries and depreciation of property, plant and equipment. Please refer to page 2, note (ii) and (v).

8.06 Other Expenses:

Other expenses decreased by 76.9% or \$0.20 million to \$0.06 million in HY2015 from \$0.26 million in HY2014 due mainly to the reduction in foreign exchange losses and reduction in allowance for obsolete stock. Please refer to page 2, note (iii).

8.07 Finance Costs:

Finance costs decreased by 16.7% to \$0.05 million in HY2015 from \$0.06 million in HY2014 primarily due to reductions in finance leases and term loan financing for purchase of equipment and machinery.

8.08 Profit Before Income Tax:

The Group's profit before income tax increased by 79.1% or \$1.17 million to \$2.65 million in HY2015 as compared to \$1.48 million in HY2014 due mainly to the increase in revenue.

8.09 Non-Current Assets:

Non-current assets decreased by 1.3% or \$0.37 million from \$27.95 million as at 31 December 2014 (FY2014) to \$27.58 million in HY2015. The decrease was due to the depreciation of assets for the period.

8.10 Current Assets:

The decrease in current assets by 1.8% or \$0.46 million to \$25.47 million in HY2015 from \$25.93 million in FY2014 was attributable to:

- (1) a decrease in inventory to \$6.31 million in HY2015 from \$8.16 million in FY2014 due to quick turnover for the finished products;
- (2) offset by an increase in trade receivables to \$11.41 million in HY2015 from \$10.33 million in FY2014 due to higher revenue; and
- (3) an increase in cash and cash equivalents to \$6.24 million in HY2015 from \$5.92 million in FY2014 due to better operational cost control, while
- (4) other receivables had remained relatively the same at \$1.33 million in HY2015 from \$1.35 million in FY2014 as the prepayment for purchase of raw materials had remained relatively the same.

**8.11 Current Liabilities:**

The current liabilities decreased by 4.4% or \$0.31 million to \$6.72 million in HY2014 compared to \$7.03 million in FY2014 mainly due to the following:

- (1) a decrease in trade payables and accruals to \$3.72 million in HY2015 from \$4.30 million in FY2014;
- (2) a decrease of term loan to \$0.97 million from \$0.96 million due to loan repayment; but
- (3) was partially offset by a slight increase of other payables to \$0.79 million in HY2015 from \$0.78 million in FY2014, and
- (4) an increase of income tax payable to \$0.79 million in HY2015 from \$0.54 million in FY2014.

8.12 Non-Current Liabilities:

The decrease of non-current liabilities by 17.9% or \$0.70 million to \$3.21 million in HY2015 from \$3.91 million in FY2014 was mainly due to repayments of finance lease of \$0.23 million and term loan of \$0.46 million during the period.

8.13 Working Capital (Net Current Assets):

The Group's working capital reduced slightly by 0.8% or \$0.15 million to \$18.75 million in HY 2015 from \$18.90 million in FY2014 was due to the drop in inventories.

8.14 Consolidated Statement of Cash Flows:

The Group's cash and cash equivalents decreased by 9.8% or \$0.68 million to \$6.24 million in HY2015 from \$6.92 million in HY2014. The net cash inflow generated from the operating activities was mainly used in purchases of plant and equipment, repayment of finance lease and term loan and the payment of dividend for FY2014 during the period.

9. 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.

10. 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 challenging market conditions and the uncertainties in the global economy, the Group maintains a cautious outlook for the coming months. Management will continue to remain vigilant and closely monitor costs.

11. Dividend**(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

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

No interim dividend for the half year ended 30 June 2015 has been recommended.

13. Interested Person Transactions.

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 is providing transport services to the Company. \$550,888	-
Total	\$550,888	-

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 2015 that exceeded the stipulated threshold.

BY ORDER OF THE BOARD

Yap Mui Kee
Executive Director

12 August 2015



BOARD NEGATIVE ASSURANCE CONFIRMATION
FOR HALF YEAR RESULTS

Confirmation by the Board on the Half Year to 30 June 2015 announcement

We, Ms Yap Mui Kee and Mr Tan Kok Hiang, 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 their 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 2015 to be false or misleading.

On behalf of the board of directors

Ms Yap Mui Kee
Executive Director

Mr Tan Kok Hiang
Non Executive, Lead Independent Director