

**Unaudited Half Year Financial Statements For The Period Ended 30 June 2014**

**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		
		30/06/2014 S\$' 000	30/06/2013 S\$' 000	Change (%) increase / (decrease)
<b>Revenue</b>	<b>Para 8.01</b>	<b>22,453</b>	<b>18,458</b>	<b>21.6%</b>
Cost of sales		(17,252)	( 14,191)	21.6%
<b>Gross profit</b>	<b>Para 8.02</b>	<b>5,201</b>	<b>4,267</b>	<b>21.9%</b>
Other income	<b>(i) &amp; Para 8.03</b>	1,886	1,803	4.6%
Distribution expenses	<b>Para 8.04</b>	(921)	(872)	5.6%
Administrative expenses	<b>(ii) &amp; Para 8.05</b>	(4,364)	(4,054)	7.6%
Other expenses	<b>(iii) &amp; Para 8.06</b>	(264)	(111)	137.8%
Finance costs	<b>(iv) &amp; Para 8.07</b>	(60)	(48)	25.0%
<b>Profit before income tax</b>	<b>(v) &amp; Para 8.08</b>	<b>1,478</b>	<b>985</b>	<b>50.1%</b>
Income tax expenses	<b>(vi) &amp; Para 8.11(4)</b>	(542)	(319)	69.9%
<b>Profit for the financial period</b>		<b>936</b>	<b>666</b>	<b>40.5%</b>
Attributable to: <b>Owners of the parent</b>		<b>936</b>	<b>666</b>	

**Notes to the consolidated income statement**

Notes		Note	Group	
			30/06/2014 S\$' 000	30/06/2013 S\$' 000
<b>(i)</b>	<b>Other Income</b>			
	Waste collection income		191	64
	Heat treatment and utilities income		149	172
	Rental and services income		1,284	1,355
	Gain on disposal of property, plant and equipment	(a)	61	58
	Accreditation of deferred grants		15	15
	Government grants		140	34
	Other income		46	105
	<b>Total</b>		<b>1,886</b>	<b>1,803</b>



Notes		Note	Group	
			30/06/2014 S\$' 000	30/06/2013 S\$' 000
<b>(ii)</b>	<b>Administrative expenses</b>			
	Advertisement expenses / Marketing and promotion expenses		(118)	(100)
	Depreciation of property, plant and equipment		(784)	(757)
	Insurance expenses		(152)	(165)
	Legal and professional fee		(41)	(59)
	Property tax		(150)	(131)
	Rental expenses on premises		(374)	(356)
	Subletting fee		(45)	(57)
	Upkeep and maintenance expenses		(260)	(88)
<b>(iii)</b>	<b>Other expenses</b>			
	Foreign exchange loss, net		(135)	(131)
	(Allowance)/Reversal for doubtful trade receivables		(57)	9
	(Allowance)/Reversal for obsolete stock		(72)	11
	<b>Total</b>		<b>(264)</b>	<b>(111)</b>
<b>(iv)</b>	<b>Finance costs</b>			
	- finance leases		(24)	(30)
	- loan Interest		(36)	(18)
	<b>Total</b>		<b>(60)</b>	<b>(48)</b>
<b>(v)</b>	<b>Profit before income tax is stated after (charging) / crediting</b>			
	Non-audit fees paid to auditors of the Company		(9)	(7)
	Depreciation of property, plant and equipment – cost of sales		(901)	(776)
	Directors' fees		(68)	(68)
	Employee benefits expenses			
	-Post-employment benefits		(197)	(176)
	-Salaries wages and other costs		(3,184)	(2,828)
<b>(vi)</b>	<b>Income tax expenses</b>			
	Charge for income tax in respect of profit for the period:			
	-Current tax		(542)	(319)

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:

	30/06/2014 S\$' 000	30/06/2013 S\$' 000
Rental pallets	76	57
Equipment and machinery	-	14
<b>Total</b>	<b>76</b>	<b>71</b>

**Statement of Comprehensive Income for the Period Ended 30 June 2014**

	Group 30/06/2014 S\$' 000	Group 30/06/2013 S\$' 000	Change +/(-) %
Total profit for the period	936	666	40.5%
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(52)	(27)	92.6%
Total comprehensive income for the period	884	639	38.3%

Total comprehensive income attributable to:

Owners of the parent

884639

38.3%

**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 30/06/2014	As at 31/12/2013	As at 30/06/2014	As at 31/12/2013
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-Current Assets</b>	<b>Para 8.09</b>				
Property, plant and equipment		22,234	22,637	11,816	12,200
Investments					
-Subsidiary companies		-	-	13,951	13,951
-Investment Property		5,500	5,500	5,500	5,500
		<b>27,734</b>	<b>28,137</b>	<b>31,267</b>	<b>31,651</b>
<b>Current Assets</b>	<b>Para 8.10</b>				
Inventories		6,250	6,299	4,939	5,551
Trade receivables		8,994	9,602	6,758	7,246
Amounts due from subsidiary companies		-	-	4,044	3,921
Other receivables		1,274	556	484	84
Fixed deposits		179	190	-	-
Cash and cash equivalents		6,922	8,313	2,719	2,995
		<b>23,619</b>	<b>24,960</b>	<b>18,944</b>	<b>19,797</b>
<b>Less:</b>					
<b>Current Liabilities</b>	<b>Para 8.11</b>				
Trade payables and accruals		3,088	4,090	2,132	3,008
Amounts due to subsidiary companies		-	-	3,513	3,378
Other payables		738	696	468	433
Finance lease payables		407	399	139	135
Term loan, secured		916	960	916	960
Provision for income tax		716	649	570	523
Deferred grants		-	29	-	-
		<b>5,865</b>	<b>6,823</b>	<b>7,738</b>	<b>8,437</b>
<b>Net Current Assets</b>	<b>Para 8.13</b>	<b>17,754</b>	<b>18,137</b>	<b>11,206</b>	<b>11,360</b>
<b>Less:</b>					
<b>Non-Current Liabilities</b>	<b>Para 8.12</b>				
Finance lease payables		829	1,035	234	305
Term loan, secured		2,415	2,814	2,415	2,814
Deferred tax liabilities		1,319	1,319	759	759
		<b>4,563</b>	<b>5,168</b>	<b>3,408</b>	<b>3,878</b>
		<b>40,925</b>	<b>41,106</b>	<b>39,065</b>	<b>39,133</b>
<b>Equity</b>	<b>Para 1 d(i)</b>				
Share capital		24,621	24,621	24,621	24,621
Currency translation reserve		(833)	(781)	-	-
Asset revaluation reserve		1,376	1,376	1,376	1,376
Retained earnings		15,761	15,890	13,068	13,136
		<b>40,925</b>	<b>41,106</b>	<b>39,065</b>	<b>39,133</b>

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

As at 30/06/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,323	-	1,359	-

**Amount repayable after one year**

As at 30/06/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,244	-	3,849	-

**Details of any collateral**

The borrowings of the Group are secured by charges on motor vehicles, plant and machinery and legal mortgage of certain properties.

The term loan 1 with a carrying amount of S\$0.33 million is repayable within one year and bears interest at rates ranging from 2.39% to 2.40% (2013: 2.37% to 2.38%) per annum.

The term loan 2 with a carrying amount of S\$0.58 million is repayable within one year and bears interest at rates of 1.90% (2013:1.88%) per annum.

The term loan 1 with a carrying amount of S\$0.72 million is repayable after one year and bears interest at rate ranging at the prevailing 3-month SIBOR plus 2.00% per annum.

The term loan 2 with a carrying amount of S\$1.70 million is repayable after one year and bears interest rates at the prevailing 3-month SIBOR plus 1.50% per annum.

**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 2014**

	<b>30/06/2014 S\$'000</b>	<b>30/06/2013 S\$'000</b>
<b>Cash flows from operating activities:</b>		
Profit before income tax	1,478	985
Adjustments for:		
Accredition of deferred grants	(15)	(15)
Allowance/(Reversal) for doubtful trade receivables written back	57	(9)
Currency realignment	(38)	-
Depreciation of property, plant and equipment	1,685	1,533
Gain on disposal of property, plant and equipment	(61)	(58)
Interest Income	(7)	(4)
Interest expense	60	48
<b>Operating cash flow before reinvestment in working capital</b>	<b>3,159</b>	<b>2,480</b>
Changes in working capital:		
Increase in trade and other receivables	(167)	(915)
Decrease / (Increase) in inventories	49	(497)
(Increase) / Decrease in trade and other payables	(975)	471
<b>Cash generated from operations</b>	<b>2,066</b>	<b>1,539</b>
Interest received	7	4
Interest paid	(60)	(48)
Income taxes paid	(475)	(272)
Income taxes refund	-	188
<b>Net cash from operating activities</b>	<b>1,538</b>	<b>1,411</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property, plant and equipment	76	71
Purchase of property, plant and equipment	(1,313)	(4,142)
<b>Net cash used in investing activities</b>	<b>(1,237)</b>	<b>(4,071)</b>
<b>Cash flows from financing activities:</b>		
Dividend paid	(1,065)	(1,065)
Proceed from finance lease obligations	-	410
Decrease / (Increase) in fixed deposit pledged	13	(164)
Repayment of finance lease obligations	(197)	(180)
Repayment of term loans	(443)	(292)
Proceed from term loans	-	3,000
<b>Net cash( used in)/from financing activities</b>	<b>(1,692)</b>	<b>1,709</b>
Net change in cash and cash equivalents	(1,391)	(951)
Cash and cash equivalents at beginning of financial period	8,313	8,052
<b>Cash and cash equivalents at end of financial period</b>	<b>6,922</b>	<b>7,101</b>

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

	<b>30/06/2014 S\$'000</b>	<b>30/06/2013 S\$'000</b>
Cash and cash equivalents	6,922	7,101
Fixed deposits	179	196
<b>Sub-total</b>	<b>7,101</b>	<b>7,297</b>
Fixed deposits pledged with bank	(179)	(196)
<b>Total</b>	<b>6,922</b>	<b>7,101</b>



**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
<b>Group</b>					
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)
<b>Balance at 30 June 2014</b>	<b>24,621</b>	<b>1,376</b>	<b>(833)</b>	<b>15,761</b>	<b>40,925</b>
Balance at 1 January 2013	24,621	1,376	(618)	15,090	40,469
Total comprehensive income for the period					
Profit for the year	-	-	-	666	666
Other comprehensive income:					
Exchange difference on translating foreign subsidiaries	-	-	(27)	-	(27)
Total comprehensive income for the period	-	-	(27)	666	639
Dividend paid	-	-	-	(1,065)	(1,065)
<b>Balance at 30 June 2013</b>	<b>24,621</b>	<b>1,376</b>	<b>(645)</b>	<b>14,691</b>	<b>40,043</b>
<b>Company</b>					
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)
<b>Balance at 30 June 2014</b>	<b>24,621</b>	<b>1,376</b>	<b>-</b>	<b>13,068</b>	<b>39,065</b>
Balance at 1 January 2013	24,621	1,376	-	12,018	38,015
Total comprehensive income for the period					
Profit for the year	-	-	-	374	374
Total comprehensive income for the period	-	-	-	374	374
Dividend paid	-	-	-	(1,065)	(1,065)
<b>Balance at 30 June 2013</b>	<b>24,621</b>	<b>1,376</b>	<b>-</b>	<b>11,327</b>	<b>37,324</b>



- 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 (2013: 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 2014, the Company did not hold any of its issued shares as treasury shares. (As at 30 June 2013: 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 2013. 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 2014 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.**

	30/06/2014	30/06/2013	Change +/- (%)
Earnings per share (cents)			
(i) On basic	0.44	0.31	41.9%
(ii) On a fully diluted basis	0.44	0.31	41.9%

Note: The earnings per share are calculated based on 212,980,000 (2013: 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		
	30/06/2014	31/12/2013	+/- %	30/06/2014	31/12/2013	+/- %
Net asset value per Ordinary Share (cents) based on issued share capital at the end of financial period	19.22	19.30	(0.41)%	18.34	18.37	(0.16)%

**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 2014 (HY2014) increased slightly by 21.6% to \$22.45 million as compared with \$18.46 million for the six months period ended 30 June 2013 (HY2013).

The sale of pallets and packaging business was increased by 11.4% or \$1.83 million from \$16.05 million to \$17.88 million.

The pallet rental income increased by 25.0% or \$0.41 million from \$1.64 million to \$2.05 million was due to stronger demand in rental market.

Technical Wood® and Technical Wood® related products remained the same demand at \$0.48 million for both periods from exporting countries.

Revenue from trading of timber related products has increased tremendously by 453.6% from \$0.28 million to \$1.55 million due to increased market demand.



The supply of woodchip has increased by 900.0% or \$0.45 million from \$0.05 million to \$0.50 million due to the gradually increased demand from Tuas Power during the period.

**8.02 Gross Profit and Gross Profit Margin:**

The gross profit increased by 21.9% or \$0.93 million from \$4.27 million in HY2013 to \$5.20 million in HY2014 and the gross profit margin has remained the same at 23.2% in both HY2014 and HY2013.

**8.03 Other Income:**

Other income increased by 4.6% or \$0.08 million to \$1.89 million in HY2014 as compared to \$1.80 million in HY2013 due to the increase of waste collection income and government grants, but partially offset by the reduction of rental and service income.

**8.04 Distribution Expenses:**

Distribution costs were slightly increased by 5.6% or \$0.05 million to \$0.92 million in HY2014 from \$0.87 million in HY2013 which was due to the higher transport charges.

**8.05 Administrative Expenses:**

Administrative expenses increased by 7.6% or \$0.31 million to \$4.36 million in HY2014 from \$4.05 million in HY2013 which was mainly due to the increase of administrative salaries, repair and maintenance expenses and depreciation of property, plant and equipment. Please refer to page 2, note (ii) and (v).

**8.06 Other Expenses:**

Other expenses increased by 137.8% or \$0.15 million to \$0.26 million in HY2014 from \$0.11 million in HY2013 due mainly to the increase of allowance for doubtful trade receivables and obsolete stock. Please refer to page 2, note (iii).

**8.07 Finance Costs:**

Finance costs increased by 25.0% to \$0.06 million in HY2014 from \$0.05 million in HY2013 primarily due to the term loan financing for purchase of equipment and machinery.

**8.08 Profit Before Income Tax:**

The Group's profit before income tax increased by 49.9% or \$0.49 million to \$1.48 million in HY2014 as compared to \$0.99 million in HY2013 due mainly to the increase in revenue.

**8.09 Non-Current Assets:**

Non-current assets decreased by 1.4% or \$0.40 million from \$28.14 million as at 31 December 2013 (FY2013) to \$27.73 million in HY2014. The decrease was due to the depreciation of assets provided for the period.

**8.10 Current Assets:**

The decrease in current assets by 5.4 % or \$1.34 million to \$23.62 million in HY2014 from \$24.96 million in FY2013 was attributable to:

- (1) a decrease in inventory to \$6.25 million in HY2014 from \$6.30 million in FY2013 due to quick turnover for the finished products;
- (2) a decrease in cash and cash equivalents to \$6.92 million in HY2014 from \$8.31 million in FY2013 due to repayment of term loan and finance lease;
- (3) a decrease in trade receivables to \$8.99 million in HY2014 from \$9.60 million in FY2013 due to better collection; and
- (4) was partially offset by the increase of other receivables to \$1.27 million in HY2014 from \$0.56 million in FY2013 due to the prepayment for purchase of raw materials.

**8.11 Current Liabilities:**

The current liabilities were decreased by 14% or \$0.99 million to \$5.87 million in HY2014 compared to \$6.82 million in FY2013 as follows:

- (1) a decrease in trade payables and accruals to \$3.09 million in HY2014 from \$4.09 million in FY2013;
- (2) a decrease of term loan to \$0.92 million from \$0.96 million due to the repayment; and
- (3) was partially offset by the increase of other payables to \$0.74 million in HY2014 from \$0.70 million in FY2013, and
- (4) increase of provision for income tax to \$0.72 million in HY2014 from \$0.65 million in FY2013.

**8.12 Non-Current Liabilities:**

The decrease of non-current liabilities by 11.7% or \$0.61 million to \$4.56 million in HY2014 from \$5.17 million in FY2013 was due to the repayments of finance lease of \$0.21 million and term loan of \$0.40 million during the period.

**8.13 Net Current Assets:**

The Group's working capital reduced slightly by 2.1% or \$0.38 million to \$17.75 million in HY 2014 from \$18.14 million in FY2013 was due to the drop of cash and cash equivalents.

**8.14 Statement of Cash Flows:**

The Group's cash and cash equivalents decreased by 2.5% or \$0.18 million to \$6.92 million in HY2014 from \$7.10 million in HY2013. 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 FY2013 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 maintain 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 2014 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. \$501,092	-
Total	\$501,092	-

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 2014 that exceeded the stipulated threshold.

**BY ORDER OF THE BOARD**

Neo Koon Boo  
Managing Director

12 August 2014



**BOARD NEGATIVE ASSURANCE CONFIRMATION**  
**FOR HALF YEAR RESULTS**

**Confirmation by the Board on the Half Year to 30 June 2014 announcement**

We, Mr Neo Koon Boo 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 2014 to be false or misleading.

On behalf of the board of directors

Mr Neo Koon Boo  
Managing Director

Mr Tan Kok Hiang  
Non Executive, Lead Independent Director