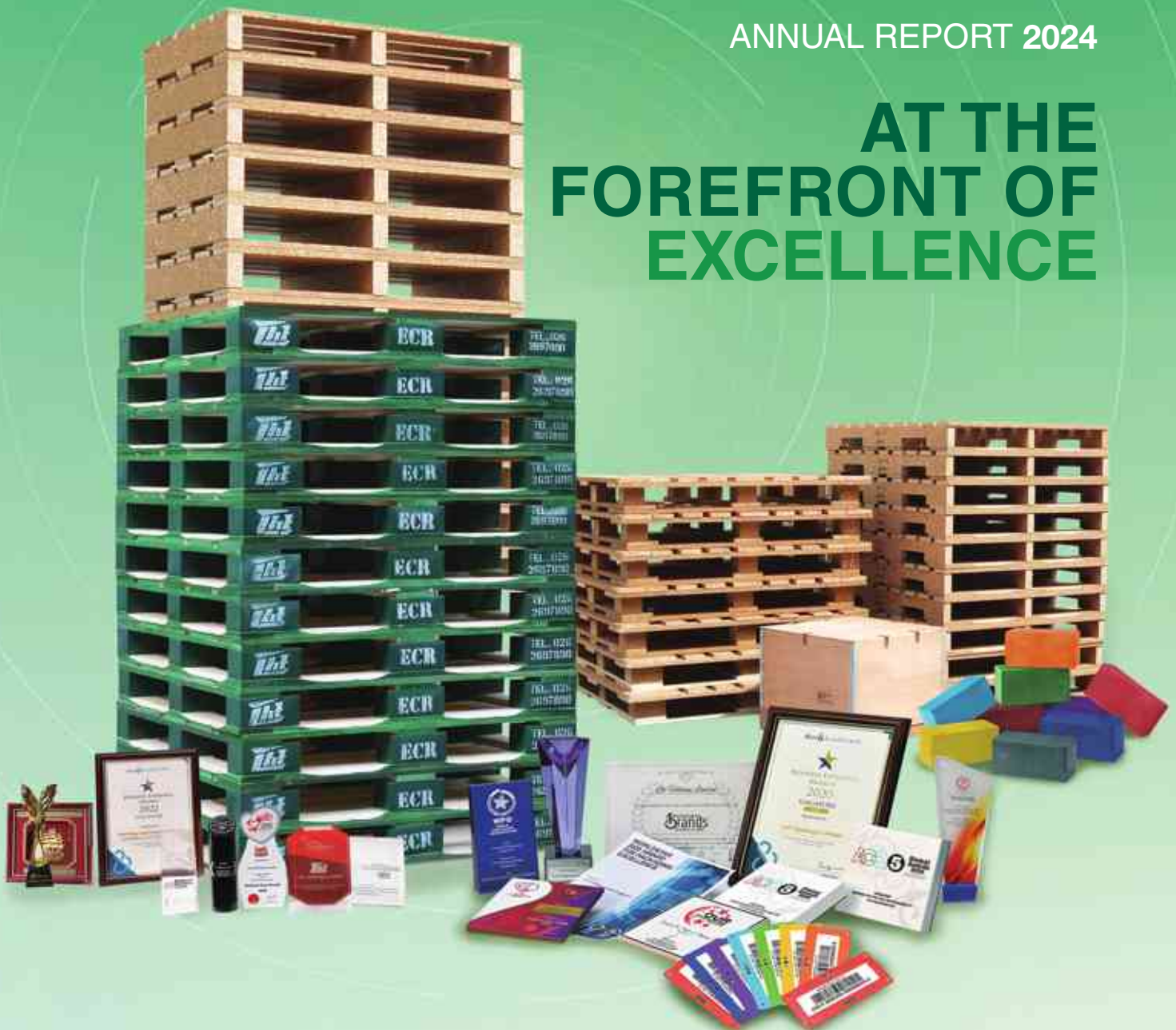




LHT HOLDINGS LIMITED

ANNUAL REPORT 2024

AT THE FOREFRONT OF EXCELLENCE



LHT's commitment to excellence and a greener environment has been recognised with the receipt of many important awards and certifications.



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Corporate Profile



LHT Holdings Limited has been in the timber industry for over 40 years. Since establishment in 1977, LHT has grown into one of the largest manufacturers of high quality wooden pallets, boxes and crates in Singapore, with facilities occupying 38,286 sqm of land in Singapore. LHT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 26 July 1999. LHT’s staff strength now stands at 84 employees in Singapore and a total of 231 employees in the Group as at end February 2025.

ISO Certifications

- 1997** Awarded ISO 9001 certification on the quality management system
- 2001** Awarded ISO 14001 certification on its environmental management system highlighting LHT’s commitment towards environmental excellence

LHT’s commitment to excellence and a greener environment has been recognised with the receipt of many important awards and certifications. LHT has been presented with the SEC-Senoko Power Green Innovation Award (2005), Sustainability Award by the Singapore Business Federation (2012), 3R Packaging Award (2013) co-hosted by Singapore Packaging Agreement and National Environment Agency, SMF Business Model Innovation Award by the Singapore Manufacturing Federation and SSWG Merit Award by the Singapore Police Force (2014).

The Company has been a multiple recipient of the Enterprise 50 Award (1995 and 1996) and received the 27th International Trophy for Quality by the Trade Leader’s Club based in Madrid, Spain (1998). In 2002, LHT has also received the 21st Century, Global Triumphant Product Golden Rim Award from the Medium Business Development Association of China in recognition of its contribution to the industry.

More recently, the Company has been awarded the Business Eminence Awards by Dun & Bradstreet (2022) and Asia’s Best Sustainability Awards – SME category – Bronze by CSR works.

With its commitment to improving the environment and highly automated machinery, LHT was selected by the Ministry of the Environment as a participant for its “Clean and Green Week” for a few years previously. This gave LHT a tremendous opportunity to showcase its advanced techniques, product applications, as well as wooden pallet and case and wood waste recycling plant to a diverse range of stakeholders, including the staff of the statutory board, potential business partners and the public at large.



Corporate Structure and Corporate Information



BOARD OF DIRECTORS

Li Suet Man	– Non-Executive Non-Independent Chairman (Appointed on 23 April 2024)
Yap Mui Kee	– Managing Director and CEO
Tan Kim Sing ^{###}	– Executive Director
Billy Neo Kian Wee ^{###}	– Executive Director
Lock Wai Han [#]	– Non-Executive Lead Independent Director
Theng Siew Lian Lisa [#]	– Non-Executive Independent Director
Lim Kee Way Irwin [#]	– Non-Executive Independent Director
Tan Peck Joo [#]	– Non-Executive Independent Director
Dr Kimmis Pun Kim Ming	– Non-Executive Independent Director (Appointed on 1 December 2024)
Lan Ruilong	– Non-Executive Non-Independent Director (Appointed on 1 March 2025)
Tan Kok Hiang ^{##}	– Non-Executive Lead Independent Director
Low Peng Kit ^{##}	– Non-Executive Independent Director
Dr Wu Chiaw Ching ^{##}	– Non-Executive Independent Director
Sally Yap Mei Yen	– Alternate Director to Yap Mui Kee and Corporate Secretary

Appointed on 29 April 2024
Retired on 29 April 2024
Stepped down on 28 February 2025

COMPANY SECRETARY

Sally Yap Mei Yen, FCS; FCG; FCA (Singapore); FCPA (Australia); FCCA; ACMA; CGMA; MBA

AUDIT AND RISK COMMITTEE

Ms Tan Peck Joo – *Chairperson*
Mr Lock Wai Han – *Member*
Mr Lim Kee Way Irwin – *Member*
Dr Kimmis Pun Kim Ming – *Member*

NOMINATING COMMITTEE

Mr Lim Kee Way Irwin – *Chairman*
Ms Theng Siew Lian Lisa – *Member*
Ms Tan Peck Joo – *Member*
Dr Kimmis Pun Kim Ming – *Member*

REMUNERATION COMMITTEE

Ms Theng Siew Lian Lisa – *Chairperson*
Mr Lock Wai Han – *Member*
Mr Lim Kee Way Irwin – *Member*
Ms Tan Peck Joo – *Member*
Dr Kimmis Pun Kim Ming – *Member*

REGISTERED OFFICE

27 Sungei Kadut Street 1
Singapore 729335
Tel : (65) 6269 7890 | Fax: (65) 6367 4907

EMAILS

enquiry@lht.com.sg
ir@lht.com.sg (for investor relations matters)
sr@lht.com.sg (for sustainability report matters)

STOCK DATA

SGX Code: BEI

WEBSITES

<http://www.lht.com.sg>
<http://www.technicalwood.com.sg>
<http://www.ecrpallet.com>
<http://www.ippcpallet.com>
<http://www.greenflo.com>
<http://www.gpac.com.sg>
<http://www.woodybiofuel.com>

SHARE REGISTRAR

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896
Tel: (65) 6593 4848 | Fax: (65) 6593 4847

AUDITORS

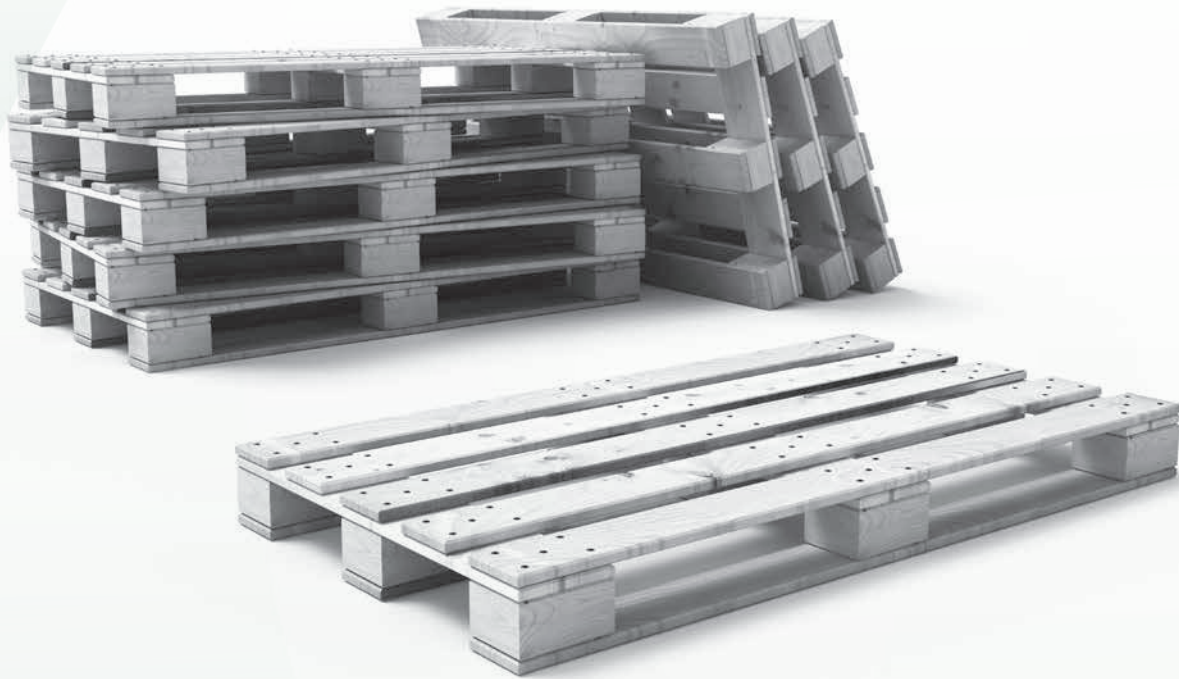
BDO LLP
Public Accountants and
Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188788
Partner: Mr Aw Vern Chun Philip
(Appointed from the financial year ended
31 December 2021)

PRINCIPAL BANKERS

Bank of China
CIMB Bank Berhad
DBS Bank Ltd
Malayan Banking Berhad
United Overseas Bank Ltd
Bank of Investment and Development of Vietnam
RHB Bank Berhad
Oversea – Chinese Banking Corporation Ltd.

Mission Statement

We aspire to lead in the management of total packaging support to our customers in every aspect of their supply chains across their regional operations with the state-of-the-art technology, excellent services, and competitive pricing.



WE ACHIEVE OUR MISSION THROUGH:

Leading-edge Technology

We constantly search and acquire, whenever financially and operationally expedient, the latest technology in packaging.

Innovative Products

We build and sustain an in-house research and development capability in developing innovative products that meet the changing needs and preferences of customers for packaging.

Advance Process Management

We strive for excellence in managing all internal processes for increased productivity and all external processes for customer satisfaction with advanced process management techniques and methodologies.

Harmonious Environment with Good Network Building

We create and sustain a conducive working environment for our people while responding to the global call for environmentally friendly packaging products. We also continue building extensive marketing and distribution channels.

People Power

We unite and look to our people as a driving force for the company's growth.



The Group will continue to enhance its competitiveness and innovation by maintaining product quality, prompt delivery, cost control measures and improvements in productivity.

Dear Shareholders,

The past year has been a period of transition for LHT. As we navigate an evolving business landscape, we have taken decisive steps to strengthen our foundations, optimize our operations, and position ourselves for growth. While the macroeconomic environment presented challenges, we remain focused on ensuring that LHT is well-prepared to capture long-term opportunities. On behalf of the Board of Directors, I present the Annual Report and audited financial Statements of LHT Group for Financial Year 2024 ("FY2024").

REVIEW OF PERFORMANCE

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

Despite the decline in revenue, our cost management initiatives and operational efficiencies led to an improvement in gross profit margins, rising to 40.6% in 2024 from 39.3% in the previous year. This reflects our efforts to optimize costs and improve our product mix, ensuring that we remain competitive even in a more challenging business climate.

However, net profit after tax fell 48.7% to \$2.23 million, primarily due to one-off administrative expenses for reinstatement costs related to the termination of our lease at Kranji and renovating our Tuas South property. While this is a disappointing outcome, it underscores the need for LHT to sharpen its strategic focus to drive future growth.

STRATEGIC INITIATIVES AND BUSINESS OUTLOOK

A key focus for the Board has been strengthening our foundations by refining our strategic direction and ensuring that we allocate resources effectively. The relocation of certain production lines, for example, is a deliberate step toward optimizing our cost structure while still ensuring we serve our customers reliably. These decisions are not made lightly, but they are necessary to secure the company's future in an increasingly competitive environment.

While this transition comes with temporary challenges, we are confident that it will result in a leaner, more efficient operating model that enhances profitability and resilience. The relocation and streamlining of operations will provide us with a stronger foundation to pursue growth more aggressively in the coming years.

At the same time, we are mindful of the importance of governance, leadership, and strategic partnerships. Over the past year, the Board has worked closely with management and external consultants to develop a five-year strategic roadmap aimed at reversing the downward trend in revenue and profits. This roadmap identifies key areas for growth, operational efficiencies, and market expansion, ensuring that LHT is well-positioned to capitalize on new opportunities

Chairman's Statement

while reinforcing our core business. Our engagement with external advisors to conduct a strategic review underscores our commitment to making informed, forward-looking decisions that will shape the next phase of LHT's growth.

Looking ahead, we plan to drive growth through a more aggressive sales and marketing approach, with a strong focus on expanding our presence in Malaysia and exploring higher-margin multiproduct solutions. By diversifying our product offerings and enhancing our market penetration strategies, we aim to strengthen our revenue base and position LHT for sustained success.

BOARD AND LEADERSHIP TRANSITIONS

This year marks a period of transition within our leadership. On behalf of the Board, I would like to express my deepest appreciation to Mr. Tan Kim Sing and Mr. Billy Neo for their invaluable contributions to LHT over the years. Their leadership and dedication have been instrumental in shaping the company, and we wish them all the best in their future endeavours.

At the same time, we are pleased to welcome our new directors, who bring fresh perspectives and expertise to the Board. Their collective experience and insights will invigorate the company as we embark on the next phase of growth. With their leadership, we are confident that LHT will continue to evolve, unlocking its full potential and ensuring long-term success for our stakeholders.

DIVIDEND

In line with our commitment to shareholder value, the Board is recommending a first and final one-tier tax-exempt dividend of \$0.05 per share for 2024.

ACKNOWLEDGEMENT

I would like to thank our colleagues, customers, business partners, and shareholders for their continued trust and support. Your dedication remains the foundation of our success.

As we enter the next chapter, we do so with renewed determination and a clear focus on long-term, sustainable growth. With a clear strategy, a strengthened leadership team, and a renewed focus on growth and efficiency, we are committed to building a more resilient and forward-looking company, one that delivers lasting value to all stakeholders.

Li Suet Man

Chairman
LHT Holdings Limited



Board of Directors

Mr Li Suet Man joined the Company as an Independent Director on 1 November 2019. He was redesignated on 23 October 2023 as Non-Executive Non-Independent Director. He was appointed as Non-Executive Non-Independent Chairman on 23 April 2024. He began his early career in London working for an international finance house. Eight years later in 1996, he moved on to pursue opportunities in Singapore and has since established an extensive business network here. Holding a master's degree in Finance (GPA 3.94/4.00) awarded by the City University of New York, and an executive MSc in Finance from Zicklin School of Business, he was selected for lifetime membership in Beta Gamma Sigma, the international honour society for collegiate schools of business. Since 2015, he has been frequently invited to teach International Finance and Business Management in the two local universities.

Until recently, Mr Li had been the Chairman of the Energy and Chemicals Industry Group in Singapore Manufacturing Federation, a position he had held for more than 13 years. In that capacity, he had chaired the Taskforce for Energy Supply and Transmission under the auspices of the Singapore Standards Council. In 2013, he delivered the keynote speech during the Singapore International Energy Week, entitled "Singapore – Asia's Energy Hub", which garnered significant media recognition. He was also the Chairman of SME Centre and China Business Committee, and thus sat on the Singapore-Shandong Business Council for 9 years.

Over the past decade, Mr Li has been successively appointed by the China-ASEAN Business Council as Executive Chairman of four different China-ASEAN Industry Collaboration Committees, namely, Chemical, Biomedical, High-tech and Construction. For his contribution, he was named the "2017 Outstanding Figure for Promoting ASEAN-China Enterprise Cooperation" by all ten ASEAN Ambassadors to China. Concurrently, he serves as the Economic Advisor to both Shandong and Nanning International Chambers of Commerce as well as the Rizhao International Maritime City. In 2021, Mr Li was elected Vice President of the Singapore China Business Association.



Mr Li Suet Man

*Non-Executive Non-Independent Chairman
(Appointed on 23 April 2024)
Age: 64*

Board of Directors



Ms Yap Mui Kee
Managing Director and CEO
Age: 63

Ms Yap Mui Kee has been the Executive Director of the Company since 2 January 1988. She was appointed as Managing Director and CEO on 10 February 2017. She oversees the sales and marketing functions of the Group for more than 35 years and is responsible for exploring new markets for the Company and aligning the Company's research and development efforts for new products based on the market needs. Ms Yap plays an active role in the Group's ECR (Efficient Consumer Response) pallet rental business in Singapore and Malaysia; and oversees the development of the Group's RFID (Radio Frequency Identification) ECR Pallet Tracking System. She holds a Diploma in Sales and Marketing from the Marketing Institute of Singapore. She was awarded the certificate for the Operation Management Innovation (OMNI) Programme conducted by A*Star in 2011. She is a member of the Singapore Institute of Directors; an executive committee member of the Waste Management Recycling Association of Singapore and the Council member and Chairperson of the sub-committee, the Packaging Council of Singapore Manufacturer Federation. She is also the 22nd and 23rd term President of the Singapore Timber Association and 3rd Vice Chairperson of Asian Packaging Federation in 2024.



Mr Tan Kim Sing
Executive Director
(Stepped down on 28 February 2025)
Age: 76

Mr Tan Kim Sing is one of the founders of the Company and has been the Executive Director since 29 August 1980. Mr Tan has more than 30 years of experience in the timber industry and is well-versed in the production of wooden crates and pallets, as well as in the procurement of timber. He is responsible for the Company's production operations and the direct purchase of raw materials. He holds a Diploma in Business Administration from the Productivity and Standards Board in Singapore.



Mr Billy Neo Kian Wee
Executive Director
(Stepped down on 28 February 2025)
Age: 51

Mr Billy Neo Kian Wee was appointed as the Executive Director on 24 February 2017. He joined the company in June 1996 and had worked in several departments of the company such as Logistics, Sales and Marketing of pallet packaging products and services, Development, Sales and Certifications of Technical Wood® products. Mr Neo was appointed the General Manager of LHT Ecotech Resources (Tianjin) Co., Ltd, a wholly owned subsidiary of the Company in China in January 2012 where he was responsible for all the operations. Mr Neo holds a Bachelor of Business (Management) from Royal Melbourne Institute of Technologies, and a Diploma in Management Studies from Singapore Institute of Management.

Board of Directors

Mr Lock Wai Han joined the Company as the Lead Independent Director on 29 April 2024. He holds an Engineering degree from the University of Cambridge, UK, and a Master of Science (Management) from the Leland Stanford Junior University Graduate School of Business, USA.

He had served in the Singapore public sector for more than 20 years during which he held various leadership roles in the Singapore Police Force and the Administrative Service, including Commissioner of the Immigration & Checkpoints Authority; Director of the Criminal Investigations Department and Deputy Secretary of the Ministry of Information, Communications & the Arts.

He left the Government and joined the private sector in 2010. He was based in Beijing as the China CEO of CapitaMalls Asia, overseeing 60 malls in 36 cities, and returned to Singapore in 2013 to take on the role of Group CEO of SGX-listed company Rowsley Ltd. He is currently the CEO of SGX-listed company OKH Global Ltd, an industrial real estate contractor and developer.

He had previously held directorships in various statutory boards and companies, including Singapore-Shandong Business Council, Singapore-Liaoning Economic & Trade Council, International Enterprise Singapore, CapitaMalls Malaysia REIT Management Sdn. Bhd, Secura Group, Chip Eng Seng Corporation Ltd, Singapore Sports School, Anglo-Chinese School, Woodlands Health Development Board Committee etc. He currently chairs the Media Literacy Council and sits on the Boards of ESR Trust Mgt (Suntec) Ltd, The Hour Glass Ltd, Majuven Pte Ltd (Fund Management), and the Asian Mixed Martial Arts Association.



Lock Wai Han

Non-Executive Independent Director

(Appointed on 29 April 2024)

Age: 58

Ms Theng Siew Lian Lisa joined the Company as an Independent Director on 29 April 2024. Ms Theng is a legal practitioner and Managing Partner of CNPLaw LLP. She is an advocate and solicitor of the Supreme Court of Singapore and was admitted to the bar in 1991. She has been appointed by the Board of Commissioners for Oaths and Notary Public as a Commissioner for Oaths and a Notary Public. Through the years, Ms Theng has been recognised and ranked by reputable legal publications as a recommended and/or notable practitioner in the areas of Corporate and M&A, Corporate Governance, Banking and Finance and Dispute Resolution.

Ms Theng is currently an independent director of Swan & Maclaren Group Pte Ltd and a Board advisor to Skylab Holding Pte Ltd. Ms Theng is also a member of the Management Committee of 70x7 (an Institute of Public Character) and a co-founder of the EagleWings Group of Companies. She had previously held directorships in various companies including a Hong Kong listed company, a company listed in NASDAQ, a company listed in the SGX and several private companies including Sunseap Group Pte Ltd and Eagle Eye Centre Pte Ltd. She is a member of the Singapore Institute of Directors.



Theng Siew Lian Lisa

Non-Executive Independent Director

(Appointed on 29 April 2024)

Age: 58

Board of Directors



Tan Peck Joo

*Non-Executive Independent Director
(Appointed on 29 April 2024)
Age: 63*

Ms Tan Peck Joo joined the Company as an Independent Director on 29 April 2024. Peck Joo comes with a multi-faceted record of business experiences in Asia Pacific. She has a unique profile because she has assumed multiple results-driven roles in auditing, finance, private equity funds, business acquisitions and development, franchising, and general management; across a diversified portfolio of industries including education, edtech, healthcare, O2O edutainment cum edutrans, traditional & digital media, real estate, industrial park, FMCG, F&B retail, white goods, semiconductors and risk assurance. Peck Joo also has a wealth of operational experiences in MNCs listed on NYSE, NASDAQ, ASX, IDX, SGX, Government-linked entities, private entities, family-run conglomerate, franchisees and start-ups.

Peck Joo held a variety of her key appointments which included Executive Chairman of Siloam Hospital Lippo Village & Rumah Sakit Umum Siloam, CEO of Fumubang.com China, Deputy CEO of MNC Media Investment, EVP of Mediacorp, GM of Delifrance, Director of Asset Development of Starbucks Asia, Chief of M&A of MindChamps, CFOs of Heinz Asia, Panchshil India, Pepsi Foods International (China), Independent Director and Audit Chair of now publicly listed China-Singapore Suzhou Industrial Park Development Group Co, and A*Star appointed Nominee Director for CommonTown Pte Ltd.

Very well-travelled, Peck Joo has moved with job and lived in 8 cities in ASEAN, China, India and UK.

Peck Joo graduated with a degree in Accountancy from National University of Singapore. She was certified by the Institute of Internal Auditors USA and is a Chartered Accountant with the Institute of Singapore Chartered Accountants. In addition to the above roles, Peck Joo dedicated time for the community at large. She served on the boards of SATA, Down Syndrome Association and National Council against Drug Abuse. Currently, she serves as a member of the Audit Committee of the National Kidney Foundation.



Lim Kee Way Irwin

*Non-Executive Independent Director
(Appointed on 29 April 2024)
Age: 59*

Mr Lim Kee Way Irwin joined the Company as an Independent Director on 29 April 2024. He is currently the Chief Investment Officer of Capital Asia Investments ("CAI"), a Multi-Family Office ("MFO"). Prior to CAI, he was the Chief Financial Officer of Novo Tellus Alpha Acquisition ("NTAA") and Operating Partner and Chief Financial Officer of Novo Tellus Capital Partners. Mr Lim is also the Managing Director of Inflexion Ventures Private Ltd and the Independent Non-Executive Chairman of GS Holdings Limited listed on the Catalist board of SGX. He is also the Independent Director of Pacific Radiance Limited listed on the Mainboard of SGX.

Mr Lim earlier career was with the Economic Development Board of Singapore, Technomic International and Transpac Capital.

In 2000, he joined Murray Johnstone and subsequently moved on to Asiavest Partners. Both are companies in the private equity business.

Mr Lim later joined United Test and Assembly Center Ltd as the group vice-president of corporate development, which he subsequently assumed the role of group chief financial officer till he left the company.

Mr Lim holds a Master of Science in Management from the Imperial College, University of London, and a Bachelor of Science in Industrial Engineering from Columbia University in the city of New York. He is currently a member of the Singapore Institute of Directors as well as the EDB Society.

Board of Directors

Dr Kimmis Pun, a veteran banker for 40 years in Asia, is the Managing Director, Family Office, FA Corp (Cross border Tax Accountant), and Senior Adviser of Shenning Investments (CMS Licensed Fund Manager), helping High Net Worth Individuals structure family wealth, strategize/manage family investments and plan business succession.

She is the Lead Independent Director and Chair Nomination Committee of SIIC Environment (Singapore Mainboard Listed company) as well as an Independent Director of LHT Holdings (Singapore Mainboard listed company).

She previously held senior regional management positions at UBS, HSBC, Bank of America, BNP Paribas, Standard Chartered Bank, Maybank, VP Bank and EFG Bank, and has extensively covered ASEAN Region, Middle-East and the Greater China Region.

With her all-rounded experience in Corporate/Investment Banking, Private Banking, Trustee Company, Fund Management and Family Office at many world class banks and the present fund manager, she serves Ultra HNWIs in the Asia region and is instrumental in their wealth planning, investment planning and succession planning.

She is a Post Doctorate Visiting Scholar in Cambridge University, with her Doctorate (DBA) degree from University of St Antonio, and her Master (MBA) degree from University of Manchester. She has numerous global professional qualifications CFP, ChFC, CWMA, AIF, AEPP and IBFA, IBF Fellow (IBF Singapore), and ASD Accredited Senior Director (Singapore Institute of Directors).

Besides being successful in her career, Dr Kimmis plays a significant role in the financial planning and wealth planning industry. She was the ex-Board of Director of the US-based Financial Planning Standard Board & ex-President of Financial Planning Association of Singapore. She is the current Chairman of Wealth Planning Standard Board that makes research and promotes wealth structuring and planning.

Being a strong believer in philanthropy and life-long learning, she speaks frequently in various international seminars and conventions, contributes articles to financial magazines, gives interviews to media, lectures in Singapore & regional universities and conducts in-house training for leading financial institutions in the region. She also develops and teaches the AEPP curriculum in Hong Kong and China.



Dr Kimmis Pun Kim Ming
Non-Executive Independent Director
(Appointed on 1 December 2024)
Age: 63

Board of Directors



Mr Lan Ruilong

*Non-Executive Non-Independent Director
(Appointed on 1 March 2025)
Age: 55*

Mr Lan Ruilong joined the Company as a Non-Executive Non-Independent Director on 1 March 2025. He is an experienced investor and corporate executive with nearly 30 years in investment management, corporate governance, and cross-industry investments. He is currently the General Manager of the Investment and Production Department at H&R Century Union Corp., a publicly listed company in China, where he oversees strategic investments and risk management. His career includes senior leadership roles in publicly listed firms and cultural media enterprises, with expertise in M&A, corporate restructuring, and international business expansion.

Mr Lan holds an M.A. in Feature Film Directing and a B.A. in Production Management from the Beijing Film Academy. He has also pursued professional studies, ACCA at the London School of Accounting and the University of International Business and Economics. He is a member of the Beijing Venture Capital Association, a visiting professor at the Chongqing Institute of Foreign Trade and Economics, and a member of the Beijing Television Artists Association.



Ms Sally Yap Mei Yen

*Alternate Director to Yap Mui Kee and
Corporate Secretary
Age: 60*

Ms Sally Yap Mei Yen has been an Alternate Director to Ms Yap Mui Kee since 20 July 1998. She has held the role of Corporate Secretary of the Company since 29 March 2001, making her responsible for corporate secretarial and corporate affairs of the Company. With the background in audit, accounting and corporate secretarial functions, Ms Yap is also the Corporate Secretary of the Company's Singapore subsidiaries and the Supervisor of the Company's Chinese subsidiary.

She holds a Master of Business Administration degree in finance from Manchester Business School, The University of Manchester and a Practitioner Certificate in Personal Data Protection (Singapore) 2020 from the Personal Data Protection Commission Singapore. She is a Fellow of the Association of Chartered Certified Accountants (United Kingdom) and the Chartered Secretaries Institute of Singapore and is a Fellow Chartered Governance Professional of the Chartered Governance Institute (United Kingdom). She is also a Fellow of the Institute of Singapore Chartered Accountants (ISCA), a Fellow member of the Certified Practising Accountants, Australia, a member of Chartered Institute of Management Accountants (United Kingdom), and Chartered Global Management Accountants. She is a member and accredited Mediator of International Institute of Mediators (Singapore). She is also a member of the Singapore Institute of Directors (SID) and has been accredited by the SID as a Senior Accredited Board Director.

Senior Management

Mr Vincent Tan Khar Kheng

Administration and Financial Controller

Age: 56

Mr Vincent Tan Khar Kheng joined the Company on 19 March 2015 as the Administration and Financial Controller. His responsibility is to oversee the overall Group's accounting and financial management, Human Resource and other administrative functions. Prior to joining the Company, Mr Tan has had over 20 years of Finance experience in management positions at multinational companies in Singapore and Indonesia. He graduated from the Nanyang Technological University with a Bachelor of Accountancy (Honours) degree. He also holds a Master of Business Administration degree from The Heriot-Watt University (United Kingdom). Mr Tan is a non-practising member of the Institute of Singapore Chartered Accountants (ISCA).

Mr Derek Neo Kah Seng

Recycling Plant Manager

(retired on 4 February 2025)

Age: 61

Mr Derek Neo Kah Seng joined the Company in July 1989, and has since held the role of Plant Manager, and is in-charge of all recycle plant operations. With over a decade's experience in the export sales of pallets and timber-related materials, Mr Neo is a veteran in the import and export operations. He has held the roles of Shipping Officer, Export Sales Assistant Manager and Recycle Plant Assistant Manager. Prior to joining the Company, he worked with Miniscribe Peripherals (Pte) Ltd and Fujitec Singapore Corporation Ltd. He holds a Bachelor of Science in Computer with Economics degree from The Open University in UK, a Diploma in Economics from The Open University in UK, and a Diploma in Electrical Engineering from Singapore Polytechnic.



Operating and Financial Review



OPERATING REVIEW

Pallet and Packaging Products

The pallet and packaging business registered revenue of \$21.76 million (FY2023: \$24.21 million), a decrease of 10.1% from last year, mainly due to saturated market conditions arising from stiffer competition and reduction in market demand while segmental result achieved net profit of \$2.89 million, as compared to a net profit of \$3.28 million last year.

The Group expects this sector to remain the main source of income as the Group aims to promote its range of IPPC pallets and pest-free pallets in new markets while continuously driving demand in existing ones.

Timber-Related Products

Revenue of timber-related products increased by 19.2% to \$0.62 million (FY2023: \$0.52 million) as a result of higher demand in timber for the year. The segmental result registered net profit of \$0.08 million compared to net profit of \$0.10 million last year. Trading activities do not follow any seasonal patterns.

Technical Wood® Products and Woodchip Supply

The revenue of Technical Wood® products and woodchip supply decreased by 22.5% to \$1.10 million (FY2023: \$1.42 million) mainly due to lower demand for woodchips and higher operating costs (renovations and repair costs) incurred as a result of renovating our property at Tuas South. This has resulted in the segmental result registering a net loss of \$0.27 million as compared to a net profit of \$0.98 million in FY2023.

Pallet Rental and Others

The revenue for pallet rental has increased by 3.1% to \$4.71 million (FY2023: \$4.57 million) due to higher rental pallet demand resulting from an increase in marketing efforts in Malaysia. Accordingly, the segmental result registered an increase in profit of \$2.63 million (FY2023: \$2.28 million). As the region is expected to grow, although at a lower pace, the Group is confident that pallet rental demand will continue to be strong in the near to mid-term.

Operating and Financial Review

Other Subsidiary Companies

Kim Hiap Lee Company (Pte) Limited, which deals mainly with pallet rentals, registered revenue of \$2.57 million and an operating profit of \$1.57 million, after tax.

Lian Hup Packaging Industries Sdn Bhd, which specialises in the sales of wooden products, pallet rental, timber and packaging, registered revenue of \$2.72 million and operating profit of \$0.77 million, after tax.

Siri Belukar Packaging Sdn Bhd, which serves primarily as the manufacturing base which supplies pallets for LHT Holdings Limited, registered revenue of \$1.13 million and operating profit of \$0.02 million, after tax.

LHT Marketing Pte Ltd, which is the trading arm for LHT Group, registered revenue of \$0.31 million with an operating profit of \$0.18 million, after tax.

LHT Ecotech Resources Pte Ltd, an integrated solutions provider for all types of wood waste recycling and woodchips supply businesses, registered revenue of \$1.55 million with operating loss of \$0.66 million, after tax.

LHT Gpac Technology (M) Sdn Bhd was incorporated for the manufacturing of pest-free pallets, IPPC and LVL pallets, wood waste recycling management and industrial packaging. It registered revenue of \$7.81 million with operating profit of \$0.95 million, after tax.

LHT Ecotech Resources (Tianjin) Co., Ltd was established in 2015 to engage in environmental wood product manufacturing, wholesale, retail, import & export and RFID pallet rental business. As mentioned in prior years, due to difficulties brought about by the Covid-19 pandemic, the company has been scaled down to dormant in FY2020, and have remained dormant since.

LHT ECR Packaging (Vietnam) Company Limited was incorporated on 3 August 2017 to explore the pallets and packaging business in Vietnam. Due to cost and other considerations, the operations have scaled down, with no revenue registered, and an operating loss of \$0.01 million, after tax.

Potential Business Factors and Risks

Economic conditions remain dynamic and uncertain as the economy grapples with high inflation, high overhead costs, high interest rates, high energy and fuel costs and supply chain disruptions. Under such challenging conditions and uncertain business environment, the Group will remain prudent and vigilant, and continue to focus on its core business as well as cost management.



In the meantime, the Group expects to be affected by higher operating costs and foreign exchange fluctuations, accompanied by higher raw material prices and distribution costs. To maintain its competitive edge, the Group will continue to maintain the following strategies:

- 1 To use its Malaysian subsidiaries as its main manufacturing base to tap on more competitive labour costs;
- 2 To source for high-quality sawn timber from overseas suppliers, thereby keeping process wastages to a minimum;
- 3 To maintain inventory at a reasonable level so as to minimise inventory holding cost;
- 4 To raise productivity and exploring Government's grants in innovation of technology and encourage its employees to upgrade through training and on-the-job innovation; and
- 5 To intensify its marketing efforts while continuously reviewing and streamlining its operations and productions processes.

The wider acceptance and recognition of our environmental-friendly, pest-free pallets, IPPC pallets and pallets rental services in the local and overseas markets will help boost the Group's core businesses.

Operating and Financial Review

Human Resource, Quality Management

As at the end of February 2025, the Group has a workforce of 84 employees in Singapore. Together with its subsidiaries in other countries, the Group now has a total of 231 employees.

The Group continues to conduct safety briefing, information sharing and training for its employees on a regular basis. Ongoing continuous improvement training programmes are held to upgrade employees' productivity and safety awareness. On-the-job training, forklift refresher courses and fire and safety programmes help new and existing employees adapt to their new working environment. The

Group remains an impartial and fair employer, ensuring all employees are equally treated and, encouraging employees to participate in continuous learning and on the job training.

The Group recognises and appreciates the dedication and contributions of all its employees towards the Group's achievements and successes. As of today, 70 employees have been acknowledged with long services awards.

The Group's ISO committees will continue to review and improve its quality management systems to enhance productivity and competitiveness.



FINANCIAL REVIEW

Cash Flows and Liquidity

For the year ended 31 December 2024, The Group's net cash generated from operating activities decreased to \$3.57 million (FY2023: \$8.86 million) while net cash and cash equivalents decreased to \$10.75 million (FY2023: \$12.36 million). The decrease in inflow was mainly due to lower profit before income tax in FY2024 and a lower change in working capital while the decrease in cash and cash equivalents was mainly due to higher dividends paid out in FY2024.

The Group's current ratio decreased from 11.2 in FY2023 to 9.4 in FY2024, while the quick ratio also decreased from 10.3 to 8.3 respectively, mainly due to higher dividends paid out in FY2024. Net asset value per share decreased from 114.03 cents to 101.77 cents as at 31 December 2024. The shareholder's equity for the Group decreased to \$54.19 million (FY2023: \$60.71 million), while total assets decreased to \$65.03 million (FY2023: \$76.81 million).

Funding, Borrowings and Risk Management

The Group funds its investments and operations through a mixture of shareholders' funds and bank borrowings. The Group's total borrowings, which comprises wholly of lease liability of \$5.20 million which has decreased as compared to the last year amount of \$11.09 million due to the termination of the lease agreement known as Pte Lot A3008294 PID 8201710044 at Kranji Industrial Park. This has also resulted in long-term borrowings decreasing to \$4.41 million (FY2023: \$9.88 million).

Details of the Group's borrowings, interest rate and financial and capital risk management policies are disclosed in Notes 28 and 29 to the Financial Statements.

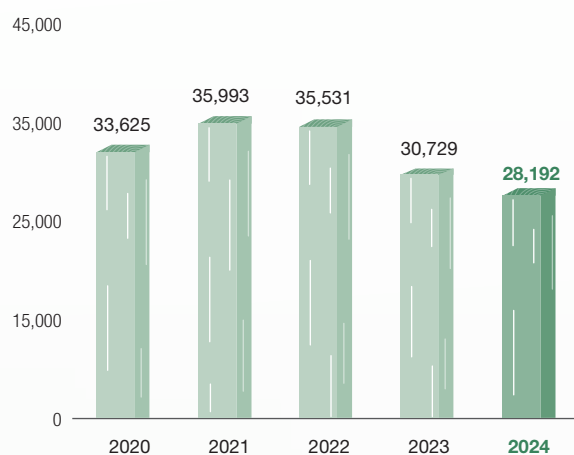
Capital Expenditure

The Group's total capital expenditure incurred for the year was lower at \$0.94 million (FY2023: \$4.57 million), mainly due to the one-off acquisition of the leasehold property at Tuas South in the prior year.

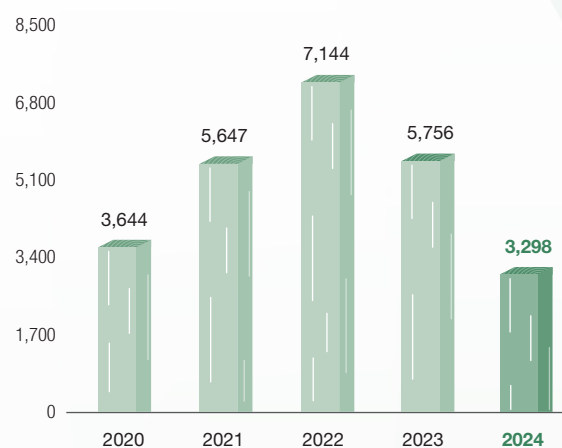
Financial Summary

For the Financial Year Ended 31 December

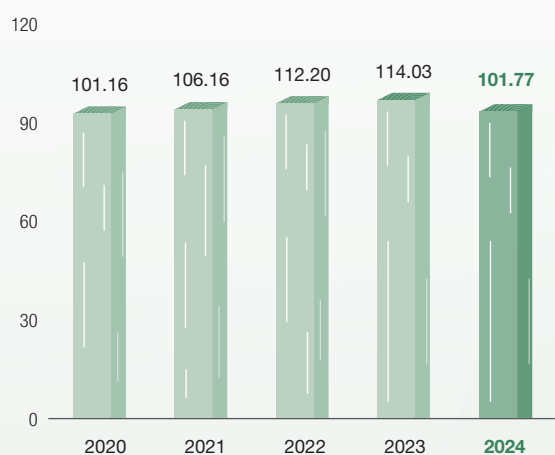
Revenue (S\$'000)



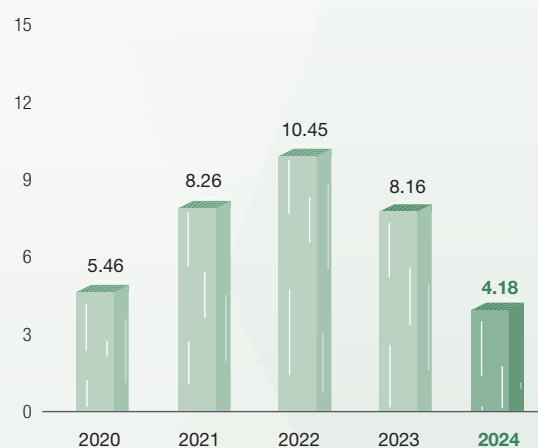
Profit Before Income Tax (S\$'000)



Net Assets Per Share (cents)



Earnings Per Share (cents)



Financial Summary

For the Financial Year Ended 31 December

Result of Operations

\$'000	2020	2021	2022	2023	2024
Revenue	33,625	35,993	35,531	30,729	28,192
Other income	3,263	2,439	3,084	3,696	3,475
Profit before income tax	3,644	5,647	7,144	5,756	3,298
Income tax expense	(739)	(1,251)	(1,579)	(1,411)	(1,071)
Profit after income tax attributable to:					
Owners of the Company	2,905	4,396	5,565	4,345	2,227
Earnings per share					
Basic and diluted (cents)	5.46	8.26	10.45	8.16	4.18

Financial Position

\$'000	2020	2021	2022	2023	2024
Non-current assets	18,355	17,895	15,600	23,581	17,120
Current assets	47,109	48,899	54,607	53,229	47,914
Current liabilities	(4,382)	(3,589)	(4,485)	(4,758)	(5,107)
Net current assets	42,727	45,310	50,122	48,471	42,807
Non-current liabilities	(7,222)	(6,680)	(5,981)	(11,338)	(5,737)
	53,860	56,525	59,741	60,714	54,190

Equity

Equity attributable to owners of the Company	53,860	56,525	59,741	60,714	54,190
Net assets per share (cents)	101.16	106.16	112.20	114.03	101.77

Note:

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.

Significant Events of 2024

FY2024 has been a year of notable achievements and significant milestones for LHT Holdings Ltd., underscoring our dedication to innovation, resilience, and excellence.

We are pleased to present this report, which provides a comprehensive overview of the key events, accomplishments, and strategic advancements that have defined our success over the past fiscal year.

14 JANUARY 2024

In an inspiring engagement on FM95.80 Radio, Ms. May Yap, the Chairperson, CEO, Managing Director of LHT Holdings Ltd., and President of the Singapore Timber Association, continues to champion sustainability and innovation. During the session, Ms. Yap shared her visionary insights on innovative strategies to transform wood waste into eco-friendly products through recycling and upcycling. This forward-thinking approach underscores LHT's commitment to sustainable practices and its pivotal role in shaping a greener future for the timber industry.

3 to 6 MARCH 2024

LHT Holdings Ltd proudly participated in Propak Vietnam 2024, held at the Vietnam International Convention Centre in Ho Chi Minh City. Representing the company at the Asian Packaging Federation (APF) conference, our speaker delivered a compelling presentation titled "Green Pallet for Green Packaging", sharing insights on sustainable practices and waste reduction in the packaging industry. This event marked a significant platform for advancing eco-friendly solutions across Asia.

11 to 15 JUNE 2024

Continuing its commitment to excellence and industry leadership, LHT Holdings Ltd., represented by Ms. May Yap, proudly participated in the Asian Packaging Federation (APF) Annual Meeting and Propak Asia 2024, held at the Bangkok International Trade and Exhibition Centre.

This significant event not only showcased advancements in packaging technology but also highlighted the importance of collaboration across the region. Adding to the momentous occasion, Ms. May Yap also unveil her new role as the 3rd Vice President of the APF, representing the Singapore Packaging Council and Singapore on this distinguished platform.

18 to 20 JULY 2024

In an inspiring showcase of innovation and sustainability, LHT Holdings Ltd participated in the highly anticipated MIFB 2024 at the Kuala Lumpur Convention Centre. The event served as a dynamic platform to unveil our cutting-edge solutions, including the eco-friendly Green Pallet for sustainable packaging and the launch of our ECR-RFID Pallet Rental Program.

This milestone event also offered a valuable opportunity to connect with international partners and stakeholders, further advancing our commitment to green packaging initiatives and reinforcing our position as a leader in sustainable solutions.

9 AUGUST 2024

LHT Holdings Ltd is proud to sponsor our eco-friendly wooden packaging for this year's Singapore National Day event. Designed for storing and transporting goodies, these reusable and returnable solutions reflect our dedication to promoting environmental responsibility while celebrating this significant occasion.

17 to 20 AUGUST 2024

A highlight of FY2024 was LHT Holdings Ltd's showcase at the Thailand Woodworking International 2024 exhibition held at IMPACT, Bangkok. Featuring our ECR RFID pallet rental system and eco-friendly Green Pallets and Boxes, the event reaffirmed our commitment to sustainable innovation and industry leadership.

23 AUGUST 2024

The PCS-PPP Joint Event Sustainability Conference at Singapore Polytechnic brought together leaders and visionaries to champion a sustainable future. Graced by NEA CEO Lim Tuan Liang as Guest of Honour, the event featured inspiring opening remarks by PPP President Matt and impactful closing remarks by PCS Chairperson May Yap, fostering meaningful dialogue and innovation.

5 to 6 SEPTEMBER 2024

During the year, LHT Holdings Ltd. also proudly participated in the Innovation & Technology Conference 2024, held at the JTC CleanTechTwo Block A, CleanTech Park Level 5, Immersive Lab. Graced by Minister of State Alvin Tan from the Ministry of Trade & Industry, the event focused on advancing Singapore's manufacturing ecosystem through innovation and artificial intelligence, providing a key platform for future industry growth.

13 SEPTEMBER 2024

Led by Chairperson Ms. May Yap, the Singapore Manufacturing Federation (SMF) – Packaging Council of Singapore (PCS) Industry Group recently hosted the Singapore Packaging Star Awards (SPSA) 2024 and Gala Dinner at Raffles Marina Hotel. Graced by Senior Minister of State for Sustainability, Dr. Amy Khor, the event celebrated innovation, creativity, and sustainability in packaging design. With categories ranging from Commercial Sales & Display to Student Awards as well as Commercial Environmental Sustainable Packaging, Commercial Transportation & Protection, the SPSA recognised outstanding achievements in the industry.

18 SEPTEMBER 2024

We are thrilled to announce that May Yap has been shortlisted and successfully re-elected as Chairperson of the Packaging Industry Sector under the Singapore Packaging Council for the term 2024-2027. This recognition by the Singapore Manufacturers Federation is a testament to her exceptional contribution and steadfast commitment to driving the growth and innovation of the packaging industry. We are excited for her continued contribution in shaping the future of the sector!

19 SEPTEMBER 2024

We were extremely honoured to attend the "Empowering Future Leaders: The AI and Global Leadership Symposium," proudly sponsored by SMF-UOB-SUSS. We are heartened to see how this inspiring event unlocked students' potential, motivating them to achieve excellence and fuelling their ambition to excel in academics and global leadership, while exploring the transformative possibilities of AI for the future.

26 SEPTEMBER 2024

The Singapore Timber Association's 23rd term kicked off with the re-election of President May Yap, accompanied by a dynamic dialogue session led by Deputy Prime Minister Gan Kim Yong. Key discussions focused on unlocking the timber trade's potential and exploring manufacturing relocation to Special Economic Zones (SEZs) at the TA Hub, setting the stage for exciting industry growth.

16 OCTOBER 2024

LHT Holdings Ltd. proudly concludes 2024 with the prestigious Packaging Star Award 2024 for our ECO Attachable Pallet, awarded by the Singapore Manufacturing Federation – Packaging Council of Singapore. As the final award event of the year, this recognition not only highlights our commitment to sustainable innovation, but also reinforces our leadership in eco-friendly packaging solutions.

7 to 8 NOVEMBER 2024

LHT Holdings Ltd. made a significant impact with its speech at the International Packaging Conference 2024 in Bali, Indonesia, organised by the Asian Packaging Federation and Indonesia Packaging Federation. The event focused on sustainable packaging in Asia, highlighting the roadmap and journey towards sustainable packaging production with a strong emphasis on reduction. This prestigious conference brought together industry leaders and innovators, offering an inspiring look at the future of sustainable practices in the packaging sector.

Directors' Statement

The Directors of LHT Holdings Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2024 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2024.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Yap Mui Kee	
Sally Yap Mei Yen	
Li Suet Man	
Tan Peck Joo	(appointed on 29 April 2024)
Lan Ruilong	(appointed on 1 March 2025)
Lock Wai Han	(appointed on 29 April 2024)
Lisa Theng Siew Lian	(appointed on 29 April 2024)
Irwin Lim Kee Way	(appointed on 29 April 2024)
Dr Kimmis Pun Kim Ming	(appointed on 1 December 2024)

3. Arrangements to enable Directors to acquire shares or debentures

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

Directors' Statement

4. Directors' interests in shares or debentures

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

Name of Directors The Company	Shareholdings registered in the name of Director			Shareholdings in which Director is deemed to have an interest		
	At beginning of year	At end of year	At 21 January 2025	At beginning of year	At end of year	At 21 January 2025
	Number of ordinary shares			Number of ordinary shares		
Tan Kim Sing ¹	9,671,205	9,671,205	— ²	16,250 ³	16,250 ³	16,250 ³
Yap Mui Kee	8,798,532	9,770,932	9,789,632	—	—	—
Sally Yap Mei Yen	88,800	88,800	88,800	—	—	—
Billy Neo Kian Wee ¹	856,000	856,000	856,000	—	—	—
Li Suet Man	—	—	—	12,098,147 ⁴	12,098,147 ⁴	12,098,147 ⁴

1 Mr Tan Kim Sing and Mr Billy Neo Kian Wee had ceased to be Directors of the Company on 28 February 2025.

2 Mr Tan Kim Sing transferred 9,671,205 shares representing an 18.16% substantial shareholding in the Company to Mr Lan Ruilong on 21 January 2025.

3 Held by Mdm Ng Siew Yeng, spouse of Mr Tan Kim Sing.

4 Mr Li Suet Man is deemed to have an interest in 12,098,147 shares held by Synectix Pte Ltd. Of these 12,098,147 shares, 7,098,147 shares are deposited in a nominee company, DBS Nominees Pte Ltd.

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

6. Audit and Risk Committee

The Audit and Risk Committee of the Company is chaired by Tan Pek Joo, an independent Director, and includes Lock Wai Han, Irwin Lim Kee Way and Dr Kimmis Pun Kim Ming who are independent Directors. The Audit and Risk Committee has met four times since the last Annual General Meeting and has carried out its functions in accordance with section 201B(5) of the Act, including reviewing the following, where relevant, with the executive Directors and external and internal auditors of the Company:

- the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;
- the Company's and the Group's financial and operating results and accounting policies;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;

Directors' Statement

6. Audit and Risk Committee (Continued)

- (d) the half-yearly and full-year announcements as well as the related press releases on the results and financial position of the Company and the Group;
- (e) the co-operation and assistance given by the management to the Company's internal and external auditor; and
- (f) the re-appointment of the external auditor of the Company.

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any Director or executive officer to attend its meetings. The internal and external auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting. The Audit and Risk Committee has carried out an annual review of non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

8. Additional disclosures requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited

The auditors of the subsidiaries of the Company are disclosed in Note 5 to the financial statements. In the opinion of the Board of Directors and Audit and Risk Committee, Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

On behalf of the Board of Directors

Yap Mui Kee
Managing Director
Chief Executive Officer

Singapore
25 March 2025

Li Suet Man
Non-Executive,
Non-Independent Chairman

Independent Auditor's Report

To the Members of LHT Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LHT Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024;
- the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1 Costing of inventories

Key Audit Matter

As at 31 December 2024, the Group's and Company's inventories amounted to \$5,290,000 and \$3,023,000 respectively, which accounted for approximately 11% of the Group's current assets and 12% of the Company's current assets respectively.

The Group adopts a periodic inventory accounting system, using an in-house Event-Driven Business Process Management System ("EDBPM"). Standard unit costs of the inventories are computed using Microsoft Access database application and manually entered into the EDBPM on a semi-annual basis. Arising from the large quantities of inventories and the Group's manual costing process, the determination of the unit costs for the inventories is laborious.

We focused on this area as a key audit matter as the carrying amount of inventories is a significant balance on both the consolidated statement of financial position of the Group and the statement of financial position of the Company. In addition, the inherent risk of the Group's manual process may lead to incorrect determination of the inventory unit costs and may result in inventories being materially misstated as at 31 December 2024.

Independent Auditor's Report

To the Members of LHT Holdings Limited

1 Costing of inventories (Continued)

Related Disclosures

Refer to Note 6 of the accompanying financial statements.

Audit Response

We have performed the following audit procedures, amongst others, on a sample basis:

- checked accuracy of units' costs stated in the EDBPM by matching the inventory unit costs from EDBPM against invoices from suppliers and costing sheets;
- evaluated the reasonableness of the inputs of direct labour and production overheads to the costing sheets and tested the allocation of those costs in converting the materials into work-in-progress and finished goods;
- tested the computation of the costs of purchases using the first-in, first-out basis; and
- traced the costs of inventories from the EDBPM to the costs of inventories recorded in the accounting system.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report

To the Members of LHT Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

To the Members of LHT Holdings Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Aw Vern Chun Philip.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore
25 March 2025

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	Group 2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,139	9,794
Right-of-use assets	4	7,981	13,787
Total non-current assets		17,120	23,581
Current assets			
Inventories	6	5,290	4,411
Trade and other receivables	7	6,783	6,043
Fixed deposits	8	25,092	30,411
Cash and cash equivalents	9	10,749	12,364
Total current assets		47,914	53,229
Total assets		65,034	76,810
LIABILITIES AND EQUITY			
Current liabilities			
Lease liabilities	10	788	1,204
Trade and other payables	11	3,765	2,652
Provisions	12	110	–
Income tax payables		444	902
Total current liabilities		5,107	4,758
Non-current liabilities			
Lease liabilities	10	4,408	9,884
Trade and other payables	11	175	205
Provisions	12	528	596
Deferred tax liabilities	13	626	653
Total non-current liabilities		5,737	11,338
Total liabilities		10,844	16,096
Equity			
Share capital	14	24,621	24,621
Currency translation reserve	15	(699)	(1,532)
Retained earnings		30,268	37,625
Total equity attributable to owners of the Company		54,190	60,714
Total liabilities and equity		65,034	76,810

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2024

		Company	
	Note	2024 \$'000	2023 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,065	1,489
Right-of-use assets	4	276	5,607
Investments in subsidiaries	5	10,300	10,300
Total non-current assets		11,641	17,396
Current assets			
Inventories	6	3,023	2,691
Trade and other receivables	7	5,784	5,128
Fixed deposits	8	13,155	19,842
Cash and cash equivalents	9	3,028	5,830
Total current assets		24,990	33,491
Total assets		36,631	50,887
LIABILITIES AND EQUITY			
Current liabilities			
Lease liabilities	10	371	689
Trade and other payables	11	3,484	3,163
Provision	12	110	–
Income tax payables		208	423
Total current liabilities		4,173	4,275
Non-current liabilities			
Lease liabilities	10	–	5,216
Trade and other payables	11	175	205
Provisions	12	–	102
Deferred tax liabilities	13	27	20
Total non-current liabilities		202	5,543
Total liabilities		4,375	9,818
Equity			
Share capital	14	24,621	24,621
Retained earnings		7,635	16,448
Total equity		32,256	41,069
Total liabilities and equity		36,631	50,887

The accompanying notes form an integral part of these financial statements.

Consolidated Income Statement

For The Financial Year Ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Revenue	16	28,192	30,729
Cost of sales		(16,753)	(18,641)
Gross profit		11,439	12,088
Other item of income			
Other income	17	3,475	3,696
Other items of expenses			
Distribution expenses		(981)	(999)
Administrative expenses		(9,749)	(8,412)
Loss allowance for trade receivables	7	(10)	(62)
Other expenses		(232)	(148)
Finance costs	18	(644)	(407)
Profit before income tax	19	3,298	5,756
Income tax expense	21	(1,071)	(1,411)
Profit for the year		2,227	4,345
Profit attributable to:			
Owners of the Company		2,227	4,345
Earnings per share attributable to owners of the Company (cents)			
Basic and diluted	22	4.18	8.16

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Profit for the year		2,227	4,345
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Translation differences relating to financial statements of foreign subsidiaries, net of tax amounting to \$Nil (2023: \$Nil)		833	(710)
Total comprehensive income for the year attributable to owners of the Company		3,060	3,635
Total comprehensive income attributable to:			
Owners of the Company		3,060	3,635

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2024

	Note	Equity attributable to owners of the Company			
		Share capital \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Group					
Balance at 1 January 2024		24,621	(1,532)	37,625	60,714
Total comprehensive income for the year:					
Profit for the year		–	–	2,227	2,227
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries		–	833	–	833
Total comprehensive income for the year		–	833	2,227	3,060
Total transactions with owners, recognised directly in equity					
Dividend	26	–	–	(9,584)	(9,584)
Balance at 31 December 2024		24,621	(699)	30,268	54,190
Balance at 1 January 2023		24,621	(822)	35,942	59,741
Total comprehensive income for the year:					
Profit for the year		–	–	4,345	4,345
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries		–	(710)	–	(710)
Total comprehensive income for the year		–	(710)	4,345	3,635
Total transactions with owners, recognised directly in equity					
Dividend	26	–	–	(2,662)	(2,662)
Balance at 31 December 2023		24,621	(1,532)	37,625	60,714

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 December 2024

	Note	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Company				
Balance at 1 January 2024		24,621	16,448	41,069
Total comprehensive income for the year:				
Profit for the year		–	771	771
Total comprehensive income for the year		–	771	771
Total transactions with owners, recognised directly in equity				
Dividend	26	–	(9,584)	(9,584)
Balance at 31 December 2024		24,621	7,635	32,256
Company				
Balance at 1 January 2023		24,621	18,588	43,209
Total comprehensive income for the year:				
Profit for the year		–	522	522
Total comprehensive income for the year		–	522	522
Total transactions with owners, recognised directly in equity				
Dividend	26	–	(2,662)	(2,662)
Balance at 31 December 2023		24,621	16,448	41,069

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Operating activities			
Profit before income tax		3,298	5,756
Adjustments for:			
Loss allowance made for trade receivables	7	10	62
(Write-Back)/Write-down of obsolete inventories	6	(202)	18
Property, plant and equipment written off	19	61	54
Deferred grant income		(51)	(51)
Interest expense	18	644	407
Interest income	17	(905)	(1,083)
Depreciation of property, plant and equipment	3.3	1,854	1,819
Amortisation of right-of-use assets	4(c)	1,365	1,041
Gain on disposal of property, plant and equipment	17	(361)	(213)
Gain on remeasurement of lease liabilities	17	(157)	–
Operating cash flows before movements in working capital		5,556	7,810
Changes in working capital:			
Inventories		(677)	2,295
Trade and other receivables		(881)	466
Trade and other payables		1,135	(136)
Cash generated from operations		5,133	10,435
Income taxes paid		(1,564)	(1,576)
Net cash generated from operating activities		3,569	8,859
Investing activities			
Purchase of property, plant and equipment		(939)	(4,574)
Placement/(Withdrawal) of fixed deposits		5,342	(1,747)
Proceeds from disposal of property, plant and equipment		378	237
Deposit refunded/(placed) for acquisition of property	23	79	(79)
Deferred capital grant received	11	–	85
Interest received		957	1,166
Net cash generated from/(used) in investing activities		5,817	(4,912)
Financing activities			
Dividend paid	26	(9,584)	(2,662)
Repayment of lease liabilities	10	(1,281)	(841)
Interest paid	10	(602)	(340)
Net cash used in financing activities		(11,467)	(3,843)
Net change in cash and cash equivalents		(2,081)	104
Cash and cash equivalents at beginning of financial year		12,364	12,631
Net effect of exchange rate changes on the cash and cash equivalents held in foreign currencies		466	(371)
Cash and cash equivalents at end of financial year	9	10,749	12,364

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

LHT Holdings Limited (the “Company”) (Registration number 198003094E) is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 27 Sungei Kadut Street 1, Singapore 729335. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of the Company are those of manufacturing and trading of wooden pallets and timber-related products. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

2. Basis of preparation

The financial statements have been drawn up in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) and are prepared under the historical cost convention, except as disclosed in the relevant notes to the financial statements. All accounting policies have been consistently applied to the current financial year and comparative period, unless otherwise stated.

Where an accounting policy information is not disclosed in the financial statements, it is considered as not material and mainly standardised accounting requirements. The accounting policy information that are material and necessary for the understanding of the financial statements are disclosed in the relevant notes to the financial statements.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar (“\$”), which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below and detailed disclosures are included in the respective notes to the financial statements.

Critical judgements applied:

- Determine the lease term (Note 4(d))

Significant accounting estimates and assumptions used:

- Depreciation and useful lives (Note 3.1)
- Impairment of right-of-use assets (Note 4(a)(iii))
- Net realisable value for inventories (Note 6)
- Loss allowance for trade and other receivables (Note 28.1)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

2. Basis of preparation (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2024

On 1 January 2024, the Group adopted the new or amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements.

New Standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group, except as disclosed below.

Amendments to SFRS(I) 18: Presentation and Disclosure in Financial Statements

The SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and provides guidance on presentation and disclosure in financial statements, focus on the statement of profit or loss.

SFRS(I) 18 introduces:

- New structure on statement of profit or loss with defined subtotals;
- Disclosure related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by accounting standards with adjustments made (e.g. 'adjusted profit or loss'). A reconciliation of MPMs to the nearest total or subtotal calculated in accordance with accounting standards; and
- Enhanced principles on aggregation and disaggregation of financial information which apply to the primary financial statements and notes in general.

SFRS(I) 18 will take effect on 1 January 2027 and management anticipates that the new requirements will change the current presentation and disclosure in the financial statements. An impact assessment regarding the adoption of SFRS(I) 18 is still underway and has not yet been completed.

3. Property, plant and equipment

	Leasehold properties \$'000	Plant and machinery \$'000	Office furniture, fittings and equipment \$'000	Motor vehicles and forklifts \$'000	Rental pallets \$'000	Construction- in-progress \$'000	Total \$'000
Group 2024 Cost							
As at 1 January 2024	14,137	20,160	2,848	1,356	7,301	307	46,109
Additions	–	36	1	240	509	153	939
Disposals	–	–	–	–	(343)	–	(343)
Written off	–	(220)	(27)	–	(724)	–	(971)
Transfer from assets under construction	–	27	–	–	–	(27)	–
Transfer from right-of- use assets (Note 4)	–	–	–	137	–	–	137
Currency realignment	41	135	16	34	340	–	566
As at 31 December 2024	14,178	20,138	2,838	1,767	7,083	433	46,437

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

3. Property, plant and equipment (Continued)

	Leasehold properties \$'000	Plant and machinery \$'000	Office furniture, and equipment \$'000	Motor vehicles and forklifts \$'000	Rental pallets \$'000	Construction- in-progress \$'000	Total \$'000
Accumulated depreciation and impairment loss							
As at 1 January 2024	9,326	18,886	2,760	1,036	4,307	–	36,315
Charge for the year	736	260	33	91	734	–	1,854
Disposals	–	–	–	–	(326)	–	(326)
Written off	–	(220)	(26)	–	(664)	–	(910)
Currency realignment	23	130	15	11	186	–	365
As at 31 December 2024	10,085	19,056	2,782	1,138	4,237	–	37,298
Net carrying amount							
As at 31 December 2024	4,093	1,082	56	629	2,846	433	9,139

	Leasehold properties \$'000	Plant and machinery \$'000	Office furniture, and equipment \$'000	Motor vehicles and forklifts \$'000	Rental pallets \$'000	Construction- in-progress \$'000	Total \$'000
Group 2023							
Cost							
As at 1 January 2023	10,218	20,288	2,864	1,364	8,535	280	43,549
Additions	3,960	6	11	–	570	27	4,574
Disposals	–	–	(3)	–	(134)	–	(137)
Written off	–	–	(7)	–	(1,361)	–	(1,368)
Transfer from right-of- use assets (Note 4)	–	–	–	11	–	–	11
Currency realignment	(41)	(134)	(17)	(19)	(309)	–	(520)
As at 31 December 2023	14,137	20,160	2,848	1,356	7,301	307	46,109
Accumulated depreciation and impairment loss							
As at 1 January 2023	8,884	18,743	2,736	966	4,943	–	36,272
Charge for the year	464	274	49	77	955	–	1,819
Disposals	–	–	(3)	–	(110)	–	(113)
Written off	–	–	(7)	–	(1,307)	–	(1,314)
Currency realignment	(22)	(131)	(15)	(7)	(174)	–	(349)
As at 31 December 2023	9,326	18,886	2,760	1,036	4,307	–	36,315
Net carrying amount							
As at 31 December 2023	4,811	1,274	88	320	2,994	307	9,794

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

3. Property, plant and equipment (Continued)

	Leasehold properties \$'000	Plant and machinery \$'000	Office furniture, fittings and equipment \$'000	Motor vehicles and forklifts \$'000	Construction- in-progress \$'000	Total \$'000
Company						
2024						
Cost						
As at 1 January 2024	9,489	15,583	2,278	235	307	27,892
Additions	–	–	–	–	147	147
Disposal	–	(127)	–	–	–	(127)
Written off	–	–	(13)	–	–	(13)
Transfer from assets under construction	–	27	–	–	(27)	–
As at 31 December 2024	9,489	15,483	2,265	235	427	27,899
Accumulated depreciation						
As at 1 January 2024	8,898	15,064	2,241	200	–	26,403
Charge for the year	397	143	20	9	–	569
Disposal	–	(125)	–	–	–	(125)
Written off	–	–	(13)	–	–	(13)
As at 31 December 2024	9,295	15,082	2,248	209	–	26,834
Net carrying amount						
As at 31 December 2024	194	401	17	26	427	1,065
	Leasehold properties \$'000	Plant and machinery \$'000	Office furniture, fittings and equipment \$'000	Motor vehicles and forklifts \$'000	Construction- in-progress \$'000	Total \$'000
Company						
2023						
Cost						
As at 1 January 2023	9,489	15,583	2,280	235	280	27,867
Additions	–	–	7	–	27	34
Disposal	–	–	(3)	–	–	(3)
Written off	–	–	(6)	–	–	(6)
As at 31 December 2023	9,489	15,583	2,278	235	307	27,892
Accumulated depreciation						
As at 1 January 2023	8,503	14,921	2,213	194	–	25,831
Charge for the year	395	143	37	6	–	581
Disposal	–	–	(3)	–	–	(3)
Written off	–	–	(6)	–	–	(6)
As at 31 December 2023	8,898	15,064	2,241	200	–	26,403
Net carrying amount						
As at 31 December 2023	591	519	37	35	307	1,489

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

3. Property, plant and equipment (Continued)

3.1 Depreciation and useful lives

Property, plant and equipment are recognised at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using straight-line method to allocate their depreciable amounts over their estimated useful lives, on the following bases:

Leasehold properties	Over the lease terms ranging from 12 – 99 years
Plant and machinery	5 – 20 years
Office furniture, fittings and equipment	5 years
Motor vehicles and forklifts	5 & 10 years
Rental pallets	5 years

No depreciation is charged on construction-in-progress as they are not yet ready for their intended use as at the end of the financial year.

The estimated useful life and residual value reflect management's estimate of the periods that the Group and the Company intend to derive future economic benefits from the use of the Group's and the Company's property, plant and equipment. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

3.2 Leasehold properties

The details of the leasehold properties are:

Location	Usage	Approximate gross floor area	Tenure from inception
27 Sungei Kadut Street 1 Singapore 729335	Manufacturing and trading of wooden pallets and timber related products and administrative office	23,020 sqm	49 years expiring 2025
6 Tuas South Street 10 Singapore 636941	Wood waste recycling and recovering	8,194 sqm	12 years expiring 2035
Lot PTB 1237, Jalan Tun Matahir 1, Industries Area, Phase 2 Bandar Tenggara, 81000 Kulai, Johor Malaysia	Manufacturing of wooden pallets and timber related products	7,402 sqm	60 years expiring 2052
No. 4, Jalan Pinang Merah 20, Bandar Tenggara, 81000 Kulai, Johor Malaysia	Dormitory for employees	721 sqm	99 years expiring 2090
No. 6 Jalan Pinang Merah 20, Bandar Tenggara, 81000 Kulai, Johor Malaysia	Dormitory for employees	726 sqm	99 years expiring 2090
No. 8, Jalan Pinang Merah 20, Bandar Tenggara 81000 Kulai, Johor Malaysia	Dormitory for employees	753 sqm	99 years expiring 2090

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

3. Property, plant and equipment (Continued)

3.3 Depreciation

The depreciation of property, plant and equipment is recognised in the following line items of the consolidated income statement:

	Group	
	2024	2023
	\$'000	\$'000
Cost of sales (Note 19)	825	788
Administrative expenses (Note 19)	1,029	1,031
	<u>1,854</u>	<u>1,819</u>

3.4 Construction-in-progress

Included in the construction-in-progress of the Group were development cost for an artificial intelligence enabled robotic pallet assembly system of approximately \$280,000 (2023: \$280,000) and an addition during the financial year of approximately \$114,000 as infrastructure costs incurred for the leasehold property located at 6 Tuas South Street 10 and \$39,000 as IT infrastructure cost of the Group's servers.

3.5 Assets pledged as security to banks for banking facilities

The carrying amount of property, plant and equipment pledged to banks for banking facilities, as of 31 December amounted to:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Leasehold properties	194	591	194	591
Plant and machinery	130	152	130	152
	<u>324</u>	<u>743</u>	<u>324</u>	<u>743</u>

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

4. Right-of-use assets

(a) Carrying amounts of right-of-use assets

	Leasehold land \$'000	Leasehold buildings \$'000	Motor vehicles and forklifts \$'000	Total \$'000
Group				
2024				
At 1 January 2024	11,841	1,485	461	13,787
Additions	–	42	55	97
Variable lease payment adjustment	(4,553)	–	(1)	(4,554)
Amortisation charges	(1,079)	(91)	(195)	(1,365)
Transfer to property, plant and equipment (Note 3)	–	–	(137)	(137)
Discharge of leases	–	–	(6)	(6)
Currency realignment	62	87	10	159
At 31 December 2024	6,271	1,523	187	7,981
2023				
At 1 January 2023	6,143	1,666	514	8,323
Additions	5,450	9	189	5,648
Variable lease payment adjustment	1,051	–	–	1,051
Amortisation charges	(735)	(93)	(213)	(1,041)
Transfer to property, plant and equipment (Note 3)	–	–	(11)	(11)
Discharge of leases	–	(5)	–	(5)
Currency realignment	(68)	(92)	(18)	(178)
At 31 December 2023	11,841	1,485	461	13,787

For the purposes of consolidated statement of cash flows, the additions above included cash payment of \$Nil (2023: \$Nil).

	Leasehold land \$'000	Motor vehicles and forklifts \$'000	Total \$'000
Company			
2024			
At 1 January 2024	5,468	139	5,607
Variable lease payment adjustment	(4,624)	(1)	(4,625)
Amortisation charges	(599)	(101)	(700)
Discharge of leases	–	(6)	(6)
At 31 December 2024	245	31	276
2023			
At 1 January 2023	4,952	244	5,196
Variable lease payment adjustment	1,146	–	1,146
Amortisation charges	(630)	(105)	(735)
Discharge of leases	–	–	–
At 31 December 2023	5,468	139	5,607

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

4. Right-of-use assets (Continued)

(a) Carrying amounts of right-of-use assets (Continued)

(i) Leasehold land and leasehold buildings

The Group and the Company makes annual lease payments for three (2023: three) parcels of leasehold land in Singapore and four (2023: four) parcels of leasehold land in Malaysia. The details of the leasehold land are:

Location	Usage	Approximate gross floor area	Tenure from inception
27 Sungei Kadut Street 1 Singapore 729335	Manufacturing and trading of wooden pallets and timber related products and administrative office	23,020 sqm	49 years expiring 2025
30 Kranji Way – PID 8201710044 at Kranji Industrial Estate Singapore	Under development	17,988 sqm	26 years expiring 2050
6 Tuas South Street 10 Singapore 636941	Wood waste recycling and recovering	8,194 sqm	12 years expiring 2035
Lot PTB 253, Jalan Tun Mutalib 3, Kawasan Perindustrian Bandar Tenggara, 81440 Bandar Tenggara, Johor, Malaysia	Manufacturing of wooden pallets and timber related products	4,771 sqm	54 years expiring 2078
Lot PTB 1299, Jalan Tun Mutahir 5, Kawasan Perindustrian Bandar Tenggara, 81440 Bandar Tenggara, Johor, Malaysia	Manufacturing of wooden pallets and timber related products	3,963 sqm	28 years expiring 2052
Lot PTB 1238, Jalan Tun Mutahir 1, Kawasan Industri Fasa II, 81440 Bandar Tenggara, Johor, Malaysia	Manufacturing of wooden pallets and timber related products	2,032 sqm	32 years expiring 2056
Lot PTB 1237, Jalan Tun Matahir 1, Industries Area, Phase 2 Bandar Tenggara, 81000 Kulai, Johor Malaysia	Manufacturing of wooden pallets and timber related products	7,402 sqm	60 years expiring 2052

The lease arrangements in Singapore prohibit the Group and the Company from subleasing the assets to third parties.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

4. Right-of-use assets (Continued)

(a) Carrying amounts of right-of-use assets (Continued)

(i) Leasehold land and leasehold buildings (Continued)

30 Kranji Way – PID 8201710044 at Kranji Industrial Estate (“Kranji property”)

On 4 October 2024, the Group had announced the termination of agreement of lease for the Kranji property. The handover of the property was completed in February 2025. Accordingly, the right-of-use assets for the Kranji property was modified in October 2024 along with the lease liabilities modified to reflect the lease term ending in February 2025. A gain of \$157,000 was recognised in other income (Note 17) as a result of the lease modification and derecognition of the right-of-use assets. A total of \$298,000 and \$518,000 was recognised respectively in administrative expenses (Note 19) for the reinstatement works and liquidation damages as required by JTC for the Kranji property before the handover.

(ii) Motor vehicles and forklifts

The Group and the Company leases equipment and vehicles for its operations. The lease arrangements prohibit the Group and the Company from subleasing the equipment to third parties.

During the current financial year, carrying amounts of motor vehicles and forklifts of the Group which amounted to \$137,000 (2023: \$11,000) were transferred to property, plant and equipment in Note 3 to the financial statements as the attributable lease liabilities have been fully paid up.

The Group’s and the Company’s obligation under these leases are secured by the leased assets. There are several lease contracts that include extension option which are further discussed at Note 4(d) to the financial statements.

The Group and the Company also has leases with terms of 12 months or less. The Group and the Company applies the “short-term lease” recognition exemptions for these leases.

(iii) Impairment of right-of-use assets

During the current financial year, no impairment indicator has been noted during the impairment assessment.

(b) Lease liabilities

The carrying amounts of lease liabilities, movements during the financial year and the maturity analysis of lease liabilities are disclosed in Note 10 to the financial statements.

(c) Amount recognised in profit or loss

	Group	
	2024	2023
	\$'000	\$'000
Amortisation of right-of-use assets	1,365	1,041
Interest expense on lease liabilities (Notes 10 and 18)	602	395
Lease expense not capitalised in lease liabilities:		
– Expense relating to short-term leases (included in administrative expenses and cost of sales)	3	40
Total amount recognised in profit or loss	1,970	1,476

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

4. Right-of-use assets (Continued)

(c) Amount recognised in profit or loss (Continued)

The amortisation of right-of-use assets is recognised in the following line items of the consolidated income statement:

	2024 \$'000	2023 \$'000
Cost of sales (Note 19)	407	405
Administrative expenses (Note 19)	958	636
	<u>1,365</u>	<u>1,041</u>

(d) Extension options

The Group has several lease contracts for leasehold buildings and forklifts that include extension options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Management has included the Group's and the Company's potential cash outflows of \$16,000 (2023: \$132,000) and \$16,000 (2023: \$132,000) respectively in the measurement of lease liabilities for forklifts, as it is reasonably certain that the extension option will be exercised.

Restrictions

As at 31 December 2024, the Group's and the Company's motor vehicles and forklifts with a carrying amount of \$9,000 (2023: \$209,000) and \$9,000 (2023: \$62,000) respectively are secured over the lease liabilities owing to financial institutions amounting to \$6,000 (2023: \$93,000) and \$6,000 (2023: \$40,000) respectively.

The carrying amount of the leasehold building erected on the leasehold land secured for the facilities are disclosed in Note 3.5.

The Group's and the Company's motor vehicles under right-of-use-assets included assets held in trust by the Directors of the Company with carrying amount of \$9,000 (2023: \$62,000).

5. Investments in subsidiaries

	Company	
	2024 \$'000	2023 \$'000
Unquoted equity shares, at cost	14,019	14,019
Impairment loss	(3,719)	(3,719)
	<u>10,300</u>	<u>10,300</u>

Movements in impairment loss are as follow:

	Company	
	2024 \$'000	2023 \$'000
At 1 January	3,719	3,719
Impairment loss recognised during the financial year	–	–
At 31 December	<u>3,719</u>	<u>3,719</u>

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

5. Investments in subsidiaries (Continued)

Significant restriction

Cash and bank balances of \$98,000 (2023: \$99,000) held with a subsidiary in the People's Republic of China are subjected to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends and thus affect the Group's ability to access or use the cash and settle liabilities outside of the People's Republic of China.

Details of the subsidiaries are as follow:

Name of Company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership 2024 %	Interest held by the Group 2023 %
Kim Hiap Lee Company (Pte.) Limited ⁽¹⁾ (Singapore)	Timber merchants, sawmillers and pallet rental	100	100
Lian Hup Packaging Industries Sdn. Bhd. ⁽²⁾ (Malaysia)	Dealers in wood products, pallets and packaging and pallet rental	100	100
Siri Belukar Packaging Sdn. Bhd. ⁽²⁾ (Malaysia)	Manufacturer, importer and exporter of wooden pallets and related products	100	100
LHT Marketing Pte Ltd ⁽¹⁾ (Singapore)	Timber merchants and commission agents	100	100
LHT Ecotech Resources Pte Ltd ⁽¹⁾ (Singapore)	Wood waste recycling and recovering	100	100
LHT Gpac Technology (M) Sdn.Bhd. ⁽²⁾ (Malaysia)	Manufacturer, wood waste recycling, importer and exporter of green products and woodchips	100	100
LHT ECR Packaging (Vietnam) Company Limited ⁽³⁾ (Socialist Republic of Vietnam)	Trading and providing of other services with respect to timber, pallets and other packaging materials	100	100
LHT Ecotech Resources (Tianjin) Co., Ltd ⁽³⁾ (People's Republic of China)	Trading and exporter of wooden pallets and related products	100	100

(1) Audited by BDO LLP, Singapore

(2) Audited by overseas member firms of the BDO network in the respective countries

(3) Reviewed by BDO LLP, Singapore for consolidation purposes

The business license of LHT Ecotech Resources (Tianjin) Co., Ltd is for a term of 30 years, with effect from 23 April 2012 to 22 April 2042. The business license of LHT ECR Packaging (Vietnam) Company Limited is for a term of 10 years, with effect from 3 August 2017 in force until 1 August 2027 inclusive. LHT Ecotech Resources (Tianjin) Co., Ltd has been dormant since 2021.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

6. Inventories

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>At cost</u>				
Raw materials	3,914	2,977	1,808	1,503
Work-in-progress	–	67	–	67
Finished goods	1,376	1,367	1,215	1,121
	<u>5,290</u>	<u>4,411</u>	<u>3,023</u>	<u>2,691</u>

The cost of inventories recognised as an expense and included in cost of sales line item in profit or loss is disclosed in Note 19 to the financial statements.

The cost of inventories is assigned using first-in, first-out method. Inventories are measured at lower of cost and net realisable value. The Group reviews the ageing analysis of inventories semi-annually and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories is estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

In the current financial year, the Group has recognised a reversal of \$202,000 being part of an inventory write-down in the previous financial years, as the inventories were sold above carrying amount in 2024. The reversal has been included in other expenses (Note 19).

In the prior financial year, the Group has recognised a write-down of \$18,000. The write-down has been included in other expenses (Note 19).

7. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade receivables				
– third parties	6,342	5,110	4,618	3,907
– subsidiaries	–	–	771	765
	<u>6,342</u>	<u>5,110</u>	<u>5,389</u>	<u>4,672</u>
Less: Loss allowance	(244)	(234)	(47)	(50)
Total trade receivables	6,098	4,876	5,342	4,622
GST/VAT receivables	320	603	–	–
Other receivables – 3 rd parties	63	120	–	–
Interest receivables	51	103	24	66
Refundable deposits	310	317	243	254
Prepayments	236	319	175	186
Less: Loss allowance for GST/VAT receivables	(295)	(295)	–	–
Total trade and other receivables	6,783	6,043	5,784	5,128
Add/(Less):				
– Fixed deposits (Note 8)	25,092	30,411	13,155	19,842
– Cash and cash equivalents (Note 9)	10,749	12,364	3,028	5,830
– GST/VAT receivables	(320)	(603)	–	–
– Loss allowance for GST/VAT receivables	295	295	–	–
– Prepayments	(236)	(319)	(175)	(186)
Financial assets at amortised cost	<u>42,363</u>	<u>48,191</u>	<u>21,792</u>	<u>30,614</u>

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

7. Trade and other receivables (Continued)

Trade receivables from third parties and subsidiaries are non-interest bearing and repayable within the normal credit terms of 30 to 90 days. They are recognised at their original invoice amounts which represent their values on initial recognition.

The non-trade balances due from third parties and subsidiaries are unsecured, non-interest bearing, repayable on demand and expected to be settled in cash.

Movements in loss allowance for trade receivables are as follow:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 January	234	172	50	38
Loss allowance reversed	–	–	(3)	–
Loss allowance made	10	62	–	12
At 31 December	244	234	47	50

The ageing analysis of the trade receivables are set out in Note 28.1 to the financial statements.

The currency profiles of the Group's and Company's trade and other receivables excluding GST/VAT receivables, loss allowance for GST/VAT receivables and prepayments at the end of the financial year are as follows:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Singapore dollar	5,784	5,205	5,548	4,839
Ringgit Malaysia	723	187	53	85
United States dollar	8	19	8	18
Vietnamese dong	7	5	–	–
	6,522	5,416	5,609	4,942

8. Fixed deposits

Fixed deposits are denominated in the following currencies:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Singapore dollar	24,326	29,668	13,155	19,842
Ringgit Malaysia	689	671	–	–
United States dollar	77	72	–	–
	25,092	30,411	13,155	19,842

The fixed deposits of the Group amounting to \$77,000 (2023: \$72,000) are pledged to two (2023: two) bank as security for bank guarantee facilities granted to the subsidiaries. The fixed deposits bear effective interest rates ranging from 2.37% to 3.70% (2023: 2.05% to 4.02%) per annum with tenors of 3 to 12 months (2023: 3 to 12 months) and maturing within 3 months (2023: 3 months) from the end of the financial year.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

9. Cash and cash equivalents

Cash and cash equivalents comprise the following at the end of the financial year:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash on hand	20	16	10	5
Bank balances	10,729	12,348	3,018	5,825
	10,749	12,364	3,028	5,830

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Singapore dollar	7,318	8,844	2,966	5,711
Ringgit Malaysia	2,647	3,070	5	61
United States dollar	684	349	57	58
Renminbi	98	99	–	–
Vietnamese dong	2	2	–	–
	10,749	12,364	3,028	5,830

10. Lease liabilities

	Leasehold land \$'000	Leasehold buildings \$'000	Motor vehicles and forklifts \$'000	Total \$'000
Group				
2024				
At 1 January 2024	10,701	34	353	11,088
Additions	–	42	55	97
Discharge of leases	–	–	(6)	(6)
Interest expenses (Note 18)	586	2	14	602
Variable lease payment adjustment	(4,710)	–	(1)	(4,711)
Lease payments				
– Principal portion	(1,031)	(30)	(220)	(1,281)
– Interest portion	(586)	(2)	(14)	(602)
Currency realignment	–	1	8	9
At 31 December 2024	4,960	47	189	5,196
2023				
At 1 January 2023	5,283	65	433	5,781
Additions	4,866	9	189	5,064
Discharge of leases	–	(5)	–	(5)
Interest expenses (Note 18)	373	3	19	395
Variable lease payment adjustment	1,051	–	–	1,051
Lease payments				
– Principal portion	(554)	(31)	(256)	(841)
– Interest portion	(318)	(3)	(19)	(340)
Currency realignment	–	(4)	(13)	(17)
At 31 December 2023	10,701	34	353	11,088

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

10. Lease liabilities (Continued)

	Leasehold land \$'000	Motor vehicles and forklifts \$'000	Total \$'000
Company			
2024			
At 1 January 2024	5,780	125	5,905
Discharge of leases	–	(6)	(6)
Interest expenses	254	5	259
Variable lease payment adjustment	(4,779)	(1)	(4,780)
Lease payments			
– Principal portion	(660)	(88)	(748)
– Interest portion	(254)	(5)	(259)
At 31 December 2024	341	30	371
2023			
At 1 January 2023	5,284	210	5,494
Discharge of leases			
Interest expenses	319	10	329
Variable lease payment adjustment	1,051	–	1,051
Lease payments			
– Principal portion	(555)	(85)	(640)
– Interest portion	(319)	(10)	(329)
At 31 December 2023	5,780	125	5,905

The maturity of lease liabilities of the Group and the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contractual undiscounted cash flows				
– Not later than a year	1,116	1,818	378	981
– Later than one year and not later than five years	2,509	4,157	–	1,679
– Over five years	3,587	11,362	–	7,289
	7,212	17,337	378	9,949
Less: Future interest expense	(2,016)	(6,249)	(7)	(4,044)
Present value of lease liabilities	5,196	11,088	371	5,905
Presented in statements of financial position				
– Current	788	1,204	371	689
– Non-current	4,408	9,884	–	5,216
	5,196	11,088	371	5,905

The Group and the Company leases leasehold land in Singapore and Malaysia. It is customary for lease contract in Singapore to revise the lease payment annually based on the prevailing market rent. The Group and the Company also leases certain machineries and motor vehicles (i.e. commercial vehicles and forklifts) from third parties with only fixed payment over the lease terms.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

10. Lease liabilities (Continued)

The Group also leases office premises on short-term basis (i.e. less than 12 months). The election of short-term leases exemption is made on lease-by-lease basis.

The average incremental borrowing rate applied in the leases for the Group and the Company range from 2.28% to 7.00% (2023: 2.28% to 7.00%) and 4.15% to 7.00% (2023: 4.15% to 7.00%) respectively.

The total cash outflow for all leases including short-term leases for the Group amounted to \$1,886,000 (2023: \$1,221,000) for the current financial year.

Lease liabilities payables are denominated in the following currencies:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	4,989	10,827	371	5,905
Ringgit Malaysia	207	261	–	–
	5,196	11,088	371	5,905

11. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Non-current				
Deferred capital grant				
– capability development grant (“CDG”)	–	30	–	30
– enterprise development grant (“EDG”)	175	175	175	175
	175	205	175	205
Current				
Trade payables				
– third parties	1,662	756	885	343
– subsidiaries	–	–	1,097	1,379
– related parties	38	42	38	40
	1,700	798	2,020	1,762
GST/VAT payables	238	155	159	145
Other payables – related parties	13	10	–	–
Amount owing to a director	25	18	–	–
Accrued expenses	1,131	1,107	963	916
Deposits received	76	98	17	9
Provision for unutilised leave	298	283	272	257
Deferred capital grant – CDG	30	51	30	51
Advances from customers (Note 16(b))	93	23	23	23
Sundry payables	161	109	–	–
Total trade and other payables	3,765	2,652	3,484	3,163
Add/(Less):				
– Lease liabilities (Note 10)	5,196	11,088	371	5,905
– GST/VAT payables	(238)	(155)	(159)	(145)
– Provision for unutilised leave	(298)	(283)	(272)	(257)
– Advances from customers (Note 16(b))	(93)	(23)	(23)	(23)
– Deferred capital grant – CDG	(30)	(51)	(30)	(51)
Financial liabilities carried at amortised cost	8,302	13,228	3,371	8,592

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

11. Trade and other payables (Continued)

The trade amounts due to third parties, subsidiaries and related parties are unsecured, non-interest bearing and repayable within the normal credit term of 30 to 90 days.

Deposits received comprise substantially deposits for rental from lessees.

The deferred capital grant – Capability Development Grant (“CDG”) relates to a government grant that is given to the Company for the eligible cost incurred for its development project (deployment of automated pallet assembly lines for smart and sustainable manufacturing) on process redesign and business process enhancement for productivity for the qualifying period from 1 September 2017 to 31 August 2019, which was capitalised as property, plant and equipment. During the financial year ended 31 December 2021, \$329,000 grant income had been approved and received by the Group and the Company. As of 31 December 2024, the Group and the Company recognised \$51,000 (2023: \$51,000) in profit or loss under other income (Note 17) and remaining of \$30,000 (2023: \$81,000) recognised as deferred capital grant.

The deferred capital grant – Enterprise Development Grant (“EDG”) relates to a government grant that is given to the Company for the eligible cost incurred for its development project for its artificial intelligence enabled robotic pallet assembly system for the qualifying period from 1 July 2020 to 31 December 2022. In prior financial year, the Company had received cash from its interim claim of \$85,000 to help defray the upfront cost of the project. As of 31 December 2024, the Group and the Company recognised \$Nil (2023: \$Nil) of the cash receipt in profit or loss and remaining of \$175,000 (2023: \$175,000) was recognised as deferred capital grant.

The currency profiles of the Group's and Company's trade and other payables excluding GST/VAT payables, provision for unutilised leave, advances from customers and deferred capital grant at the end of the financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	1,809	1,438	2,253	1,973
Ringgit Malaysia	407	592	497	654
United States dollar	706	106	250	60
Renminbi	180	–	–	–
Vietnam dong	4	4	–	–
	3,106	2,140	3,000	2,687

12. Provisions

	Costs of dismantlement, removal or restoration			
	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	596	–	102	–
Provision made	–	584	–	95
Unwind of discount (Note 18)	42	12	8	7
At 31 December	638	596	110	102

The provision for restoration is the estimated costs of dismantlement, removal or restoration of leased properties to their original conditions as stipulated in the terms and conditions of lease contract.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

12. Provisions (Continued)

Presented in statement of financial position

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
– Current	110	–	110	–
– Non-current	528	596	–	102
	638	596	110	102

13. Deferred tax liabilities

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deferred tax liabilities	626	653	27	20

The movements for the financial year in deferred tax position are as follow:

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At 1 January	653	826	20	83
Charged/(Credit) to profit or loss (Note 21)	(41)	(159)	7	(63)
Currency realignment	14	(14)	–	–
At 31 December	626	653	27	20

The following are the major deferred tax liabilities and assets recognised by the Group and the Company (prior to offsetting balances within the same tax jurisdiction) and movements thereon during the financial year.

13.1 Deferred taxes

	Accelerated tax depreciation \$'000	Right of Use assets \$'000	Lease liabilities \$'000	Industrial building allowance \$'000	Others \$'000	Total \$'000
Group						
At 1 January 2024	824	1,752	(1,857)	(6)	(60)	653
Charged/(Credit) to profit or loss	(102)	(978)	1,042	1	(4)	(41)
Currency realignment	14	–	–	–	–	14
At 31 December 2024	736	774	(815)	(5)	(64)	626
At 1 January 2023	976	868	(919)	(9)	(90)	826
Charged/(Credit) to profit or loss	(138)	884	(938)	3	30	(159)
Currency realignment	(14)	–	–	–	–	(14)
At 31 December 2023	824	1,752	(1,857)	(6)	(60)	653

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

13. Deferred tax liabilities (Continued)

13.1 Deferred taxes (Continued)

	Accelerated tax depreciation \$'000	Right of Use assets \$'000	Lease liabilities \$'000	Industrial building allowance \$'000	Others \$'000	Total \$'000
Company						
At 1 January 2024	153	914	(997)	(6)	(44)	20
Charged/(Credit) to profit or loss	(64)	(870)	942	1	(2)	7
At 31 December 2024	89	44	(55)	(5)	(46)	27
At 1 January 2023	212	857	(905)	(9)	(72)	83
Charged/(Credit) to profit or loss	(59)	57	(92)	3	28	(63)
At 31 December 2023	153	914	(997)	(6)	(44)	20

13.2 Deferred tax assets not recognised

Deferred tax assets not recognised relate to the following:

	Group	
	2024 \$'000	2023 \$'000
Unutilised tax losses	109	445

As at 31 December 2024, the Group has unutilised tax losses of \$435,000 (2023: \$1,780,000) arising from its subsidiary in the jurisdiction of the People's Republic of China, available for set-off against future taxable profits subject to agreement with the relevant tax authorities and compliance with certain provision of the tax legislation of the country in which the subsidiary operates. The deferred tax assets have not been recognised because it is not certain that whether future taxable profit will be available against which the subsidiary can utilise the benefits.

The unutilised tax losses of the subsidiary can only be utilised for set-off against its future taxable profits within five years from the date the tax losses were incurred. The unutilised tax losses will expire as follows:

	Group	
	2024 \$'000	2023 \$'000
Year 2024	–	1,346
Year 2025	138	138
Year 2026	293	293
Year 2027	2	2
Year 2028	1	1
Year 2029	1	–
	435	1,780

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

14. Share capital

	Group and Company			
	2024	2023	2024	2023
	Number of ordinary shares '000	Number of ordinary shares '000	Share capital \$'000	Share capital \$'000
Issued and paid up:				
Balance at beginning and end of financial year	53,245	53,245	24,621	24,621

The ordinary shares have no par value, carry one vote per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

15. Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

16. Revenue

(a) Disaggregation of revenue

The Group has disaggregated revenue to reflect the operations of the business segments identified by management. The segment information together with other information utilised for the purpose of management monitoring of operating results of the segments, which includes the geographical markets and type of goods and services are disclosed in Note 27 to the financial statements.

	Group	
	2024 \$'000	2023 \$'000
Sales of goods – Point in time	23,485	26,157
Pallet rental – Over time	4,707	4,572
	<u>28,192</u>	<u>30,729</u>

Sale of goods

Revenue from sale of goods is recognised at point in time when the controls of the products (i.e. risk of obsolescence and loss of shipment) are transferred to the customers.

Pallet rental

The Group, as a lessor, leases its pallets under operating leases to non-related parties. Lease payments from operating leases are recognised as revenue over time on a straight-line basis.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

16. Revenue (Continued)

(b) Contract balances

	Group	
	2024	2023
	\$'000	\$'000
Contract liabilities		
Advances from customers (Note 11)		
– sales of goods	93	23

The timing of revenue recognition and payments received from customers would affect the amount of contract liabilities recognised at the end of the financial year.

The vast majority of the Group's contracts are for the delivery of goods which are expected to be fulfilled within the next 12 months. Accordingly, the allocation of aggregate transaction price to the remaining performance obligations and explanation on when the Group expects the revenue to be recognised are not disclosed.

Significant changes in contract liabilities during the financial year are tabled as follow:

	Group	
	2024	2023
	\$'000	\$'000
As at 1 January	23	234
Amount recognised as revenue	–	(211)
Cash received in advance of performance and not recognised as revenue	70	–
At 31 December	93	23

The contract liabilities arise from delivery of goods mainly due to the advance payments received from customers at end of financial year do not necessarily equal to the amount of revenue recognised on the contracts.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

17. Other income

	Group	
	2024 \$'000	2023 \$'000
Gain on disposal of property, plant and equipment	361	213
Gain on remeasurement of lease liabilities (Note 4(a)(i))	157	–
Government grants:		
(i) Corporate Income Tax Rebate Cash Grant	6	–
(ii) Capability Development Grant	51	51
(iii) Productivity Solutions Grant	–	7
(iv) Wage Credit Scheme	46	41
(v) Work Study Program (Republic Polytechnic)	–	15
(v) CPF Transition Offset	4	11
(vi) Others government grants	3	14
Heat treatment income	383	272
Insurance claim	–	193
Interest income	905	1,083
Logistics service income	298	844
Waste collection income	738	543
Sundry income	523	409
	<u>3,475</u>	<u>3,696</u>

Heat treatment and logistics service income

Heat treatment and logistics service income are recognised at point in time when services are provided.

Waste collection income

Waste collection income from waste wood collection is recognised at point in time when collection services are provided.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

18. Finance costs

	Group	
	2024 \$'000	2023 \$'000
Interest expense in respect of:		
– Lease liabilities (Note 10)	602	395
– Unwind of discount on site restoration provision (Note 12)	42	12
	<u>644</u>	<u>407</u>

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

19. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2024 \$'000	2023 \$'000
<i>Cost of sales</i>		
Cost of inventories included in cost of sales	9,679	11,839
Employee benefits expenses (Note 20)	3,739	3,806
Repair and maintenance expenses	476	586
Depreciation of property, plant and equipment (Note 3.3)	825	788
Amortisation of right-of-use assets (Note 4(c))	407	405
Short term lease expense	1	4
Utilities expenses	668	603
<i>Distribution expenses</i>		
Transportation and carriage expenses	981	999
<i>Administrative expenses</i>		
Advertisement/marketing promotion expenses	30	32
Audit fees		
– Auditors of the Company	143	130
– Other auditors	37	35
Non-audit fees – non-audit related service ⁽¹⁾		
– Auditors of the Company	21	32
– Other auditors/firm	28	19
Depreciation of property, plant and equipment (Note 3.3)	1,029	1,031
Amortisation of right-of use assets (Note 4(c))	958	636
Directors' fees (Note 25)	229	283
Employee benefits expenses (Note 20)	4,075	4,122
Insurance	234	237
Legal and professional fees	331	423
Property tax	400	301
Short term lease expense	2	36
Upkeep and maintenance expenses	513	246
Reinstatement cost (Note 4(a)(i))	298	–
Liquidation damages (Note 4(a)(i))	518	–
<i>Other expenses</i>		
Foreign exchange loss, net	373	76
Property, plant and equipment written off	61	54
(Write-back)/Write-down of obsolete inventories (Note 6)	(202)	18

(1) There are no audit-related services paid/payable to the auditors of the Company and other auditors.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

20. Employee benefits expenses

	Group	
	2024	2023
	\$'000	\$'000
Salaries, wages and other costs	7,341	7,457
Defined contribution plans	473	471
	<u>7,814</u>	<u>7,928</u>

The employee benefits expenses are recognised in the following line items in the consolidated income statement:

	Group	
	2024	2023
	\$'000	\$'000
Cost of sales	3,739	3,806
Administrative expenses	4,075	4,122
	<u>7,814</u>	<u>7,928</u>

The employee benefits expenses include compensation of key management personnel as disclosed in Note 25 to the financial statements.

21. Income tax expense

	Group	
	2024	2023
	\$'000	\$'000
Based on results for the financial year:		
– current income tax	1,168	1,498
– deferred tax	(77)	(159)
	<u>1,091</u>	<u>1,339</u>
(Over) /Under provision in prior years:		
– current income tax	(56)	72
– deferred tax	36	–
	<u>(20)</u>	<u>72</u>
Total income tax expense	<u>1,071</u>	<u>1,411</u>

Domestic income tax is calculated at 17% (2023: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The corporate income tax applicable to the Company's subsidiaries in Malaysia is at 24% (2023: 24%), Vietnam at 20% (2023: 20%) and China at 25% (2023: 25%).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

21. Income tax expense (Continued)

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore statutory tax rate of 17% (2023: 17%) to profit before income tax as a result of the following differences:

Reconciliation of effective tax rate

	Group	
	2024 \$'000	2023 \$'000
Profit before income tax	3,298	5,756
Income tax calculated using applicable tax rate of 17% (2023: 17%)	561	979
Add/(Less):		
Effect of different tax rates of overseas operations	168	164
Effect of income not subject to tax	(26)	(87)
Effect of non-allowable items	452	353
Tax incentive	(64)	(70)
(Over)/Under provision in prior years	(20)	72
Total income tax expense	1,071	1,411

22. Earnings per share

The calculation for earnings per share is based on:

	Group	
	2024	2023
Profit after income tax attributable to owners of the Company (\$'000)	2,227	4,345
Actual number of ordinary shares in issue during the year applicable to basic earnings per share ('000)	53,245	53,245
Earnings per shares (in cents)		
– Basic and diluted	4.18	8.16

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the actual number of ordinary shares in issue during the financial year. As the Company has no dilutive potential ordinary shares, the diluted earnings per share is equivalent to basic earnings per share for the financial year.

23. Capital commitments

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Capital expenditure committed but not contracted				
– Artificial intelligence enabled robotic pallet assembly system	475	475	475	475
– Industrial land and factory	–	711	–	–
	475	1,186	475	475

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

23. Capital commitments (Continued)

Artificial intelligence enabled robotic pallet assembly system

As of 31 December 2020, the Company had applied for government grant from Singapore authority for its artificial intelligence enabled robotic pallet assembly system for the qualifying period from 1 July 2020 to 31 December 2022. The maximum amount supported by the capital grant is \$551,765 for eligible expenses amounting to \$755,000.

On 3 January 2023, the Company had obtained extension from Singapore authority for the above project qualifying period to be extended till 30 September 2025.

Approximately development cost of \$280,000 for the artificial intelligence enabled robotic pallet assembly system were captured in construction-in-progress (Note 3.4).

Industrial land and factory

During the prior financial year, the Group has paid the deposit of S\$79,000 (equivalent to RM280,000) to a third-party vendor for the acquisition of an industrial land together with a factory located PTD 2165, Jalan Tun Mutalib 4, Kawasan Perindustrian Bandar Tenggara, 81440 Bandar Tenggara, Johor. The transaction is yet to be completed as of the financial year subject to the finalisation of the sales and purchase agreement. The payment is recorded as prepayments (Note 7).

On 15 May 2024, the transaction was terminated and rescinded by the third-party vendor with the deposit fully refunded.

24. Contingent liabilities

As at 31 December 2024, the contingent liabilities of the Company were as follows:

	Company	
	2024 \$'000	2023 \$'000
Corporate guarantee given to a financial institution for a subsidiary's purchase of motor vehicles under hire purchase facilities	–	52
Banker's guarantee for a subsidiary's customer as security in relation to a sales contract	186	186
	<u>186</u>	<u>238</u>

The banker's guarantee was secured on the Company's leasehold properties with carrying amount of \$194,000 (2023: \$591,000).

The maximum amount that the Company could be forced to settle under the corporate guarantee and banker's guarantee should the respective subsidiaries default on their financial obligations as mentioned above and if the full guaranteed amount is claimed by the respective counterparties which provided the hire purchase facilities and banker's guarantee would be approximately \$186,000 (2023: \$238,000).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

25. Significant related party transactions

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed by and between the parties:

	Company	
	2024 \$'000	2023 \$'000
Subsidiaries:		
– Trade sales	1,533	2,066
– Trade purchases	9,598	10,741
– Transport charges	145	125
– Pallet repair income	124	113
– Dividend income	1,210	–
– Management fee charged from	120	120
– Service rendered by	110	89
– Sundry income	78	104
– Rental income	96	84

	Group		Company	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Related parties:				
– Transport charges	523	576	462	502
Director-related employees' remuneration	856	876	698	731

Related parties are companies whose equity shareholders are either close members of the Group's directors' family or common directors with significant influence over the Group's subsidiaries.

As at 31 December, the outstanding balances in respect of the above transactions are disclosed in Notes 7 and 11 to the financial statements.

Key management personnel remuneration

Key management personnel are the Directors and those having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly. The Group's and the Company's key management personnel are the Directors of the Group and the Company and Head of Key Functions.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

25. Significant related party transactions (Continued)

Key management personnel remuneration (Continued)

Compensation of key management personnel

The details of the key management personnel remunerations are as follow:

	Group	
	2024 \$'000	2023 \$'000
Short-term employee benefits	2,213	2,367
Post-employment benefits	95	104
Directors' fees		
– Directors of the Company	229	241
– Directors of the Subsidiaries	–	42
	<u>2,537</u>	<u>2,754</u>
Comprise amounts paid to:		
– Directors of the entities in the Group	1,417	1,513
– Director-related employees	856	876
– Other key management executives	264	365
	<u>2,537</u>	<u>2,754</u>

The remuneration of key management personnel are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

26. Dividend

	Group and Company	
	2024 \$'000	2023 \$'000
Ordinary dividends paid:		
First and final one-tier tax-exempt dividend paid of \$0.05 (2023: \$0.05) per ordinary share in respect of the previous financial year	2,662	2,662
Special dividends paid:		
First and final one-tier tax-exempt dividend paid of \$0.13 (2023: \$Nil) per ordinary share in respect of the previous financial year	6,922	–
	<u>9,584</u>	<u>2,662</u>

The Directors of the Company recommend a first and final one-tier tax exempt dividend of \$0.05 per ordinary share amounting to approximately \$2,662,000 to be paid in respect of the current financial year. This first and final dividend have not been recognised as a liability as at year end as it is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

27. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker which includes a group of executive directors and the managing director who make strategic decisions of the Group.

The Group's operating businesses are organised and managed into 4 main operating segments, namely pallet/packaging, timber related products, Technical Wood® and related products, and pallet rental and others. The pallets/packaging segment is mainly engaged in the manufacture and supply of wooden pallets and cases for the packing of industrial products. The timber related products segment is mainly engaged in the trading of raw timber related products. The Technical Wood® and related products segment is mainly engaged in the manufacture of Technical Wood®, Technical Wood® flooring and wood waste collection. The pallet rental and others segment are mainly engaged in pallet-leasing business.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes and finance costs are managed by the management on a Group basis.

The accounting policies of the operating segments are the same as those described in the material accounting policies as disclosed in respective notes to the financial statements. There is no asymmetrical allocation to reportable segments.

Management evaluates performance on the basis of profit or loss from operations before income tax expense.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for inter-segment sales and transfers on arm's length basis as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one financial year.

27.1 Business segments

	Technical Wood®											
	Pallet/ Packaging		Timber Related Products		and Related Products		Pallet Rental and Others		Elimination		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue												
Sales to external customers	21,764	24,214	619	519	1,102	1,424	4,707	4,572	–	–	28,192	30,729
Inter-segment sales	9,921	11,455	852	879	402	390	1	10	(11,176)	(12,734)	–	–
Total revenue	31,685	35,669	1,471	1,398	1,504	1,814	4,708	4,582	(11,176)	(12,734)	28,192	30,729
Segment results	2,886	3,277	75	95	(272)	975	2,628	2,277	(1,375)	(461)	3,942	6,163
Finance costs											(644)	(407)
Profit before income tax											3,298	5,756
Income tax expense											(1,071)	(1,411)
Profit for the year											2,227	4,345

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

27. Segment information (Continued)

27.1 Business segments (Continued)

	Pallet/ Packaging \$'000	Timber Related Products \$'000	Technical Wood® and Related Products \$'000	Pallet Rental and Others \$'000	Elimination \$'000	Consolidated \$'000
Group						
31 December 2024						
Segment assets	34,114	2,462	11,590	20,774	(3,906)	65,034
Unallocated assets	–	–	–	–	–	–
Total assets						65,034
Segment liabilities	5,196	244	5,339	1,128	(2,133)	9,774
Unallocated liabilities*	–	–	–	–	–	1,070
Total liabilities						10,844
Other segment information						
Capital expenditures	322	–	73	1,478	(934)	939
Depreciation	646	–	460	1505	(757)	1,854
Amortisation	770	–	449	146	–	1,365
Property, plant and equipment written off	–	–	–	61	–	61
Gain on disposal of property, plant and equipment	–	–	–	(361)	–	(361)
Write-back of obsolete inventories	(202)	–	–	–	–	(202)

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

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

27. Segment information (Continued)

27.1 Business segments (Continued)

	Pallet/ Packaging \$'000	Timber Related Products \$'000	Technical Wood® and Related Products \$'000	Pallet Rental and Others \$'000	Elimination \$'000	Consolidated \$'000
Group						
31 December 2023						
Segment assets	46,959	2,094	12,726	19,382	(4,351)	76,810
Unallocated assets	–	–	–	–	–	–
Total assets						76,810
Segment liabilities	10,323	20	5,640	1,288	(2,730)	14,541
Unallocated liabilities*	–	–	–	–	–	1,555
Total liabilities						16,096
Other segment information						
Capital expenditures	34	–	3,960	1,403	(823)	4,574
Depreciation	651	–	199	1,378	(409)	1,819
Amortisation	816	–	77	148	–	1,041
Property, plant and equipment written off	–	–	–	54	–	54
Gain on disposal of property, plant and equipment	–	–	–	(213)	–	(213)
Write-down of obsolete inventories	18	–	–	–	–	18

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

27.2 Geographical information

Revenue from external customers

	Singapore		Malaysia		Others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue to external customers	23,940	25,757	3,466	3,512	786	1,460	28,192	30,729

The revenue information above is based on the location of the customers.

Major Customers

For financial year ended 31 December 2024, there is 1 customer (2023: 1) whose revenue represents more than 10% of the Group's total revenue. This revenue is attributable to Singapore's pallet/packaging segment.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

27. Segment information (Continued)

27.2 Geographical information (Continued)

Location of non-current assets

	Singapore		Malaysia		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current assets	12,212	19,170	4,908	4,411	17,120	23,581

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

28. Financial instruments and financial risk

The Group's and the Company's activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks) and liquidity risks. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

28.1 Credit risks

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is the Group's policy, implemented locally, to assess the credit risk of new customers before entering contracts.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer.

The Board of Directors determines concentrations of credit risk by periodic monitoring, at least annually, of the credit limit of existing customers and through a monthly review of the trade receivables' ageing analysis. Customers are assessed individually for any period-end receivables if specific information is available and the expected credit losses are estimated to be 100%.

The Group's and the Company's major classes of financial assets are trade and other receivables, fixed deposits and cash and cash equivalents.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

28. Financial instruments and financial risk (Continued)

28.1 Credit risks (Continued)

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	Company	
	2024	2023
	\$'000	\$'000
Financial guarantees provided for facilities (Note 24)	186	238

The Group and the Company do not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except for the top five trade receivables from third parties which accounts for 28% (2023: 25%) and 33% (2023: 27%) of the Group's and the Company's total trade receivables respectively, and receivables from subsidiaries which accounts for 14% (2023: 17%) of the Company's total trade receivables, as at the end of the financial year. The Group defines counterparties as having similar characteristics if they are related entities.

Trade receivables

The ageing analysis of trade receivables is as follows:

	Group					
	2024			2023		
	Gross	Loss	Net	Gross	Loss	Net
	\$'000	allowance	\$'000	\$'000	allowance	\$'000
Current	4,044	(16)	4,028	3,485	(30)	3,455
Past due 1 to 30 days	999	(5)	994	966	(10)	956
Past due 31 to 60 days	690	(5)	685	293	(4)	289
Past due for more than 60 days	609	(218)	391	366	(190)	176
	6,342	(244)	6,098	5,110	(234)	4,876

	Company					
	2024			2023		
	Gross	Loss	Net	Gross	Loss	Net
	\$'000	allowance	\$'000	\$'000	allowance	\$'000
Current	4,026	(14)	4,012	3,238	(26)	3,212
Past due 1 to 30 days	654	(3)	651	852	(6)	846
Past due 31 to 60 days	419	(2)	417	417	(2)	415
Past due for more than 60 days	290	(28)	262	165	(16)	149
	5,389	(47)	5,342	4,672	(50)	4,622

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

28. Financial instruments and financial risk (Continued)

28.1 Credit risks (Continued)

Trade receivables (Continued)

Management measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are determined based on historical loss rates and historical payment pattern, adjusted for the current conditions and forecast of future economic conditions that may affect the ability of the customers to settle the trade receivables at the end of the financial year.

Management is confident on the recoveries of the Company's past due trade receivables due from subsidiaries having taken into account the available internal information on the subsidiaries' past, current and expected operating performance. In addition, the timing of payment is controlled by the Company taking into account cash flow management within the Group. Accordingly, management has measured the ECL on the Group's and the Company's trade receivables to be insignificant.

A trade receivable is written off when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed under liquidation or has entered into bankruptcy proceedings. The Group and the Company did not write-off any debt during the current and previous financial year.

Non-trade receivables

Management monitors and assess at the end of the financial year on any indicator of significant increase in credit risk for the non-trade receivables due from third parties (Note 7). In the assessment for indicators, management took into account information that are available internally about these counterparties and if the entities had defaulted in their debts. Based on the assessment, management has determined that the credit risk for these assets has not increased significantly since their initial recognition, and accordingly, the non-trade amounts have been measured based on 12-month expected credit loss model. At the end of the financial year, the Group and the Company did not expect any significant credit losses from non-performance by the counterparties and accordingly, no loss allowance has been recognised.

A non-trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The Group and the Company did not write-off any non-trade receivable during the current and previous financial years.

Cash and cash equivalents and fixed deposits

Credit risk also arises from balances held with banks. The Group and the Company substantially placed its bank balances and fixed deposits in 3 and 2 (2023: 3 and 2) banks which represent 97% and 99% (2023: 99% and 98%) respectively of the Group's and the Company's bank balances and fixed deposits as at 31 December 2024.

The Board of Directors monitors the credit ratings of counterparties regularly. Impairment of bank balances, and fixed deposits have been measured based on 12-month expected credit loss model. At the end of the financial year, the Group and the Company did not expect any material credit losses from non-performance by these banks which are assigned with minimum rating "A" and above by international credit-rating agencies.

Financial guarantee contracts

The Company has issued financial guarantees to banks and a financial institution for its subsidiaries' facilities. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

28. Financial instruments and financial risk (Continued)

28.2 Market risks

The Group's and the Company's activities are affected by various financial risks, including the effects of changes in foreign currency exchange rates and interest rates as described in the following paragraphs. The policies for managing each of these risks are summarised below.

(i) Foreign currency risk

The Group is exposed to currency risk on sales, purchases and expenditure that are denominated in a currency other than the respective functional currencies of Group entities and the Company. The currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD"), Malaysian Ringgit ("RM"), United States Dollar ("USD"), and Chinese Renminbi ("RMB"). Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

At the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group Functional currency of individual entities within the Group				Company
	SGD \$'000	RM \$'000	VND \$'000	Total \$'000	SGD \$'000
2024					
Monetary assets					
SGD	–	2,160	–	2,160	–
RM	5	–	–	5	111
USD	1,291	–	90	1,381	65
Monetary liabilities					
RM	20	–	–	20	979
USD	250	456	–	706	250
Add/(Less): Intragroup receivable/(payable)					
SGD	–	20	–	20	–
RM	(487)	–	–	(487)	–
USD	(151)	–	–	(151)	–
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currency					
SGD	–	2,180	–	2,180	–
RM	(502)	–	–	(502)	(868)
USD	890	(456)	90	524	(185)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

28. Financial instruments and financial risk (Continued)

28.2 Market risks (Continued)

(i) Foreign currency risk (Continued)

	Group Functional currency of individual entities within the Group				Company
	SGD \$'000	RM \$'000	VND \$'000	Total \$'000	SGD \$'000
2023					
Monetary assets					
SGD	–	1,360	–	1,360	–
RM	61	–	–	61	146
USD	1,052	9	97	1,158	186
Monetary liabilities					
RM	10	–	–	10	654
USD	60	46	–	106	60
Add/(Less): Intragroup receivable/(payable)					
SGD	–	355	–	355	–
RM	(601)	–	–	(601)	–
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currency					
SGD	–	1,715	–	1,715	–
RM	(550)	–	–	(550)	(508)
USD	992	(37)	97	1,052	126

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity analysis

The following table details the sensitivity to a 10% (2023: 10%) increase and decrease in the relevant foreign currencies against the functional currency of the respective entities within the Group with all other variables held constant. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

28. Financial instruments and financial risk (Continued)

28.2 Market risks (Continued)

(i) Foreign currency risk (Continued)

Foreign currency sensitivity analysis (Continued)

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit will increase/(decrease) by:

	Group		Company	
	Increase/(Decrease) in profit for the year			
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
RM				
Strengthens against SGD	(50)	(55)	(87)	(51)
Weakens against SGD	50	55	87	51
USD				
Strengthens against SGD	52	105	(19)	13
Weakens against SGD	(52)	(105)	19	(13)

(ii) Interest rate risk

The Group's and the Company's exposure to interest rate risk arises from interest-bearing financial assets and liabilities. The Group's and the Company's policy is to maintain an efficient and optimum cost structure using a combination of fixed and variable rate debts, long and short-term borrowings.

At the end of the financial year, the Group does not have any significant exposure to cash flow interest rate risk. Its interest rate risk is primarily attributable to lease liabilities which are mainly subject to fixed interest rates, as shown in Note 10 to the financial statements. The Group does not use derivative financial instruments to hedge its interest rate risk.

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

28.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's and the Company's liquidity risks are managed centrally by maintaining an adequate level of cash and cash equivalents as well as to match the payment and receipt cycle to finance the Group's and the Company's operations. Long-term borrowing is a preferred source of financing to ensure continuity of funding. The Group and the Company also ensure there are adequate lines of bank credit to address any short-term funding requirement. The Group's and the Company's surplus funds are also managed centrally by placing them with reputable financial institutions.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

28. Financial instruments and financial risk (Continued)

28.3 Liquidity risk (Continued)

Contractual maturity analysis – non-derivative financial instruments

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial instrument based on the earlier of the contractual date or when the Group and the Company expected to pay. The table includes both expected interest and principal cash flows.

	Not later than 1 year or on demand \$'000	Between 1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Group				
2024				
Interest bearing				
– lease liabilities	1,116	2,509	3,587	7,212
Non-interest bearing				
– trade and other payables*	3,106	–	–	3,106
	4,222	2,509	3,587	10,318
2023				
Interest bearing				
– lease liabilities	1,818	4,157	11,362	17,337
Non-interest bearing				
– trade and other payables*	2,140	–	–	2,140
	3,958	4,157	11,362	19,477

* Excluding GST/VAT payables, provision for unutilised leave, advances from customers and deferred capital grant.

	Not later than 1 year or on demand \$'000	Between 1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Company				
2024				
Interest bearing				
– lease liabilities	378	–	–	378
Non-interest bearing				
– trade and other payables*	3,000	–	–	3,000
	3,378	–	–	3,378
Financial guarantee contracts (Note 24)	186	–	–	186
2023				
Interest bearing				
– lease liabilities	981	1,679	7,289	9,949
Non-interest bearing				
– trade and other payables*	2,687	–	–	2,687
	3,668	1,679	7,289	12,636
Financial guarantee contracts (Note 24)	238	–	–	238

* Excluding GST/VAT payables, provision for unutilised leave, advances from customers and deferred capital grant.

The disclosed amount for the financial guarantee contract represents the maximum amount and at the earliest period for which the Company could be called upon by the bank or financial institution to pay should the subsidiaries default on the repayments (Note 24).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2024

29. Capital management policies and objectives

The Group and the Company manages its capital to ensure that entities in the Group and the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital (Note 14), reserves and retained earnings as disclosed in the consolidated statement of changes in equity.

The Group's management reviews the capital structure on a semi-annual basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new shares issues and share buy-backs as well as the utilisation of new banking facilities or the repayment of existing borrowings.

As disclosed in Note 5, a subsidiary of the Group in the People's Republic of China is subjected to local exchange control regulations. These regulations place restrictions on exporting capital out of the country other than through dividends.

The Group and the Company are not subjected to any externally imposed capital requirements for the financial years ended 31 December 2024 and 31 December 2023.

The Group and the Company's overall strategy remains unchanged from 2023.

30. Fair values measurement

30.1 Fair value of non-financial assets that are carried at fair value

The Group and the Company do not have any non-financial assets that are measured at fair value.

30.2 Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of trade and other receivables, fixed deposits, cash and cash equivalents, trade and other payables approximate their respective fair values due to the relative short-term maturity of these financial instruments.

30.3 Financial instruments that are carried at fair value

The Group and the Company do not hold any financial instruments that are measured at fair value as at the end of the financial year.

31. Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024 were authorised for issue by the Board of Directors on 25 March 2025.

Supplementary Information in Compliance With SGX-ST

1 MATERIAL CONTRACT

No material contracts to which the Company or any subsidiary company is a party involving the CEO, Managing Director, each director, or each controlling shareholder, and are still subsisted at the end of the financial year, or if not subsisting, entered into since the end of the previous financial year.

2 INTERESTED PERSON TRANSACTION [Listing Rule Chapter 9]

In compliance with chapter 9 of the Listing Manual ("the Manual") of the Singapore Exchange Securities Trading Limited, there were no transactions with interested persons (as defined in the Manual) for the financial year ended 31 December 2024 that exceeded the stipulated threshold. During the year, the aggregate amount of interested person transactions conducted, excluding transactions less than \$100,000 was \$522,550 as shown in the table below.

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 Group. \$462,507	—
Gold Leayong Trading ("GLT")	GLT provides transport services to the Group. \$60,043	—
Total	\$522,550	—

For interested person transactions above, there were no transactions with interested persons as defined in the SGX's Listing Manual for the financial year ended 31 December 2024 that exceeded the stipulated threshold. Therefore, no shareholders' mandate pursuant to Rule 920 has been obtained.

3 RISK MANAGEMENT POLICY AND PROCESS

3.1 Business Risk Management

The Group's market for its pallets and packaging products are predominantly in Singapore where it serves a broad range of industry segments and the demand for the Group's wooden pallets and packaging products will depend on the cumulative level of business activities in all these industries in Singapore. As such, the Group's business will be affected by economic fluctuations in Singapore.

The Group's subsidiary companies and marketing agents overseas will continue to promote and improve brand visibility in the international market for IPPC pallets and packaging products. The wider acceptance of environmental-friendly products, ECR pallets and pest-free pallet products will have a positive impact on the Group's performance.

Supplementary Information in Compliance With SGX-ST

3.2 Raw Material Risk Management

As most of the Group's raw materials for the pallet and packaging products are sourced from overseas, particularly from New Zealand, China and Vietnam, the Group's cost of raw materials will be affected by fluctuations in freight costs and currencies, which in turn will affect our production cost. In order to contain the impact of this fluctuation, the Group monitors currency movements and may hedge when necessary.

3.3 Human Resource Management

The Group recognises the importance of human capital and employee's morale within the organisation. It has in place a systematic process in ensuring that employees are competitively rewarded and incentives and bonuses are accorded based on the performance of the companies within the Group and the performance of the employees.

3.4 Safety and Emergency Risk Management

The Group strongly emphasises the importance of health and safety, especially fire safety in this hazardous wood industry, and recognises the criticalness of providing uninterrupted flow of products and services. The Group has in place Fire and Safety Committees which are set up to review and advise on proper health and safety issues, fire prevention and emergency preparedness in the handling of incidents. There is also close coordination between various committees in emergency response and preparedness. The Company is a member of the Safety & Security Watch Group (SSWG) of Sungei Kadut and Kranji Industrial Estates and plays an important role in assisting SPF and SCDF in handling of incidents relating to security and civil emergencies.

3.5 Financial Risk Management

The Group's financial risks mainly consist of interest rate risk, liquidity risk, credit risk, foreign currency risk, and capital risk management which arise from the Group's financial instruments. The details of the management of these risks are stated in page 65 to 72 – Note 28 to 29 of the Notes to the Financial Statements for the year ended 31 December 2024.



LHT HOLDINGS LIMITED

CORPORATE GOVERNANCE REPORT 2024



Corporate Governance Report

LHT Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) are committed to maintaining good corporate governance and transparency in the Company’s business practices. The board of Directors (“**Board**”) and the Management believe that good corporate governance helps to maintain an ethical business environment, which is essential to the long-term sustainability of the Group’s business performance. To protect the interests of the Company’s shareholders (the “**Shareholders**”), the Board and its committees have established policies and procedures to govern their business activities guided by their respective Terms of Reference.

This Report describes the Company’s corporate governance processes and activities for the financial year ended 31 December 2024 (“**FY2024**”) with specific reference to the revised Code of Corporate Governance 2018 (the “**Code**”) issued by The Monetary Authority of Singapore on 6th August 2018. The Company has complied with the Code except where otherwise explained. For ease of reference, the relevant principles and provisions of the Code discussed are in italics.

I. BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

PRINCIPLE 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board oversees the overall strategy and business direction of the Group and is responsible for its success. The Management plays a pivotal role in providing complete, adequate and timely information to assist the Board in fulfilling its responsibilities.

Provision 1.1

Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

Principal Duties of the Board

The principal functions of the Board include, among other things, providing entrepreneurial leadership, setting the appropriate tone-from-the-top and a desired organisational culture, monitoring Management’s performance, establishing a framework for prudent and effective internal controls to managing risk, safeguarding shareholders’ interests and the Group’s assets as well as setting values and standards (including ethical standards) for the Group. The Board is also mindful of the Group’s social responsibilities.

The Board sets the direction for the Group in terms of ethics and values are concerned. This helps to create an environment where integrity and accountability are vital to the group’s success.

The Board’s Conduct of Affairs

The primary function of the Board is to provide entrepreneurial leadership to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board’s role is to:

- Assume the responsibility of corporate governance;
- Approve the Group’s policies, strategies and financial plans;
- Guide the formulation of the Group’s overall long-term strategic plans and performance objectives as well as operational initiatives;
- Establish and oversee the process of evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- Review and approve annual budgets, major funding proposals, investment and divestment proposals;

Corporate Governance Report

- Monitor the performance of the management;
- Set the Company's values and ethical standards, and ensure that obligation to shareholders and other stakeholders are understood and duly met;
- Consider sustainability issues such as climate, environmental and social and governance factors as part of its strategic formulation;
- Review the Group's financial and management performance;
- Oversee the business of the Group and monitor the performance of the Company's management;
- Approval of nominations for the Board by the Nominating Committee and endorsing the appointments of the key executives and senior management;
- Review recommendations made by the Audit and Risk Committee on the appointment, re-appointment or removal of external auditors;
- Review recommendations made by the Remuneration Committee and approve the remuneration packages for the Board and key management;

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management team to make objective decisions in the interest of the Group.

The Group is guided by a conflict of interest policy when approving any business transaction to ensure no unfairness or favouritism to any business counterparts. The director who has a conflict of interest and when his or her interest is likely to have an impact on transactions or decisions under discussion by the Board is required to immediately declare his or her interest to the Board, excuse himself or herself from the information flow or participating in any discussion or voting related to the transactions, unless the Board believes that his or her presence and participation is necessary.

Provision 1.2

Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

Continuous Training, Orientation and Development of Directors

The Company maintains a training budget to fund existing Directors' participation at industry conferences and seminars and attend any instruction/training programs relevant to their Director's duties. The training budget is open to every Director and subject to approval by the Managing Director. The Company has adopted an open policy that welcomes the Directors to seek clarification on any aspects of the Company's operations or business decisions. The Managing Director will make necessary arrangements to clarify their queries through briefings, informal discussions or explanations when required by the Directors.

Upon appointment as a director, each director receives a formal letter of appointment from the Company with the relevant information on his/her duties and responsibilities as a director, including the Company's corporate governance processes and the relevant statutory and regulatory compliance issues. Orientation courses and educational programmes will be organised for each new director to ensure that the incoming director is familiar with the Group's key business and governance practices. On 15 May 2024, the new independent directors visited the LHT's production areas to understand the Company's history, pallet industry, operating segments, business model, customer analysis, competitive landscape, short and long-term growth strategy, production facilities and operation activities.

To make sure all Board members are aware of the latest regulatory changes, the Corporate Secretary circulates all announcements, reports, press releases, articles from local newspapers published or issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Singapore Institute of Directors ("SID"), or the Accounting and Corporate Regulatory Authority of Singapore ("ACRA"), to help the Board members keep abreast of the current industry trends and to comply with all business regulations and standards that are currently in force.

Corporate Governance Report

The Board is also regularly updated on risk management, corporate governance, insider trading and the key relevant regulatory requirements to enable them to discharge their duties as Board or Board Committee members properly. The details of updates, briefings and training programmes attended by the Directors in FY2024 are as follows:–

- Director attended ISCA-SAC Board of Directors Masterclass Programme from 16 September 2024 to 4 November 2024 with:
 - E-Learning – 19 CPE Hours
 - Nominating and Remuneration Committee Masterclass for Directors – 3 CPE hours
 - Audit Committee Masterclass for Directors – 3 CPE hours
 - Plenary Masterclass for Directors (4.00 CPE Hours)
- Director attended with SID on 10 October 2024 regarding environmental, social and governance essentials
- BDO Financial Reporting Standard (FRS) Updates Seminar 2024 – Tuesday, 8 October 2024
- Attended virtual event on “Navigating Climate and Business in 2024” on 12 March 2024
- BDO Seminar “Unpacking” the 7th Edition Singapore Transfer Pricing Guidelines by BDO Tax Advisory Pte Ltd on 24 July 2024
- Singapore Budget Seminar 2024 by BDO LLP on 1 March 2024
- IVSC-IVAS (Institute of Valuers and Appraisers, Singapore) – Business Valuation Conference on 28 August 2024
- Attended the Forum on Mediation: A Changing Landscape at York Hotel Singapore on 6 January 2024
- Corporate Governance Week by SIAS [Securities Investors Association (Singapore)] from 16 to 19 September 2024
- Corporate Governance Conference 2024 (In Person) on 16 September 2024
 - “The Impact of Artificial Intelligence and Sustainability on Key Stakeholders”
 - Leveraging AI for Climate Adaptation
 - AI in Boardroom
 - Integrating AI with Long-Term Sustainability of an Organisation
 - ESG – The Impact on the Corporate Strategy, or Combat the Fatigue?
 - Corporate Governance Forum 1 (Virtual). “Navigating AI Investment: Opportunities, Challenges, and the Call for Ethical Regulation”
 - Investor Forum (Virtual). Introduction to Green and Sustainable Investing on 18 September 2024
- Attended SMEICC Conference Series – SME and Infocomm Commerce Series for “Navigating Change Today: Embrace – Overcome – Grow” from 09 to 10 October 2024
- Attended Conference on Digital Transformation of Financial Markets 2024: Artificial Intelligence in Business and Finance
- Conference on Digital Transformation of Financial Markets 2024: Artificial Intelligence in Business and Finance

Corporate Governance Report

- Personal Data Protection (PDP) Week 2024 – Innovate with Trust, Transform with data, organised by Personal Data Protection Commission Singapore from 15 to 18 July 2024
- PDP Seminar 2024, Monday, 15 July 2024

[In-Person Session]: **Navigating Cross Border Data Transfers** in the Age of Innovation by Cybersecurity and Data Protection Committee, The Law Society of Singapore on 15 July 2024
- Attended Webinar – Will a robot take my job? By ACCA on 18 July 2024
- Attended Webinar – AI adoption journeys: lessons from the frontline by ACCA on 18 July 2024
- Attended Webinar – Managing risks: ethical consideration in AI finance by ACCA on 18 July 2024
- Attended ACCA Technical Symposium on 24 September 2024
- Attended CSIS CSPs 9th Conference 2024 on 10 July 2024
- Attended ISCAccountify Learning “Getting Started with Sustainability Reports: Setting ESG Targets for Achievable and Sustainable Impact” on 29 June 2024
- Attended an event at LAW AWARENESS WEEK @CDC 2024, “Cybersecurity trends from Singapore and beyond – what consumers and businesses need to know” on 20 September 2024
- Attended an event at LawWorks Legal Primer-Breaking Chains or Breaking Rules: Flex Work and Restraint of Trade Clauses on Friday, 5 July 2024
- Attended Asia ESG Forum by Asia Pacific Institute for Strategy on 30 August 2024
- Attended and completed the CPD accredited activity at Accounting and Business Show Asia 2024 on 17 October 2024
- Attended SID Corporate Governance Roundup 2024 on 17 October 2024
- Attended virtually for The 20th anniversary of ACMF celebration and the ACMF (The Asean Capital Markets Forum) International Conference 2024 on 22 Oct 2024 at Vientiane jointly organized by The Asean Capital Markets Forum, Lao Securities Commission Office, and Asian Development Bank (ADB)
- Attended virtually for the ACMF-ISSB Technical Training for corporate preparers on 23 October 2024
- Attended virtual CPA Congress organised by CPA Australia from 17 to 18 October 2024
- Attempted project on AI for Industry – Literacy in AI by AI Singapore on 10 September 2024

Provision 1.3

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company’s annual report.

Board Approval

The Group adopted internal guidelines and set forth matters requiring the Board’s approval and disclosed in the Company’s annual report, Under these guidelines:

- major funding proposals
- investment and divestment proposals

Corporate Governance Report

- material acquisitions and disposals of assets
- corporate restructuring exercise
- commitments to short-term or long-term loans
- application for banking facilities and lines of credit from banks and financial institutions
- unbudgeted huge capital expenditures

Provision 1.4

Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

Delegation by the Board

The Board is supported by several committees that assist it in discharging its responsibilities and enhancing the Company's corporate governance framework. Each Board committee has its specific Terms of Reference that set out the scope of its duties and responsibilities, rules and regulations, and procedures governing how it should operate and its view when making decisions. These committees include the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**"), and the Remuneration Committee ("**RC**").

Provision 1.5

Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

Board Meetings and Attendance

The Board and its committees meet regularly through scheduled and ad-hoc meetings and as and when warranted by particular circumstances. If Directors are unable to attend meetings in person, electronic means of communication are allowed under the Constitution of the Company's Constitution. To enable members of the Board and its committees to prepare for the meetings, meeting agendas, board papers and related materials are circulated to the Board members before the meeting.

The Board meets at least four times a year with additional meetings convened when necessary. During FY2024, the Company has held six (6) Board Meetings.

Multiple Board Representations

All Directors are required to declare their board representations. The NC will review multiple board representations held by the Directors on a half-yearly basis to ensure that sufficient time and attention are given to the affairs of the Company. The NC considers that multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties as Directors of the Company.

The Directors committed considerable time towards the Board meetings and Board committee meetings held in FY2024. Some Directors adjusted their schedules to ensure full participation in the board or board committee meetings to deliberate the Group business issues. The NC is of the view that the Directors have committed their time effectively to discharge their responsibilities.

Corporate Governance Report

A record of the Directors' attendance at the Board and Board Committee meetings as well as general meetings for FY2024 is set out below:

Directors' Attendance at Board and Board Committee Meetings and General Meetings

Name	Board		Audit and Risk Committee		Nominating Committee		Remuneration Committee		General Meeting	
	No. of Meetings held	No. of Meetings Attended	No. of Meetings held	No. of Meetings Attended	No. of Meetings held	No. of Meetings Attended	No. of Meetings held	No. of Meetings Attended	No. of Meetings held	No. of Meetings Attended
Yap Mui Kee (Managing Director and CEO)	6	6	4	4 [#]	2	2 [#]	3 ^Δ	3 [#]	1	1
Tan Kim Sing (Executive Director – Stepped down on 28 February 2025)	6	6	4	4 [#]	2	2 [#]	3 ^Δ	3 [#]	1	1
Billy Neo Kian Wee (Executive Director – Stepped down on 28 February 2025)	6	5	4	4 [#]	2	2 [#]	3 ^Δ	3 [#]	1	1
Tan Kok Hiang (Non-Executive Lead Independent Director – Retired on 29 April 2024)	2	2	1	1	1	1	1	1	1	1
Low Peng Kit (Non-Executive Independent Director – Retired on 29 April 2024)	2	2	1	1	1	1	1	1	1	1
Wu Chiaw Ching (Non-Executive Independent Director – Retired on 29 April 2024)	2	2	1	1	1	1	1	1	1	1
Li Suet Man (Non-Executive Non Independent Chairman – Appointed on 22 April 2024)	6	6	4	4 [#]	2	2	3 ^Δ	3	1	1
Lock Wai Han (Non-Executive Lead Independent Director – Appointed on 29 April 2024)	4	4	3	3	1	1	2	2	1	1
Theng Siew Lian Lisa (Non-Executive Independent Director – Appointed on 29 April 2025)	4	3	3	1	1	1	2	2	1	1
Lim Kee Way Irwin (Non-Executive Independent Director – Appointed on 29 April 2024)	4	4	3	3	1	1	2	2	1	1
Tan Peck Joo (Non-Executive Independent Director – Appointed on 29 April 2024)	4	4	3	3	1	1	2	2	1	1
Dr Kimmis Pun Kim Ming ^{***} (Non-Executive Independent Director – Appointed on 1 December 2024)	0	–	0	–	0	–	0	–	0	–
Sally Yap Mei Yen ^{**} (Alternate Director to Yap Mui Kee and Corporate Secretary)	6	6	4	4 [#]	2	2 [#]	3 ^Δ	3 [#]	1	1

By invitation.

Δ 2 scheduled 1 ad-hoc.

** Yap Mui Kee and Sally Yap Mei Yen are sisters.

*** Upon the appointment of Dr Kimmis Pun, there are no Board or Board Committee meetings held for the last month of 2024.

Corporate Governance Report

Provision 1.6

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Access to information

Management places a high priority on providing complete, adequate and timely information to the Board on an ongoing basis, to assist the Directors in discharging their duties efficiently and effectively. Board members receive management reports on the operations and financial performance of the Group which include updates on the Group's financial status, cash flow positions and performance of the Group's assets. The Board will also be updated on current industry trends and developments. As far as possible, Board members will receive the Board papers not less than five business days before the meeting to enable them to have sufficient time to consider and deliberate issues to be considered at the meetings. Minutes of the previous meetings are tabled and confirmed at Board meetings for the Directors' information.

Provision 1.7

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

Access to Management and Corporate Secretary

The Board has at all times separate and independent access to Management through electronic mail, telephone and face-to-face meetings. It is entitled at all times to request any additional information needed to make informed decisions. The key management staff, the Statutory Auditors, BDO LLP and Internal Auditors, D'Ark Services Pte Ltd are invited to attend Board and Board Committee meetings to update or to provide independent professional advice on specific issues to the Directors, where necessary.

Directors also have separate and independent access to the Corporate Secretary through electronic mail, telephone and meetings.

The Corporate Secretary is responsible for ensuring that the Board procedures are followed and all applicable rules and regulations are complied with. The Corporate Secretary also assists in coordinating the flow of information within the Group and helps the Chairperson in enhancing the Group's corporate governance practices and processes. The Board's approval is required for the appointment and removal of the Corporate Secretary.

Independent Professional Advice

Where required, procedures are also in place for the Board and individual Board Committees to seek independent professional advice on their Directors' duties and responsibilities at the Company's expense.

BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions 2.1

An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

Provisions 2.2

Independent directors make up a majority of the Board where the Chairman is not independent.

Corporate Governance Report

Provisions 2.3

Non-executive directors make up a majority of the Board.

Key information of Directors is set out on pages 91 to 96 of this Annual Report.

Board Independence

The Independent of any Independent Directors (IDs) who have served the Board beyond nine years

In line with **Provision 2.1** of the Code, the Board has reviewed the number of years served by each Non-Executive Independent Director. The NC noted that none of the independence directors had served the Company for more than nine years, except Mr Tan Kok Hiang, Mr Low Peng Kit and Dr Wu Chiaw Ching.

In compliance with the Code, Mr Tan Kok Hiang, Mr Low Peng Kit and Dr Wu Chiaw Ching being the IDs of the Company, retired at the close of the annual general meeting ("**AGM**") on 29 April 2024.

The new independent directors joined the Board to fill the vacancies after careful selection and shortlisting the candidates by the NC from organisations such as the Council for Board Diversity, the SID and the relevant professional bodies to facilitate the search of candidates who can provide diverse experience and perspectives to the Board that are relevant to the current plans and future strategy of the Company.

The NC had shortlisted and nominated four (4) proposed new Non-Executive Independent Directors at the AGM on 29 April 2024. All newly proposed Non-Executive Independent Directors were voted upon and appointed by the shareholders at the AGM and became the newly appointed Independent Directors of the Board. On 29 April 2024, the new Board was formed, and the new Independent Directors were assigned to the respective Audit and Risk, Nominating, and Remuneration Committees (ARC, NC, and RC) according to their experience and skill sets, to serve as Lead Independent Directors, Chairpersons, and Members of the Board Committees.

Proportion of Non-Executive Independence of Directors

The current Board comprises nine Directors: One Executive Director, one Alternate Director to the Executive Director, Ms Yap Mui Kee, five Non-Executive Independent Directors and two Non-Executive Non-Independent Directors, Mr Li Suet Man and Mr Lan Ruilong, appointed on 1 March 2025. The Board is made up of the independent element and is capable of providing opportunities for open, constructive and robust debate on pertinent issues affecting the affairs and business of the Company and the Group.

The NC, with respect to the independence of a Director, takes into account the criteria given in the Listing Manual and the Code and the existence of any relationships between such Director and the Group. For example, its related corporations, its substantial shareholders and officers, if applicable, and whether such relationships can interfere, or be reasonably perceived to interfere, with the exercise of such Director's independent judgment.

The NC, having considered the declarations made by the Independent Directors in respect of their independence, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interests of the Company.

The Board and its Board Committees comprise directors who can provide an appropriate balance and diversity of skills, experience, gender, and knowledge of the Company. The five Non-Executive Independent Directors have constructively challenged the Board, helped develop proposals on strategy, and reviewed management's performance in meeting their goals and objectives. To facilitate a more effective check on management, the Non-Executive Independent Directors met seven times in FY2024.

The Board's composition complies with the code. The Board has appointed Mr Lock Wai Han ("Mr Lock") as the Lead Independent Director of the Company. Mr Lock is accessible by the shareholders if they have concerns that they are unable or feel inappropriate to go through the normal channels to the Chairman, the Managing Director and CEO.

Corporate Governance Report

The Board conducts scheduled meetings, and ad-hoc meetings are convened when circumstances require. In FY2024, two NC and three RC meetings were convened. To facilitate the attendance and participation of Directors at Board meetings, the Company's Constitution allows Board meetings to be conducted using telephone conferences or other methods of simultaneous communication by electronic or telegraphic means.

The establishment of the three Board Committees, namely, ARC, NC and RC is to assist the Board in discharging its responsibilities. These committees' function within clearly defined terms of reference and operating procedures, which are reviewed regularly.

Meetings of the Board

The dates of meetings of the Board and the Board Committees, as well as the AGM, are scheduled half a year in advance. To ensure maximum participation, the Corporate Secretary will consult every director before fixing the dates of these meetings. The Board meets at least two times within each financial year and at other times as appropriate, to approve the release of the Group's financial results as well as to consider and resolve the financial and business matters of the Group. The Board and Board Committees may also make decisions by way of circular resolutions in writing. To facilitate effective management, the day-to-day management of the Group's businesses and affairs is entrusted to the executive directors and the key management staff.

The Non-Executive Independent Directors are required to make a half-yearly independence declaration based on the criterion of independence provided under **Provision 2.1** of the Code. The NC has reviewed such disclosures and has ascertained and satisfied the independence status of all the five Non-Executive Independent Directors of the Company.

Role of Non-Executive, Independent Directors

The Non-Executive, Independent Directors provide, amongst other things, strategic guidance to the Company based on their professional knowledge, in particular, to constructively challenge and develop proposals on the Group's business strategy. The independent directors also help to review the performance of the Company's management to make sure they are aligned with the agreed goals and monitor their reporting processes. To this end and where appropriate, they are encouraged to meet at least twice a year or at any times deemed necessary, without the presence of the Company's management staff.

Provision 2.4

The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

Board Composition

The NC conducts an annual review on the composition of the Board which comprises of members from different backgrounds and whose core competencies, qualifications, skills, and experiences are extensive and other aspects such as gender and age. Having reviewed and considered the composition and diversity of the Board and its committees, the NC has determined that the current Board size and structure are adequate for the existing Company's business operations of the Company.

Corporate Governance Report

The Board is also well supported by accurate, complete and timely information, and has unrestricted access to the Management staff. A summary of the composition of the Board and its Committees is set out below:

Director	Board	ARC	NC	RC
Mr Li Suet Man	Non-Executive Non-Independent Chairman (Appointed on 23 April 2024)	–	–	–
Ms Yap Mui Kee	Managing Director and CEO	–	–	–
Mr Tan Kim Sing ^{###}	Executive Director	–	–	–
Mr Billy Neo Kian Wee ^{###}	Executive Director	–	–	–
Mr Lock Wai Han [#]	Non-Executive Lead Independent Director	Member	–	Member
Ms Theng Siew Lian Lisa [#]	Non-Executive Independent Director	–	Member	Chairman
Mr Lim Kee Way Irwin [#]	Non-Executive Independent Director	Member	Chairman	Member
Ms Tan Peck Joo [#]	Non-Executive Independent Director	Chairman	Member	Member
Dr Kimmis Pun Kim Ming	Non-Executive Independent Director (Appointed on 1 December 2024)	Member	Member	Member
Mr Lan Ruilong	Non-Executive Non-Independent Director (Appointed on 1 March 2025)	–	–	–
Ms Sally Yap Mei Yen	Alternate Director to Ms Yap Mui Kee	–	–	–
Mr Tan Kok Hiang ^{##}	Non-Executive Lead Independent Director	Chairman	Member	Chairman
Dr Wu Chiaw Ching ^{##}	Non-Executive Independent Director	Member	Member	Member
Mr Low Peng Kit ^{##}	Non-Executive Independent Director	Member	Chairman	Member

^{##} Retired on 29 April 2024

[#] Appointed on 29 April 2024

^{###} Stepped down on 28 February 2025

Board Diversity

LHT's Board Diversity Policy sets out the policy and approach to achieve an appropriate balance and mix of diversity on the Board of Directors ("Board") of the Company and its subsidiaries. This included age, background, ethnicity, gender, experience, skills, knowledge, terms of service, independence, and other factors, as well as a perspective based on the laws, rules, and regulations applicable to the Company. These attributes will be considered during the re-composition of the Board to attain an optimum balance.

All Board appointments are to be determined based on merit, in terms of knowledge, skill, experience, diversity and independence as required for the Board to discharge its governance role and responsibilities effectively. An effective Board requires directors with integrity, expertise, skill, time, and commitment to carry out their duties effectively. A well-balanced Board with directors from diverse backgrounds can provide fresh perspectives to solve business issues, foster growth and create value for the Company and enhance corporate governance

The NC, with the concurrence of the Board, is of the view that the current Board size of one Executive Director, one Alternate Director and five Non-Executive Independent Directors and two Non-Executive Non-Independent Directors is appropriate. The NC also considers its members' mix of skills and core competencies to ensure a good balance and diversity of skills and experience, independence, age, gender and knowledge. Amongst the directors are accounting, finance, legal, human resource and corporate governance professionals with relevant expertise and skill sets in their respective fields for effective decision-making. The NC reports to the Board periodically on the progress in achieving the objectives for promoting diversity.

Corporate Governance Report

The Board has adopted a framework for promoting diversity, and the NC is responsible for ensuring that this framework is implemented effectively and practically. The diversity practice endorses the principle that its Board should have a balance of diversity of age, background, ethnicity, gender, experience, skills, knowledge, terms of service, independence and other factors, and a variety of perspectives appropriate to its business to mitigate against groupthink and to ensure that the Group could benefit from all available talents. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including diversity of background, experience, gender, age, and other relevant factors. These differences will be considered in determining the optimum composition of the Board and, when possible, should be balanced appropriately.

Every year, the NC conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills, and experiences, meet with the requirement of the Group.

To assist the NC in its annual review of the directors' mix of skills and experiences that the Board requires to function competently and efficiently. Each director has been appointed based on the strength of his or her calibre, experience, and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and its business performance. In recognition of the importance and value of gender diversity in the composition of the Board, the Board has four male and five female executives and alternate directors representing the Board membership. Ms Yap Mui Kee and Ms Sally Yap Mei Yen have been members of the Board since 2 January 1988 and 20 July 1998, respectively. Besides, it consists of directors with ages ranging from more than fifty (55) to sixty-four (64) years old, who have served on the Board for different tenures from more than four (5) years to forty-three (44) years. The members of the Board, with their combined business, management, legal, strategy, media, finance and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

The Board's combined core competencies and experience provide management with a diverse and objective perspective, enabling balanced and well-considered decisions. The Directors' profiles are set out on pages 07 to 12 of this Annual Report.

Provision 2.5

Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Meeting of Independent Directors without Management

During the year, the Independent Directors met up thrice, without the management's presence, and also as and when the need arose. Feedback is provided to the Board and/or Management, as appropriate. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views during or after the Board and Board committee meetings.

The Board is of the view that there is a team of robust Non-Executive Independent Directors on the Board to enable the exercise of unbiased and objective judgment on corporate affairs of the Group by considering the number of Non-Executive Independent Directors on the Board, the size, and scope of the affairs and operations of the Group. No one individual represents a considerable concentration of power.

The Managing Director and CEO is responsible for, among others,

- (1) Exercising control over quality, quantity, and timeliness of the flow of information between the management of the Company and the Board.
- (2) Scheduling meetings that enable the Board to perform its duties responsibly with no disruption to the operation of the Company.
- (3) Assisting in ensuring compliance with the Company's guidelines on governance.
- (4) Setting the meeting agenda for Board Meetings with the assistance of the Corporate Secretary.

Corporate Governance Report

The Managing Director and CEO reviews the board papers before they are presented to the Board to ensure that Board members are provided with relevant, adequate, and complete information. Board papers are sent to the Directors at least five days before the date of the meeting to enable them to prepare for the meeting.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves on 23 February 2024, 8 August 2024 and 14 November 2024, without the presence of other Directors. The Lead Independent Director will brief the Chairman and the Managing Director and CEO after such meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1

The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Provisions 3.2

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

Separation of the Role of Chairman and the Chief Executive Officer (“CEO”)

The Board separates the role of Chairman, Mr Li Suet Man and CEO, Ms Yap Mui Kee. The Chairman and the CEO are not related. Their performance and appointment to the Board are reviewed periodically by the NC, and their remuneration package and service agreement are also reviewed regularly by the RC. As the ARC, NC and RC comprise all the non-executive and independent directors, the Board believes that there are adequate safeguards in place against an uneven concentration of power exercised by the leadership structure. The Board considers the separation of the role of the Chairman and the CEO as part of the ongoing succession planning and Board renewal process.

Role of Non-Executive Non Independent Chairman, Managing Director and CEO

Ms Yap Mui Kee is the Managing Director and CEO of the Company. She is responsible for the overall leadership of the Board and engages with the management staff regularly on pertinent issues. She approves the agendas for the Board Meetings and promotes a culture of open and free discussion amongst the Board. She also ensures that the Board receives timely and accurate information from the management staff, and provides valuable insight, guidance and advice on the Group’s corporate governance systems and processes. She leads the Management team and has full executive responsibility for the overall management and performance of the Group’s business. She is also responsible for translating the Board’s decisions into executive action and is accountable to the Board for the outcomes.

In view that the Chairman and the CEO are two separate persons, the Company has complied with **Principle 3** of the Code whereby a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.3

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Appointment of Lead Independence Director

Mr Lock Wai Han is a Non-Executive Director and the Lead Independent Director of the Company. He is responsible for providing leadership in situations where the Chairman is in conflict, especially when the Chairman is not independent. The lead independent director is accessible to shareholders when they have any concerns, and for which contact through the usual channels of communication with the Chairman or Management is inappropriate or inadequate.

Corporate Governance Report

BOARD MEMBERSHIP

PRINCIPLE 4:

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 Board Renewal and Succession Planning

The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

Provision 4.2

The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The Board has a process for the appointment and re-appointment of directors, based on the need for progressive renewal of the Board.

NC Composition, Role and Terms of Reference

The NC comprises of the following four Non-Executive Independent Directors. The Chairman of the NC is Mr Lim Kee Way Irwin. Ms Theng Siew Lian Lisa, Ms Tan Peck Joo, and Dr Kimmis Pun Kim Ming are the members.

Mr Lim Kee Way Irwin, Chairman	(Non-Executive Independent Director)
Ms Theng Siew Lian Lisa	(Non-Executive Independent Director)
Ms Tan Peck Joo	(Non-Executive Independent Director)
Dr Kimmis Pun Kim Ming	(Non-Executive Independent Director)

The NC Chairman often invites the Lead Independent Director, Mr Lock Wai Han to attend the meeting though Mr Lock is not the member of the NC.

The NC performs the roles of selection, appointment and re-appointment of directors to the Board. NC has adopted specific written terms of reference, include:

- (i) to make recommendations to the Board on the appointment of new executive and non-executive Directors, including making recommendations to the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board.**
- (ii) to determine annually if a Director is independent and make recommendations to the Board on the composition of the independence Directors on each Board Committee.**
- (iii) to identify and nominate candidates for the approval of the Board, to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular for the Chairman and CEO.**
- (iv) to recommend Directors who are retiring by rotation to be put forward for re-election.**
- (v) to have due regard to the principles of governance and code of best practice.**

Corporate Governance Report

- (vi) to liaise with the Board in relation to the preparation of the Committee's report to shareholders as required.
- (vii) to decide whether a Director can and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple Board Representations. The NC has adopted internal guidelines that address the competing time commitments faced when Directors serve on multiple boards to ensure that Directors give sufficient time and attention to each Company's affairs.
- (viii) to assess the effectiveness of the Board as a whole and to assess the contribution of each Director to the effectiveness of the Board. This assessment process is performed and disclosed annually.

From time to time, the NC would make recommendations to the Board on matters relating to the training and professional development programs for the Board.

Provision 4.3

The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

Process for Selection, Appointment and Re-appointment of New Directors

- The NC reviews the needs of the Board by taking into account the scope and need of the operations of the Group.
- From the Board Performance Evaluation which is completed by the Board annually, the NC can evaluate whether the composition and size of the Board are adequate. It also assesses whether additional competencies are required in the area where the appointment of new directors is concerned.
- In selecting new directors, suggestions made by directors were considered.
- Where a vacancy arises under any circumstances, or where it is considered that the Board could benefit from the services of a new Director with particular skills, the NC, in consultation with the Board determines the selection criteria and selects candidates with the appropriate expertise and experience for the position.
- The NC will evaluate the capabilities of the candidates in areas of academic and professional qualifications, knowledge and experiences concerning the business of the Group.
- After assessing their suitability, potential candidates are interviewed, further assessed and shortlisted by the NC and subsequently, appointed to the Board.

The NC had considered two (2) persons' education qualifications, track record, age, working experience, capabilities, strong business network and other relevant factors for their proposed appointment as Non-Executive Independent Director and Non-Executive Non-Independent Director. Subsequently, the NC recommended the two (2) persons for the Board's approval. They will be retired and seeking re-election under Regulation 107 of the Company's constitution at the upcoming AGM scheduled on 29 April 2025.

Provision 4.4

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

Continuous Review of Directors' Independence

Each Independent Director has to make a yearly declaration to confirm his independence. The NC has reviewed the independence of the Directors, as mentioned on page 83 of this report. In the opinion of the NC, Mr Lock Wai Han, Mr Lee Kee Way Irwin, Ms Theng Siew Lian Lisa, Ms Tan Peck Joo and Dr Kimmis Pun Kim Ming are independent based, among other things, on the criteria given in the Listing Manual and the Code and their respective declarations.

Corporate Governance Report

None of the Directors is appointed for a fixed term. The following Regulations in the Company's Constitution, provide guidelines for the retirement and rotation of Directors:–

Regulation 103 provides that one-third of the directors for the time being (or if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation, provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Regulation 107 provides that any director appointed during the financial year shall hold such office until the next annual general meeting of the Company and shall be eligible for re-election at such general meeting.

All directors, including Executive Directors, must submit themselves for re-nomination and re-appointment at least once every three years, in accordance with Rule 720 (5) of the SGX-ST Listing Manual ("Listing Rules").

Accordingly, the directors due for re-nomination and re-appointment at the forthcoming AGM under Regulation 103 of the Company's Constitutions are Mr Li Suet Man and Mr Lock Wai Han. Mr Lock Wai Han has expressed that he will not be seeking re-election and will retire under Regulation 104 of the Company's constitution. In addition, Dr Kimmis Pun Kim Ming and Mr Lan Ruilong will be retiring and to be re-appointed at the forthcoming AGM under Regulation 107 of the Company's Constitutions.

The NC has reviewed and recommended that Mr Li Suet Man, Dr Kimmis Pun Kim Ming and Mr Lan Ruilong, who are retiring under Regulation 103 and Regulation 107 of the Company's Constitution, respectively, at the forthcoming AGM and who have submitted themselves for re-election as director. The Board has accepted the recommendations of the NC. Each member of the NC abstains from voting on any resolutions, making any recommendations, and/or participating in matters in which he/she is interested.

Key information about each director is set out on pages 91 to 96. Information relating to directors seeking re-election as set out in Appendix 7.4.1 of the Listing Rules is set out on pages 187 to 196.

The composition of the Board and the independence of each independent director are reviewed annually by the NC based on the provision relating to independence as set out in the 2018 code, which requires each independent director to complete and execute a form declaring and affirming his independence and confirming that exist no condition that would impair his independence is then recommended by the NC to the Board.

Considering the NC's views, the Board is satisfied that Mr Lim Kee Way Irwin, Ms Theng Siew Lian Lisa, Ms Tan Peck Joo and Dr Kimmis Pun Kim Ming are independent in light of the provisions of the 2018 Code. As of 31 December 2024, no independent directors have served on the Board for more than nine years. The Board and NC will exercise due and careful review, taking into consideration factors, in assessing the independence of a director. These factors include, inter alia, whether the directors have any interest, business, relationship and/or any other material contractual relationships with the Group which could reasonably be perceived to compromise their independence and interfere with the exercise of their independent business judgment with a view to the best interest of the Group.

The NC ensures that new directors are aware of their duties and obligations. New directors are given a formal letter explaining his/her duties and obligations as directors.

It is also part of the NC's duties to review and ascertain whether a director can and has been adequately carrying out his or her duties as a director of the Company. All directors are required to declare their other board representations formally. The Board does not limit each director to holding directorships in listed companies, including the Company. The NC is satisfied that all directors have discharged their duties adequately for FY2024.

The Board believes in carrying out succession planning on its Top Management team to ensure continuity of leadership. The Chairman, Managing Director and CEO has initiated an ongoing informal succession programme to prepare a team of future leaders for the Group's long-term sustainability. The potential successors to key positions are identified and development plans are instituted for them. The Chairman, Managing Director and CEO constantly update the NC and RC and inform them that the succession plan is on track.

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Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

Directors' Time Commitments

The key information regarding the Directors of the Company, including their present, the past three years directorship, other major appointments and principal and other commitments in other listed companies are as follows:

Name of Director	Li Suet Man (Non-Executive, Non-Independent Chairman – Appointed on 23 April 2024)
Shareholding in the Company (as at 11 March 2025)	12,098,147 Shares Mr Li is deemed to be interested in 5,000,000 shares held directly through his company, Synectix Pte Ltd and 7,098,147 shares are deposited with DBS Nominees Pte Ltd
Board Committees Served	None
Date of first appointment as Director	1 November 2019
Date of last re-election as Director	28 April 2023 (Recommended by Nominating Committee for re-election under Regulation 103 of the Company's Constitution at the forthcoming Annual General Meeting to be scheduled on 29 April 2025)
Past Directorships in other listed companies (within the last 3 years)	None
Length of services as Director	5 years 2 month (as at 31 December 2024)
Other Principal Commitment	Alternate Director and CEO, Feoso Oil (Singapore) Pte Ltd Alternate Director, Feoso (Singapore) Pte Ltd Alternate Director, Feoso Investment (Singapore) Pte Ltd Non-Executive Director, The Trading Room Enterprise Pte Ltd Non-Executive Director, Club Chinois Pte Ltd Non-Executive Director, Chinois Pte Ltd Non-Executive Director, Fiyala Pte Ltd Non-Executive Director, Synectix Pte Ltd Non-Executive Director, Far East Oil Terminal One Sdn Bhd Non-Executive Director, Marina Financial Services Pte Ltd

Corporate Governance Report

Name of Director	Yap Mui Kee (Managing Director and CEO)
Shareholding in the Company (as at 11 March 2025)	9,824,132 Shares (as set out on page 181 of this report)
Board Committees Served	None
Date of first appointment as Director	02 January 1988
Date of last re-election as Director	29 April 2024
Length of services as Director	37 years (as at 31 December 2024)
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	None
Other Principal Commitment	None

Name of Director	Tan Kim Sing (Stepped down on 28 February 2025 as Executive Director)
Shareholding in the Company (as at 11 March 2025)	Tan Kim Sing is deemed to be interested in the 16,250 shares held by his spouse, Mdm Ng Siew Yeng.
Board Committees Served	None
Date of first appointment as Director	29 August 1980
Date of last re-election as Director	29 April 2024
Length of services as Director	44 years 4 months (as at 31 December 2024)
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	None
Other Principal Commitment	None

Name of Director	Billy Neo Kian Wee (Stepped down on 28 February 2025 as Executive Director)
Shareholding in the Company (as at 11 March 2025)	856,000 Shares
Board Committees Served	None
Date of first appointment as Director	24 February 2017
Date of last re-election as Director	28 April 2023
Length of services as Director	7 years 10 months (as at 31 December 2024)
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	None
Other Principal Commitment	None

Corporate Governance Report

Name of Director	Lock Wai Han (Non-Executive, Lead Independent Director)
Shareholding in the Company (as at 11 March 2025)	None
Board Committees Served	Mr Lock Wai Han is the Lead Independent Director and Member of Audit and Risk Committee and Remuneration Committee. Mr Lock will not be seeking re-election and will retire as a Director of the Company on 29 April 2025 at the close of the AGM. Upon his retirement, he will cease to be a Non-Executive Lead Independent Director and will relinquish his position as a Member of Audit and Risk Committee, and Remuneration Committee.
Date of first appointment as Director	29 April 2024
Date of last re-election as Director	29 April 2024
Length of services as Director	8 months (as at 31 December 2024)
Present Directorships in other listed companies	The Hour Glass Limited OKH Global Ltd LHT Holdings Limited
Past Directorships in other listed companies (within the last 3 years)	Acrophyte Pte Ltd (Previously Chip Eng Seng Corporation Ltd & Tengram Capital Pte Ltd)
Other Principal Commitment	Executive Director & CEO of OKH Global Ltd

Name of Director	Theng Siew Lian Lisa (Non-Executive, Independent Director)
Shareholding in the Company (as at 11 March 2025)	None
Board Committees Served	Ms Lisa Theng is the Chairperson of Remuneration Committee and Member of Nominating Committee
Date of first appointment as Director	29 April 2024
Date of last re-election as Director	29 April 2024
Length of services as Director	8 months (as at 31 December 2024)
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	Director of Eqonex Limited (formerly known as Diginex Limited) CEI Limited (now known as CEI Pte Ltd)
Other Principal Commitment	Managing Partner of CNP Law LLP Independent Director of Swan and Maclaren Group Pte Ltd

Corporate Governance Report

Name of Director	Lim Kee Way Irwin (Non-Executive, Independent Director)
Shareholding in the Company (as at 11 March 2025)	None
Board Committees Served	Mr Irwin Lim is a Chairman of Nominating Committee and Member of Audit and Risk Committee and Remuneration Committee
Date of first appointment as Director	29 April 2024
Date of last re-election as Director	29 April 2024
Length of services as Director	8 months (as at 31 December 2024)
Present Directorships in other listed companies	GS Holdings Limited Pacific Radiance Limited
Past Directorships in other listed companies (within the last 3 years)	MS Holdings Limited
Other Principal Commitment	Chief Investment Officer of Capital Asia Investment Pte. Ltd. Managing Director of Inflexion Venture Private Ltd

Name of Director	Tan Peck Joo (Non-Executive, Independent Director)
Shareholding in the Company (as at 11 March 2025)	None
Board Committees Served	Ms Tan Peck Joo is the Chairperson of Audit and Risk Committee, Member of Remuneration Committee and Nominating Committee
Date of first appointment as Director	29 April 2024
Date of last re-election as Director	29 April 2024
Length of services as Director	8 months (as at 31 December 2024)
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	None
Other Principal Commitment	None

Corporate Governance Report

Name of Director	Dr Kimmis Pun Kim Ming (Non-Executive, Independent Director)
Shareholding in the Company (as at 11 March 2025)	None
Board Committees Served	Dr Kimmis Pun Kim Ming is the Member of Audit and Risk Committee, Remuneration Committee and Nominating Committee
Date of first appointment as Director	1 December 2024
Date of last re-election as Director	Recommended by Nominating Committee for re-election under Regulation 107 of the Company's Constitution at the forthcoming Annual General Meeting to be scheduled on 29 April 2025
Length of services as Director	1 month (as at 31 December 2024)
Present Directorships in other listed companies	Lead Independent Director of SIIC Environmental Holdings Ltd
Past Directorships in other listed companies (within the last 3 years)	None
Other Principal Commitment	<ul style="list-style-type: none"> FA Family Office (May 2023 – Present) – Managing Director Shenning Family Office (April 2023 – Present) – Adviser Wealth Planning Standard Board (2019 – Present) – Chairman

Name of Director	Lan Ruilong (Non-Executive, Non-Independent Director – Appointed on 1 March 2025)
Shareholding in the Company (as at 11 March 2025)	9,671,205 shares
Board Committees Served	None
Date of first appointment as Director	1 March 2025
Date of last re-election as Director	Recommended by Nominating Committee for re-election under Regulation 107 of the Company's Constitution at the forthcoming Annual General Meeting to be scheduled on 29 April 2025
Length of services as Director	1 month
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	None
Other Principal Commitment	General Manager, Investment & Production Department of H&R Century Union Corp

Corporate Governance Report

Name of Alternate Director	Sally Yap Mei Yen (Alternate Director to Yap Mui Kee and Corporate Secretary)
Shareholding in the Company (as at 11 March 2025)	88,800 Shares
Board Committees Served	Corporate Secretary to the Audit and Risk Committee, Nominating Committee, and Remuneration Committee
Date of first appointment as Director	20 July 1998
Date of last re-election as Director	29 April 2024 (same as the appointor above)
Present Directorships in other listed companies	None
Length of services as Director	26 years 5 months (as at 31 December 2024)
Past Directorships in other listed companies (within the last 3 years)	None
Other Principal Commitment	None

Presently, all Non-Executive Independent Directors and Non-Executive Non-Independent Directors of the Company hold other board representations in companies that are not within the Group. The NC has reviewed and is satisfied that such multiple board representations of the Directors would not hinder their abilities to carry out their duties as directors of the Company.

The NC has adopted internal guidelines that address the competing time commitments faced when Directors serve on multiple boards to ensure that Directors give sufficient time and attention to each company's affairs. Further, the NC and the Board are of the view that such multiple board representations of the Directors benefit the Group, as the Directors bring with them their experience and knowledge obtained from such board representations in other companies. The Company did not provide the maximum number of listed company board appointments for Executive Directors or key management personnel.

The NC ensures that the Board possesses the core competencies required by the Code. The NC adopted the Code's definition of what constitutes an Independent Director.

The NC met the above terms of reference and is of the view that:-

- (a) all the Directors of the NC are Non-Executive Independent Directors and can exercise objective judgment on corporate affairs of the Group independently from Management;
- (b) there is no individual or small group of individuals on the Board who dominate the Board's decision-making process, and the Board is of the view that there is an adequate process for the appointment of new Directors;
- (c) the Board possesses core competencies required for the effective conduct of the affairs and operations of the Group; and
- (d) the current size of the Board is adequate for the Group.

Appointment of Alternate Directors

Ms Sally Yap is the Corporate Secretary of the Company and its local subsidiaries. She is also appointed by Ms Yap Mui Kee, the Managing Director and CEO of the Company, to act as the Alternate Director since 20 July 1998. Ms Sally Yap, being part of the management and professionally qualified as a Chartered Accountant and Chartered Secretary, is familiar with the Company's affairs. As an Alternate Director, she also bears the same duties and responsibilities as a director.

Corporate Governance Report

BOARD PERFORMANCE

PRINCIPLE 5:

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each Director to the effectiveness of the Board.

Provision 5.1

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

Provision 5.2

The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

Board Performance

In assessing the effectiveness of the Board, the contribution of individual directors plays an important role. In reviewing the re-election and re-appointment of any director, a formal process is established to evaluate the directors' performance annually. Assessment of each director's contribution to the Board includes his or her attendance and participation, time and effort devoted to the Company's business and affairs. The NC has conducted a Board Performance Evaluation exercise to assess the effectiveness of the Board for FY2024 and the result shows the effectiveness of the Board as a whole and its Board Committees. The contribution of each director to the effectiveness of the Board is consistently good.

In addition, the NC and the Board also ensure that the appointed directors possess core competencies like business experience, accounting, audit, tax, finance, legal and knowledge of the industry.

New directors will be appointed by way of a board resolution or board meeting after the NC approves their appointment. Such new directors must submit themselves for re-election at the next AGM as provided under **Regulation 107** of the Company's Constitution.

Board and Board Committees Evaluation Process

The Board, guided by the Nominating Committee (NC), ensures that directors have the necessary background, experience, and skills essential to the Group's business. Each director contributes distinct perspectives, fostering sound decision-making. The NC has instituted a formal review process to assess the performance and effectiveness of the Board and its committees, as well as the contributions of the Chairman and individual directors.

Annually, the Board's performance evaluation uses objective criteria recommended by the NC and approved by the Board. In the review for FY 2024, members completed confidential evaluation questionnaires addressing Board and committee performance. Feedback was collated and reviewed by the Chairman of the NC with the assistance of the Company Secretaries before being discussed with the Board to identify areas for improvement. The Board concluded that the Board and its committees operate effectively, without external consultant assistance, for FY 2024.

Evaluation Criteria

The evaluation criteria include qualitative factors such as board composition, independence, processes, information handling, and the ability to discharge principal functions. Board committees are assessed on their composition, skill sets, compliance with terms of reference, and meeting effectiveness. The goal is to identify strengths and suggest improvements for greater effectiveness.

Corporate Governance Report

Chairman Evaluation

The Chairman is evaluated by the RC and NC, with results reviewed by the Board. The assessment focuses on leadership, procedural establishment, meeting management, open communication, and ensuring that committees have clear terms of reference to assist the Board in its responsibilities.

Individual Director Evaluation

The NC Chairman and members annually evaluate individual directors, considering their strategic contributions, meeting participation, communication skills, preparedness, and relevant experience. This evaluation facilitates director re-nominations and assesses their capacity to fulfil obligations effectively. Changes in directorship may occur for compliance or alignment with the Group's long-term goals, not necessarily reflecting individual performance. In FY 2024, the Board expressed satisfaction with all directors' performance based on NC evaluations.

No external facilitator has been engaged in the Board assessment process.

The NC is of the view that despite multiple board representations in certain instances, each Director is capable of carrying out his or her duties as a Director of the Company.

The Board is of the view that the performance of the Company's share price alone is not a good indication of the performance of the Company or the performance of the Board as a whole. Instead, the Board finds that the Group's revenue and profit before tax to be a better performance indicator to assess the performance of the Board.

Each member of the NC shall abstain from voting on any resolution, making any recommendation, and/or participating in matters in which he has an interest.

II. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1

The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

- (a) a framework of remuneration for the Board and key management personnel; and***
- (b) the specific remuneration packages for each director as well as for the key management personnel.***

Provisions 6.2

The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

Provisions 6.3

The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

RC Composition and Role

The RC handles matters concerning the remuneration of the Board, key management personnel, and employees related to the substantial shareholders, the CEO, and/or Directors (if any). Its primary function includes developing formal and transparent policies on remuneration matters in the Company.

Corporate Governance Report

Remuneration Committee and Terms of Reference

The RC comprises the following five Directors, all of them are non-executive and independent:

Ms Theng Siew Lian Lisa, Chairperson	(Non-Executive Independent Director)
Mr Lim Kee Way Irwin	(Non-Executive Independent Director)
Mr Lock Wai Han	(Non-Executive Lead Independent Director)
Ms Tan Peck Joo	(Non-Executive Independent Director)
Dr Kimmis Pun Kim Ming	(Non-Executive Independent Director)

The Chairperson of the RC, Ms Theng, is a legal practitioner. She is experienced in capital markets functions, corporate finance, asset management, and financial investments and is also knowledgeable in executive compensation. During FY2024, the RC held two scheduled and one ad-hoc meeting, which Ms Lisa Theng, Mr Lim, Mr Lock, Ms Tan and Dr Kimmis Pun attended.

The RC has adopted specific written terms of reference. The key terms of reference of the RC include:–

- (1) to review the remuneration packages and terms of employment of each Executive Director, divisional or subsidiary companies' Directors and each employee who is related to the Executive Director and controlling shareholder of the Group.
- (2) to review the total remuneration of the Executive Directors, divisional or subsidiary companies' Directors and employees who are related to the Executive Directors and controlling shareholders of the Group.
- (3) to ensure that the remuneration package of employees related to the Executive Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.
- (4) to ensure the remuneration of at least the top five executives (in term of aggregate remuneration and not being Directors) are formulated.
- (5) to ensure no Director or member of the RC shall be involved in deciding his own remuneration, except for providing information and documents requested by the RC to assist it in its deliberations.
- (6) to recommend to the Board a framework of remuneration, and the specific remuneration packages for each Director and the CEO (or Executive of equivalent rank if the CEO is not a Director). The RC's recommendations should be submitted for endorsement by the entire Board. The RC should cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, and benefits in kind. RC will also review the remuneration of senior management.
- (7) Making recommendations to the Board on the Group's framework of executive remuneration;
- (8) Reviewing and providing a recommendation to the Board on the adequacy and form of compensation of the Directors and key executives of the Group to ensure that the compensation is realistically commensurate with the responsibilities and performance of the Director and/or key executive and the Group;
- (9) Reviewing and recommending to the Board the terms of renewal for those Executive Directors whose current employment contracts with the Group has or is due to expire;
- (10) Reviewing the fees for Non-Executive Directors before proposing such fees to the Board for approval, taking into account factors such as the effort and time spent by and the responsibilities of such Non-Executive Directors;
- (11) Reviewing and recommending to the Board the talent management and remuneration framework for the Company, including staff development and succession planning; and
- (12) Reviewing and recommending to the Board the engagement of stakeholders with respect to remuneration matters.

Corporate Governance Report

As part of its review, the RC ensures that the Directors and key management personnel are adequately but not excessively remunerated. The RC also ensures that the Executive Directors' and key management personnel remuneration are structured to link remuneration to corporate and individual performance and align with the interest of shareholders to promote the long-term success of the Company, taking into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks.

Provision 6.4

The company discloses the engagement of any remuneration consultants and their independence in the company's annual report

The RC has access to the professional advice of external experts in the area of remuneration, where required. The Company engaged remuneration consultants in FY2024. Please refer to page 101, Provision 8.1, under caption, Remuneration Report for the details of Remuneration Consultant.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The Board has considered and approved the RC's proposal regarding the Non-Executive Directors' fees for FY2024. The RC and the Board believe that the directors' remuneration is appropriate and not excessive, considering their effort and time spent and responsibilities.

Provision 7.1

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

Remuneration of Executive Directors and KMPs

The Company's Executive Director and key management personnel remuneration structure comprises both fixed and variable components. The variable component is linked to the Group/Company's performance and the individual personnel's performance. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote the Group's long-term success.

Provision 7.2

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

Remuneration of Non-Executive Directors

The Board recommended a fixed fee for each Independent Director's effort, time spent and responsibilities. The Chairman of the Board, the Lead Independent Director and the Chairpersons of the ARC, RC and NC are remunerated with a slightly higher director's fee as their level of responsibility is higher. The directors' fees are subject to shareholders' approval at the AGM. The Independent Directors do not have any service contracts with the Company.

Contractual Provisions Protecting the Company's Interests

The Company does not have any contractual provisions in the employment contracts with the Executive Director and key management personnel pursuant to which the Company may reclaim the variable components of remuneration from the Executive Director and key management personnel in exceptional circumstances, such as any misstatement of financial results, or misconduct resulting in a financial loss to the Company and the Group. Notwithstanding the preceding, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself of the relevant remedies at law against the Executive Director in the event of such breach of fiduciary duties.

Corporate Governance Report

Provision 7.3

Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

To attract, retain and motivate Directors and employees to provide good stewardship of the Company, the RC establishes appropriate remuneration packages for the Company's directors and key management personnel. Such remuneration packages are based on an established framework and are reviewed periodically to ensure that they remain relevant.

During the year, the RC considered and approved the Executive Director's remuneration package, including salary, bonus and benefits-in-kind. The RC also reviewed the key management personnel's performance and considered the Executive Director's recommendation for bonuses and remuneration for the key management personnel.

DISCLOSURE ON REMUNERATION

PRINCIPLE 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1

The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and***
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel***

Remuneration Report

The Company has engaged a Remuneration Consultant company to conduct a comprehensive benchmarking analysis of directors' fees and the compensation for its Executive Management team. This strategic decision aims to ensure that the remuneration packages are aligned with industry standards, reflecting the skills, experience, and responsibilities of the directors and executives.

The consultants assess compensation data from comparable organizations within the same sector, taking into account factors such as company size, market position, and geographical considerations. This benchmarking exercise provided valuable insights into competitive pay practices, helping the Company attract and retain top talent while promoting equitable and transparent remuneration strategies.

As part of this process, the Remuneration Consultant company evaluated the existing compensation structure, including fixed and variable components, and proposed adjustments where necessary to enhance alignment with best practices. By relying on expert analysis, the company aims to strengthen its governance and ensure that the compensation framework effectively supports its strategic objectives and enhances overall organisational performance. This initiative underscores the company's commitment to maintaining a fair and competitive compensation environment for its directors and executive management, thereby fostering a culture of excellence and accountability.

The following table presents details on the remuneration of Directors and key management personnel for FY2024. The remuneration for the Executive Directors is based on their service agreement with the Company.

As part of its review, the RC ensures that the Directors and key management personnel are adequately but not excessively remunerated. As far as possible, the RC ensures that the Executive Directors' and key management personnel's remuneration is structured to link remuneration to corporate and individual performance and align with the interest of shareholders to promote the long-term success of the Company, taking into account the company's risk policies, be symmetric with risk outcomes, and be sensitive to the time horizon of risks.

Corporate Governance Report

The Managing Director and CEO has a three-year renewable service agreement with removal clauses or early termination clauses. The RC would review the Company's obligations arising in the event of termination of the executive directors' service agreements, to ensure that such service agreements contain fair and reasonable termination clauses that are not overly generous.

The Company's Constitution governs the terms of the directors' appointment. There are safeguards in place to ensure that no one individual director represents a considerable concentration of power. The RC has full authority to engage any external professional adviser on remuneration matters if the need arises. No director is involved in the determination of his own remuneration. In October 2024, The Company engaged the external Remuneration Consultant in gauging and benchmarking the fees and remuneration package paid to the Non-Executive Chairman, Independent Directors and Executive team of the Company.

Each of the remunerations of the Executive Directors is governed by the separate service agreement entered into with the Company, which took effect on 20 May 2022 for the Managing Director and CEO, Ms Yap Mui Kee and the Executive Director, Mr Tan Kim Sing and on 24 February 2024 for the Executive Director, Mr Billy Neo Kian Wee. These will continue for three (3) years unless otherwise terminated by either party giving not less than six (6) months' notice or an amount equal to six (6) months' salary in lieu of notice. Each of the Service Agreements may be terminated by the Company by summary notice upon the occurrence of certain events, such as misconduct or a breach of the Executive Directors' obligations. According to the respective service agreements, the Executive Directors are paid the remuneration, including a fixed salary and a variable performance bonus.

The terms in determining their remuneration are set out in their respective service agreements with the Company, subject to the approval of the RC and the Board. None of the Executive Director voted in the approval of his or her service agreement, approved by the RC and the Board.

As set out in the table on next page 103, **Provision 8.1(a)**, the performance-related elements of remuneration formed a significant proportion of the Managing Director and CEO and the two other Executive Directors' total remuneration package. The Executive Directors do not receive directors' fees. The variable bonuses made up 21%, 22% and 18% each of the total remuneration respectively of the Executive Directors, Ms Yap Mui Kee, Mr Tan Kim Sing, and Billy Neo Kian Wee in FY2024. The performance-based component was aligned with the Executive Directors' interests with that of the Shareholders to bring a direct relationship between their remuneration and their performance in creating value for the Company.

The total amount of fees payable to the directors was disclosed in Note 25 in the notes to the Financial Statements of AR 2024 on page 61 of AR 2024. The amount of fees paid to each Independent directors and Non-Executive Non-Independent Directors were determined by their contribution and other factors such as frequency of meetings held, and duties or responsibilities assumed, such as lead independent directors or chairpersons of various Board committees. Other than directors' fees, the Non-Executive Independent Directors and Non-Executive Non-Independent Directors of the Company do not receive salary, bonus and other benefits.

The RC will consider using the contractual provision to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in a financial loss to the Company

Report to Shareholders on Remuneration and Disclosure of Directors' Remuneration

The remuneration packages of the Executive Directors, which are critical to the businesses of the Group and the Company are provided to disclose the exact remuneration received by each Executive Director. This disclosure protects the Group's interests and ensures the Company's competitive advantage in retaining them. The aggregate fees of the five independent directors on page 104 of AR 2024 and the disclosure in the table next page of this report provided sufficient transparency on their remuneration packages, on disclosure of the exact amount of the remuneration of the Director required under **Provision 8.1(a)**.

The Company believes that the disclosures adopted in AR 2024 are consistent with Principle 8 of the Code of Corporate Governance, which requires transparency regarding the company's remuneration policies, the level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance, and value creation.

Corporate Governance Report

Report to Shareholders on Remuneration and Disclosure of Directors' Remuneration

Name & Designation	FY2024		FY2023	
	Above S\$250,000 and below \$500,000	Amount (\$)	Above S\$250,000 and below S\$500,000	Amount (\$)
Yap Mui Kee (Managing Director and CEO)	Salary	278,966	Salary	283,066
	Fee*	–	Fee	50,114
	Bonus	76,918	Bonus	100,672
	Other Benefits	19,032	Other Benefits	18,331
Tan Kim Sing (Executive Director) – Stepped down on 28 February 2025	Salary	236,650	Salary	241,652
	Fee*	–	Fee	50,114
	Bonus	69,749	Bonus	88,856
	Other Benefits	13,574	Other Benefits	16,506
Billy Neo Kian Wee (Executive Director) – Stepped down on 28 February 2025	Salary	185,340	Salary	184,050
	Fee*	–	Fee	32,000
	Bonus	43,998	Bonus	31,256
	Other Benefits	17,074	Other Benefits	13,326

Name & Designation	FY2024		FY2023	
	Below S\$250,000	Amount (\$)	Below S\$250,000	Amount (\$)
Tan Kok Hiang (Non-Executive Lead Independent Director – Retired on 29 April 2024)	Salary	–	Salary	–
	Fee*	14,333	Fee	43,000
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Low Peng Kit (Non-Executive Independent Director – Retired on 29 April 2024)	Salary	–	Salary	–
	Fee*	13,333	Fee	40,000
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Wu Chiaw Ching (Non-Executive Independent Director – Retired on 29 April 2024)	Salary	–	Salary	–
	Fee*	12,667	Fee	38,000
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Li Suet Man (Non-Executive Non-Independent Chairman – Appointed on 23 April 2024)	Salary	–	Salary	–
	Fee*	46,667	Fee	30,000
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–

Corporate Governance Report

Name & Designation	FY2024		FY2023	
	Below S\$250,000	Amount (\$)	Below S\$250,000	Amount (\$)
Lim Kee Way Irwin (Non-Executive Independent Director – Appointed on 29 April 2024)	Salary	–	Salary	–
	Fee*	36,333	Fee	–
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Theng Siew Lian Lisa (Non-Executive Independent Director – Appointed on 29 April 2024)	Salary	–	Salary	–
	Fee*	29,667	Fee	–
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Tan Peck Joo (Non-Executive Independent Director – Appointed on 29 April 2024)	Salary	–	Salary	–
	Fee*	37,667	Fee	–
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Lock Wai Han (Non-Executive Lead Independent Director – Appointed on 29 April 2024)	Salary	–	Salary	–
	Fee*	34,000	Fee	–
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Dr Kimmis Pun Kim Ming (Non-Executive Independent Director – Appointed on 1 December 2024)	Salary	–	Salary	–
	Fee*	4,167	Fee	–
	Bonus	–	Bonus	–
	Other Benefits	–	Other Benefits	–
Sally Yap Mei Yen (Alternate Director## to Yap Mui Kee and Corporate Secretary@@)	Salary	193,143	Salary	196,532
	Fee*	–	Fee	–
	Bonus	53,625	Bonus	55,364
	Other Benefits	–	Other Benefits	–

* Fees are subject to the approval of the Shareholders at the AGM for FY2024.

According to **Regulation 108** of the Company's Constitution states that an Alternate Director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to her appointor as such appointor may by writing to the Company from time to time direct, but save as aforesaid, the Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company. Any fee paid to an Alternate Director shall be deducted from the remuneration otherwise payable by her appointor.

@@ Remunerated under the capacity of a Corporate Secretary and belonged to the level and mix of remuneration of the top key executives as shown on page 105.

Corporate Governance Report

Remuneration of Key Management Personnel

Appended below is a breakdown showing the level and mix of each key management personnel (who are not Director or the CEO) in bands of \$250,000 for FY2024. As disclosed, their remuneration was determined by the RC, having regard to their performance and market trends.

Name and Designation	FY2024		FY2023	
	Below S\$250,000	Amount (\$)	Below S\$250,000	Amount (\$)
Vincent Tan Khar Kheng (Administration and Financial Controller)	Salary	207,590	Salary	210,060
	Bonus	56,902	Bonus	65,804
	Other Benefits	–	Other Benefits	–
Derek Neo Kah Seng ^{^^} (Recycling Plant Manager – Retired on 4 February 2025)	Salary	101,002	Salary	98,874
	Bonus	21,738	Bonus	16,963
	Other Benefits	–	Other Benefits	–

^{^^} Uncle of Billy Neo Kian Wee (Executive Director)

Remuneration of immediate family members and Executive Directors, the CEO, or Substantial Shareholders

Provision 8.2 of the Code is complied with. The remuneration paid to employees who are immediate family members of a Director, the CEO, or the substantial shareholders whose remuneration exceeds S\$100,000 in FY2024 is as follows:–

Name and Designation	Relationship	FY2024		FY2023	
		Below S\$250,000	Amount (\$)	Below S\$250,000	Amount (\$)
Yap Mei Lan (Senior Sales Manager)	Sister of Yap Mui Kee, (Managing Director and CEO, Substantial Shareholder)	Salary	194,419	Salary	185,461
		Bonus	50,965	Bonus	70,435
		Other Benefits	–	Other Benefits	–
Yeo Wen Torng (ECR-RFID Project Manager)	Spouse of Yap Mui Kee, (Managing Director and CEO, Substantial Shareholder)	Salary	125,066	Salary	111,085
		Bonus	33,213	Bonus	33,789
		Other Benefits	–	Other Benefits	–
Tay Kee Soon (Assistant Factory Manager of Siri Belukar Packaging Sdn Bhd)	Cousin of Billy Neo Kian Wee (Executive Director, Substantial Shareholder)	Salary	28,122	Salary	27,664
		Bonus	3,825	Bonus	5,843
		Other Benefits	–	Other Benefits	–
Tan Hwei Hsia (Accounts Manager)	Daughter of Tan Kim Sing (Executive Director, Substantial Shareholder)	Salary	99,871	Salary	94,123
		Bonus	16,543	Bonus	14,183
		Other Benefits	–	Other Benefits	–

Corporate Governance Report

Name and Designation	Relationship	FY2024		FY2023	
		Below S\$250,000	Amount (\$)	Below S\$250,000	Amount (\$)
Yap Chun Chun (Assistant Sales Manager)	Cousin of Yap Mui Kee (Managing Director and CEO, Substantial Shareholder)	Salary	71,432	Salary	67,910
		Bonus	15,065	Bonus	10,439
		Other Benefits	–	Other Benefits	–
Yap Lai Eng (Assistant Sales Manager)	Cousin of Yap Mui Kee (Managing Director and CEO, Substantial Shareholder)	Salary	58,044	Salary	56,337
		Bonus	14,341	Bonus	11,692
		Other Benefits	–	Other Benefits	–

Provision 8.3

The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

Remuneration of Directors

The table on pages 103 and 104 shows the breakdown of the remuneration and fees of the Directors for FY2024. Shareholders' approval will be sought at the AGM for payment of such fees.

The Company does not have an employee share scheme.

III. ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

Nature and Extent of Risk

The Board recognises the importance of maintaining sound systems of risk management and internal controls to safeguard shareholders' interests and the Group's assets. The ARC oversees and ensures that such systems have been appropriately implemented and are monitored.

A summary of the Group's risk management and internal controls system is appended below.

Risk Management

The Group adopts a comprehensive and systematic approach towards Risk Management to help identify, measure, prioritise and respond to the risks challenging its objectives, initiatives, and day-to-day operating activities.

Corporate Governance Report

As part of the Group's approach towards risk management, the Group has conducted on an annual basis a Risk Assessment exercise where the key risks of the Group have been identified and evaluated. Also, the Group evaluates its risk exposure based on the likelihood and impact of each risk identified.

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately Management and the Board, working as a team.

Internal Controls

A system of internal controls has been implemented to enhance the Group's internal control function in finance, operations, compliance, and information technology. The internal control measures aim to ensure that the Group's assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and reporting is reliable.

Audit and Risk Committee

The Board, ARC, and the management assume the responsibility of the risk management function. Management regularly reviews the Group's business and operational activities to identify areas of significant risks and appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the ARC.

Provision 9.2

The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and***
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.***

Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Controls

Risk Management is an essential part of the Group's business planning and monitoring process and is incorporated into its business cycle. The Group engages a professional firm, D'Ark Services Pte Ltd to conduct internal audit ("IA") reviews based on the ARC's approved plan. The Company has established an effective IA function that is adequately resourced and independent of the activities it audits. The IA team reviews the effectiveness of the Group's financial, operational, compliance and information technology controls.

The ARC approves the hiring, removal, evaluation and compensation of the internal auditors. For FY2024 the internal audit function of the Company was outsourced to D' Ark Services Pte Ltd. The internal auditors report directly to the Chairperson of the ARC and have full access to the documents, records, properties, and personnel of the Company and the Group.

The ARC is satisfied with the internal audit services provided by Ms Helen Sim, Engagement Director and her engagement team of D' Ark Services Pte Ltd ("**D' Ark**"). The internal auditors have adequate resources to perform their function effectively and are staffed by suitably qualified and experienced professionals with the relevant experience.

Ms Helen Sim, the Engagement Director, is a fellow Singapore Chartered Accountant (practising); a former fellow member of the Association of Chartered Certified Accountants (United Kingdom) and is also a member of the Institute of the Internal Auditors of Singapore. She was a former member until 2024 before she retired as a member of the Local Executive Committee of the Singapore ACCA Branch from FY2007 to FY2010 (as honorary secretary in FY2010 and honorary treasurer in FY2009) and a former committee member of the Public Accounting Practice Committee of the then ICPAS.

Corporate Governance Report

She was a member of the ACRA Complaints and Disciplinary Committee from 2016 to 2022 and is currently a member of the Complaints and Disciplinary Committee of the Singapore Medical Council.

Ms Sim has worked in both local and international accounting firms and was a Practice Review Manager with the local regulatory authority prior to starting her practice, D' Ark Associates, in May 2007. Helen was previously involved as a seminar trainer for the Continuing Professional education seminars organised by the ICPAS and ACCA, AcClarity International Pte Ltd and Wolters Kluwer in auditing and EP200 related topics.

She has the experience to manage and took charge of a portfolio of clients comprising listed companies multinationals and local enterprises. Helen's diversified portfolio ranging from internal audit assignments, and fraud related investigative work, reviewing clients' business risk management processes, internal control structure, identifying business and related risks.

In addition to managing a portfolio of clients, she has also had the experience of involving in the Technical Department of one of the international accounting firm, supported the Technical help desk and also in the setting up of the Intranet of that Firm. She was also involved in pioneering the implementation of the business process audit methodology and the development of the case studies for training and the drafting of the audit programme templates for the firm.

She is supported by a manager who is a university graduate and with more than 10 years of audit experience and a senior manager with more than 20 years of audit experience.

The ARC is satisfied that the Engagement Director and the engagement team of D' Ark have the relevant experience and are well qualified to undertake the internal audit function of the Company.

The Board is satisfied that the Company has worked closely with the internal and external auditors of the Group to implement the recommended measures and procedures and has strived to achieve high standards in risk management and internal controls.

Based on the framework of risk management and internal controls established and maintained by the Group, the work performed by the internal auditors, as well as the statutory audit review undertaken by the external auditors, the Board with the concurrence of the ARC, is of the opinion that the internal controls, including financial, operational, compliance and information technology controls and risk management systems that the Group has put in place are adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations.

However, to meet the Group's business environment's changing needs, continuous improvements will be required as the Group grows its business. The Board has received assurance from the Managing Director and CEO, the Financial Controller and KMPs that:

- the financial records of the Group have been adequately maintained, and the financial statements for FY2024 give a true and fair view of the Group's operations and finances and
- the Group's risk management and internal control systems are adequate and effective.

Assurance from the CEO, CFO and KMPs

For the financial year under review:–

- (i) Written assurance was received from the Managing Director and CEO and the Financial Controller ("**FC**") assured the Board on the integrity of the Group's financial statements on 24 February 2024 that the financial records have been properly maintained and financial statements give a true and fair view of the Company's operations and finances; and

Corporate Governance Report

- (ii) Written assurance was received from the CEO and the KMPs that the Group's risk management and internal controls systems were adequate and effective in addressing the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, as well as the reviews performed by the external and internal auditors, the Board, with the concurrence of the ARC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations. Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

The Board believes that, in the absence of any evidence to the contrary, the system of internal controls maintained by the management throughout the financial year under review up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or losses, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, and the identification and containment of business risks. With the concurrence of the ARC, the Board is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group. The internal controls are adequate in addressing financial, operational, compliance and information technology risks in the Company.

Given the latest guidance from the Exchange regarding Rule 720(1) of the SGX-ST Listing Manual, the Company has procured a signed undertaking from all its directors and executive officers based on the latest revised form of Appendix 7.7 of the SGX ST Listing Manual.

AUDIT AND RISK COMMITTEE

PRINCIPLE 10:

The Board has an Audit and Risk Committee ("ARC") which discharges its duties objectively.

Provision 10.1

The duties of the ARC include:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;***
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;***
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;***
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;***
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and***
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.***

Corporate Governance Report

Roles, Responsibilities and Authorities of the Audit and Risk Committee

The ARC comprises four members, including the Chairperson of the ARC, all are Non-Executive Independent Directors. The Chairperson of the ARC is Ms Tan Peck Joo. Mr Lim Kee Way, Irwin, Mr Lock Wai Han and Dr Kimmis Pun Kim Ming are members. The ARC has adopted written terms of reference. The members of the ARC have many years of experience including direct and relevant experience in the areas of accounting and finance. The Board considers the current members of the ARC appropriately qualified to discharge their responsibilities. In FY2024, the ARC met four times. Details of the members' attendance at ARC meetings in FY2024 are provided on page 81 of this Report.

The ARC has adopted specific written terms of reference. The key terms of reference of the ARC include:–

- a) to review with the external auditors:–
 - the audit plan, including the nature and scope of the audit before the audit commences
 - their evaluation of the system of internal accounting controls
 - their audit report
 - their management letter and Management's response
- b) to ensure co-ordination where more than one audit firm is involved
- c) to review the half-year and annual financial statements before submission to the Board for approval, focusing in particular, on:–
 - i) changes in accounting policies and practices
 - ii) major risk areas
 - iii) significant adjustments resulting from the audit
 - iv) the going concern statement
 - v) compliance with accounting standards
 - vi) compliance with the stock exchange and statutory/regulatory requirements.
- d) to discuss problems and concerns, if any, arising from the interim and final audits, and any matters that the internal and external auditors may wish to discuss (in the absence of Management where necessary).
- e) to review the assistance given by Management to the auditors.
- f) to review the internal audit programme and ensure co-ordination between the internal and external auditors and Management and ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance.
- g) to review the scope and results of the internal audit procedures.
- h) to review the significant financial reporting issues, judgments to ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance.
- i) to review and discuss with the external auditors, any suspected fraud or irregularity, or suspected infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response.

Corporate Governance Report

- j) to report to the Board its findings from time to time on matters arising and requiring Committee's attention.
- k) to review the Interested Person Transactions.
- l) to undertake such other reviews and projects as may be requested by the Board.
- m) to undertake such other functions and duties as required by statute or the Listing Manual, and by such amendments made thereto from time to time.
- n) to make recommendations to the Board on the appointment, re-appointment, and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor.
- o) to ensure arrangements are in place for staff to raise concerns in confidence, and an independent investigation of such matters and appropriate follow-up action.

The ARC has explicit authority to investigate any matters within its terms of reference, full access to and co-operation by the management and full discretion to invite any Director or executive officers to attend its meetings.

The internal audit function for the Group for the FY 2024 was outsourced to D' Ark Services Pte Ltd. The internal auditors report directly to the ARC and assist the ARC in monitoring and assessing the effectiveness of the Group's material internal controls, operational and compliance controls and risk management. The internal auditor also assists the Group's management in identifying operational and business risks and provides recommendations to address these risks. The ARC approves the internal audit plan and the results of the audit findings are submitted to the ARC for review and deliberation in its meeting. During their statutory audit, the external auditors will consider the system of internal controls relevant to the Company's preparation of financial statements. The internal and external auditors conducted an annual review in accordance with their audit plans, on the effectiveness of the Company's material internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements were reported to the ARC. The ARC, together with the Board, has also reviewed the effectiveness of management's actions on the recommendations made by the internal and external auditors in this respect. The Board and the ARC are of the view that the internal audit is adequately resourced and has the appropriate standing within the Group.

The ARC meets with the external auditors and internal auditors, in each case without the presence of the management, at least twice to review the overall scope and results of external and internal audits, and the management gave their assistance to the external auditors. The ARC met with the external auditors without the presence of management on 23 February 2024 and 8 August 2024. The ARC has reasonable resources to enable it to discharge its function properly.

Audit and Risk Committee Confirmation

Independence of External Auditors and the Listing Rule 1207(6) (a) and (b)

The Audit and Risk Committee has reviewed the aggregate amount of fees paid to the external auditors. All audit and non-audit services provided by the auditors are shown in Notes to the Financial Statements – 31 December 2024, Note 19, page 56 of the Annual Report. For non-audit fees paid to the external auditors of the Company, based on the annual review conducted by the ARC on the volume of non-audit services provided by the external auditors to satisfy the ARC that the nature and extent of such services will not prejudice the independence of the external auditors, the ARC is satisfied with the external auditors' confirmation of their independence.

The ARC has recommended to the Board that BDO LLP be nominated for re-appointment as external auditors at the forthcoming AGM of the Company.

The Company is in compliance with Rule 712 and Rule 715(1) of the SGX-ST Listing Manual on the appointment of the same auditing firm in Singapore to audit its account and its Singapore-incorporated subsidiaries and Rule 716(1) on the appointment of different auditing firms for its foreign-incorporated subsidiaries.

Corporate Governance Report

Whistleblowing Policy and Procedure

To encourage a proper work ethic and facilitate the eradication of internal improprieties, unethical acts, malpractices, fraudulent acts, corruption, and/or criminal activities within the Group, the ARC has implemented a Whistleblowing Policy. The policy provides a mechanism by which concerns about plausible improprieties in, including but not limited to, matters of financial reporting, dishonest practice, suspected fraud, bribery, and corruption, may be raised.

The Whistleblowing procedures for all employees to raise concerns in confidence about possible serious corporate improprieties in matters of financial reporting or other matters. The procedures contain submission, assessment, and investigation of incidents, retention of records and protection of whistleblowers. To ensure independent investigation of such matters and for appropriate follow-up action, all reports are to be sent to the Chairperson of the ARC. Details of the whistleblowing procedures and arrangements have been made available to all employees. A copy of the mentioned procedures is also available on the Company's intranet. There were no reported incidents pertaining to whistleblowing for FY2024.

The Company's whistleblowing policy allows employees to raise concerns and offers reassurance that as far as is reasonably practicable, employees will be protected from intimidation, retaliation, or adverse employment consequences for whistleblowing reports made in good faith.

The ARC addresses issues and/or concerns raised and arranges for investigation and/or follow-up of appropriate action. The ARC reports to the Board any issues and/or concerns received, at the ensuing Board meeting. Should the ARC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

The Group takes concerns raised in respect of the integrity and honesty of its employees very seriously. The whistleblowing policy and whistleblowing communication channel have been disseminated to all staff via email and are also posted on the Company's intranet for staff reference. Staff is encouraged to report any behaviour or action that is reasonably suspicious or against any rules/regulations/accounting standards applicable to the Group (including the Group's internal policies). The whistleblowers may also approach the Corporate Secretary directly in confidence, and his/her identity will be protected from intimidation, retaliation, or adverse employment consequences as far as reasonably practicable.

The Company treats all information received confidentially and where requested, as far as reasonably practicable, protects all whistleblowers' identity and interests. The Group views concerns expressed anonymously as potentially less credible, but the ARC and/or the Board (where appropriate) nonetheless reserves the right to consider such concerns at their discretion.

All newly recruited employees are briefed on the existence of the Whistleblowing Policy during the Group's induction programme.

The whistleblowing policy is reviewed by the ARC from time to time to assess the effectiveness of the processes in place and to ensure that the said policy is updated to take into account any related changes in legal and regulatory requirements. The last review was on 14 November 2024.

Provision 10.2

The ARC comprises at least three directors, all of whom are non-executive and the majority of whom, including the ARC Chairman, are independent. At least two members, including the ARC Chairman, have recent and relevant accounting or related financial management expertise or experience.

ARC Composition and Role

The ARC comprises the following four Directors, all of them are non-executive and independent:

Ms Tan Peck Joo, Chairperson	(Non-Executive Independent Director)
Mr Lock Wai Han	(Non-Executive Lead Independent Director)
Mr Lim Kee Way, Irwin	(Non-Executive Independent Director)
Dr Kimmis Pun Kim Ming	(Non-Executive Independent Director)

During FY2024, the ARC held four scheduled meetings, which all members attended.

Corporate Governance Report

The expertise of ARC Members

The ARC members bring with them invaluable professional expertise in various leadership roles across diverse industries, as well as a wealth of experience in corporate governance and strategic management, to the ARC.

The Chairperson of the ARC, Ms Tan Peck Joo, is a seasoned finance and business leader with expertise in audit, risk management, corporate governance, and financial oversight. Her diverse career spans multiple industries, including education, healthcare, media, real estate, FMCG, and financial risk assurance, where she has played key roles in ensuring regulatory compliance, internal controls, and mitigating enterprise risk. Her broad cross-industry experience and governance expertise make her a key asset to the Audit and Risk Committee.

The other members of the ARC possess extensive experience in strategic and business management, corporate governance, corporate finance, insurance, banking, and financial services. The Board is satisfied that the members of the ARC possess recent and relevant accounting, financial and risks management expertise and experiences to enable them to discharge the functions of the ARC effectively.

Provision 10.3

The ARC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Cooling off Period for Partner or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARC.

Each member of the ARC abstained from voting on any transactions and making any recommendation and/or participating in discussing matters in which he is interested.

Review of interested person transactions

The ARC has reviewed interested person transactions of the Group for FY2024 and reported its findings to the Board. Please refer to page 73 of the annual report for further details on the interested person transactions of the Group for FY2024.

The ARC reviews all interested person transactions entered into by the Group. Directors who are interested in the Group's transactions recuse themselves from the deliberation and approval process in both the ARC and Board unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion. On a biannual basis, the ARC also reviewed the Company's financial results announcements before their submission to the Board for approval.

The ARC has explicit authority to investigate whistleblowing complaints. All whistleblower complaints are reviewed by the ARC and/or the Board pursuant to the Company's Whistleblowing Policy to ensure an independent and thorough investigation and adequate follow-up.

The ARC had reviewed the external auditors' audit plan for FY2024 and agreed with the auditors' proposed significant areas of focus and assumptions that impact the financial statements. In its review of the financial statements of the Group for FY2024, the external auditors discussed with Management the accounting principles that were applied and their judgment of items that could affect the integrity of the financial statements and considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the key audit matters as reported by the external auditors for FY2024. The key audit matters can be found on pages 23 to 24 of this Annual Report.

Management reported to and discussed with the ARC the changes to the accounting standards and accounting issues which directly impact the financial statements. Directors had also been invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

Corporate Governance Report

ARC to Keep Abreast of Changes to Accounting Standards

In addition to the activities undertaken to fulfil its responsibilities, the ARC is kept up to date by Management, external and internal auditors on changes to accounting standards, SGX-ST rules and other codes and regulations which can impact the Group's business and financial statements.

The ARC oversees the Group's relationship with its external auditors. It reviews the selection of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditors, the remuneration and terms of engagement of the external auditors. The annual re-appointment of the external auditors is subject to shareholders' approval at each AGM.

The ARC has reviewed the independence and objectivity of the external auditors through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors.

Provision 10.4

The primary reporting line of the internal audit function is to the ARC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the company.

Internal Auditors

The company has established an effective internal audit function that is adequately resourced and independent of the activities it audits.

The ARC approves the hiring, removal, evaluation, and compensation of the internal auditors. For FY2024 the Company's internal audit function was outsourced to D' Ark Services Pte Ltd. The internal auditor reports primarily to the Chairman of the ARC and has full access to the documents, records, properties, and personnel of the Company and the Group.

The Board recognises the importance of maintaining a system of internal control processes to safeguard Shareholders' investments and the Group's business and assets. The Board notes that no system of internal control system could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud, or other irregularities. The annual conduct of audits by the internal auditors assesses the effectiveness of the Group's internal control procedures. It provides reasonable assurance to the ARC and the management that the Group's risk management, controls, and governance processes are adequate and effective.

The ARC is satisfied that the internal audit function has adequate resources to perform its function effectively and is staffed by suitably qualified and experienced professionals with relevant experience.

The internal audit work carried out in FY2024 was guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down by the International Professional Practices Framework issued by the Institute of Internal Auditors.

On an annual basis, the ARC reviews the internal audit program of the Group to align it to the changing needs and risk profile of the Group's activities.

During the year, the Board of Directors and the ARC have reviewed the Group's internal controls adequacy, including financial, operational, compliance, management information system controls, and risk management system.

The ARC reviews the Group's internal audit function's adequacy to ensure that internal audits are conducted effectively and that Management provides the necessary cooperation to enable the IA to perform its function. The ARC also reviews the IA's reports and remedial actions implemented by Management. Based on the reviews conducted, the Board of Directors, with the concurrence of ARC, is of the opinion that the system of internal controls in place is adequate in meeting the current scope of the Group's business operations.

Corporate Governance Report

Provision 10.5

The ARC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually

Meeting with External and Internal Auditors

During FY2024, the Group's internal and external auditors were invited to attend the ARC meetings and make presentations as appropriate. The ARC meets with the Group's internal and external auditors without the presence of Management twice on 23 February 2024 and 8 August 2024.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

PRINCIPLE 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

All Shareholders receive the annual report and the notice of AGM (the "Notice of AGM"). The Notice of AGM is also published in the newspapers and posted via SGXNet.

All registered shareholders are invited to participate in the AGM and are given the right to vote on resolutions at general meetings. Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanatory note to the proposed resolution. The proxy form is sent with the notice of AGM to all shareholders.

Provision 11.1

The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Sufficient Information to Shareholders

The Company has provided sufficient and regular information to its shareholders. In this respect, the Board adopts a comprehensive policy to provide clear, timely and fair disclosure of information about the Company's business developments and financial performance that may have a material financial impact on the price or value of its shares.

The Constitution of the Company allows members of the Company to appoint not more than two proxies to attend and vote on their behalf. As the authentication of shareholder's identity information and other related security issue remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

All Directors, in particular, the Chairperson of the ARC, RC, NC are in attendance at the Company's AGM to address shareholders' questions relating to the work of these Committees.

The management, Corporate Secretary, the external auditors, BDO LLP and legal advisors (if necessary) are also invited to attend the general meeting. The procedures of general meetings provide shareholders with the opportunity to ask questions relating to each resolution tabled for approval and open communication are encouraged by the shareholders with the Director on their views on matters relating to the Company and its operations.

Shareholders are informed of general meetings through notices sent to them and published in the newspaper, and the Company's announcements via SGXNet. All resolutions tabled at general meetings are put to the vote by poll voting.

Shareholders are also informed of the rules and voting procedures governing such meetings.

Corporate Governance Report

To facilitate shareholders' effective participation at general meetings, the Company holds its general meetings at a location that is accessible to shareholders. Shareholders of the Company receive the notices of all shareholders' meetings. The annual report and relevant circulars are made available to shareholders on the Company's website at <http://www.lht.com.sg>.

The Company fully supports the Code's principle to encourage shareholders to participate in the question-and-answer session during the general meetings. The Company's Constitution allows the appointment of not more than two proxies by shareholders to attend the AGM and vote on his/her behalf. Shareholders who hold shares through nominees are allowed to attend the general meetings as proxies without being constrained by the two-proxy requirement.

Provision 11.2

The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting

Conduct of General Meeting

At the general meeting, the Board ensures that separate resolutions are proposed for approval on each distinct agenda item at General Meetings to the extent possible, or if not, the appropriate reasons there for. Shareholders can vote either in person or through proxies.

The Company's Constitution allows all shareholders (who are not relevant intermediaries as set out in the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the Central Provident Fund (CPF) agent bank nominees to appoint multiple proxies, and empower CPF and SRS investors to attend and vote at the Company's general meetings as their CPF and SRS agent banks' proxies.

Provision 11.3

All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report

Interaction with shareholders

The Directors attend all General Meetings of the Company to address issues raised by shareholders. The Company's external auditors are also present to address any relevant queries from shareholders on the conduct of the audit and the preparation and contents of the auditors' report. Appropriate key management, the Corporate Secretary and the Financial Controller are also present at the general meetings to respond, if necessary, to operational questions from shareholders.

Directors' attendance at the General Meetings can be found on page 81 of this report.

Provision 11.4

The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Shareholders' Participation

The Constitution of the Company allows members of the Company to appoint not more than two proxies to attend and vote on their behalf. As the authentication of shareholder's identity information and other related security issue remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email, or fax.

Corporate Governance Report

Provision 11.5

The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Minutes of General Meeting

The minutes of the general meetings are prepared by the Corporate Secretary, which include mainly comments or queries from shareholders and responses from the Board members and the Company's management. These minutes are available to shareholders upon their written request. The minutes of general meetings, are also available to shareholders at the Company's registered office of the Company at 27 Sungei Kadut Street 1, Singapore 729335 during normal business hours upon written request and are published on the Company's website www.lht.com.sg.

Provision 11.6 Dividend Policy

The company has a dividend policy and communicates it to shareholders.

Dividend Policy

The Group has a dividend policy in place that guides the form, frequency, and amount of dividends to be declared each year. The policy required the Board to take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate when submitting their dividend proposal.

The declarations and/or payment of future dividends are subject to the Board's continuing determination that such declaration and/or payment would be in the best interests of the Group and shareholders, and comply with all applicable laws and regulations.

The Company has proposed a final dividend (tax-exempt one-tier) of S\$0.05 per ordinary share for the financial year ended 31 December 2024, payment of which is subject to shareholders' approval at the forthcoming AGM on 29 April 2025.

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1

The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

Provisions 12.2

The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provisions 12.3

The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Timely Information to Shareholders

The Company updates its shareholders and the investor community through the timely release of announcements to the SGX-ST via SGXNet. The Group's financial results are released within 45 days from the end of each half-year and within 60 days from the financial year-end. Annual Report is available to the shareholders at least 14 days before each AGM by normal post and on the Company's website.

Corporate Governance Report

Soliciting and Understanding Views of Shareholders

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate in the question-and-answer session during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views and understand the shareholders' concerns.

All resolutions at AGMs are put to the vote by poll to allow greater transparency and equitable participation by shareholders. An independent scrutineer will also be appointed by the Company to ensure the procedures of the polling process are adhered to and to supervise the counting of votes during the Company's general meetings.

Investor Relations Policy

The Company has adopted an investor relations policy to formalise the principles and practices that the Company applies to provide current and prospective investors with the information necessary to make well-informed investment decisions.

The Company has a team of investor relations officers consisting of the Managing Director and CEO, Financial Controller, and Corporate Secretary who focus on facilitating communications with all stakeholders, shareholders, regulators, analysts, and the press to keep them informed of corporate activities, including changes in the Company or its business that would be likely to affect the price or value of its shares materially.

The Company's Investor Relations Policy is published on the Company's website under the investor relations module. It sets out the mechanism through which shareholders may contact the Company when they have any queries. The Group's corporate governance culture and awareness promote fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Companies Act and the Constitution of the Company and are required to be treated fairly and equitably.

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent, and timely disclosure.

Shareholders can participate effectively and vote at Company's general meetings of the Company and will be informed of the rules, and voting procedures at the general meetings.

The Board is mindful of the obligation to provide timely and fair disclosure of material information following the Corporate Disclosure Policy of the SGX-ST.

The Board welcomes the Shareholders' views on matters affecting the Company, whether at Shareholders' meetings or on an ad hoc basis. At AGMs, shareholders are allowed to air their views and to ask the Directors and Management questions regarding the Group's operations.

Besides telephone calls from the shareholders, they can also send e-mail to the Company's Investor Relations at **ir@lht.com.sg** for any investor relations' issues. The Board and the ARC are of the view that there are adequate communication channels for the Shareholders to contact the Company for queries or to contribute their views.

Regular Dialogue with Shareholders

General meetings have been and are still the principal forum for dialogue with shareholders. The Company also communicates with its shareholders regularly. All Shareholders receive the annual report and the notice of AGM/EGM (the "**Notice of AGM/EGM**"). The Notice of AGM/EGM is advertised in the newspapers and published via SGXNet.

All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by explaining the proposed resolution. The proxy form is sent with the notice of AGM/EGM to all shareholders.

Corporate Governance Report

All Directors, particularly, the Chairperson of the ARC, RC, NC are in attendance at the Company's AGM/EGM to address shareholders' questions relating to the work of these Committees.

The management, Corporate Secretary, external auditors, BDO LLP and legal advisors (if necessary) are also invited to attend the general meeting. The procedures of general meetings provide shareholders with the opportunity to ask questions relating to each resolution tabled for approval and open communication are encouraged by the shareholders with the Director on their views on matters relating to the Company and its operations.

Under the Company's Constitution, a poll may be demanded by the Chairman of the general meeting or by at least two (2) members or any member present in person or by proxy representing not less than one-tenth of the total voting rights of all members having the rights to vote at the meeting. For greater transparency, the Company has conducted poll voting for all the resolutions passed at the last AGM and EGM. The Company will continue to put all resolutions to vote by way of the poll for any forthcoming general meetings. The detailed voting results, including the total number of votes cast for or against each resolution tabled and the respective percentages, will be announced to SGX-ST via SGXNet on the same day after the conclusion of the meetings.

As the authentication of shareholder identity information and other related security issues remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email, or fax.

Shareholder Right and Engagement

The Company's corporate website also contains the latest and past annual reports, half-year and full-year results and announcements.

Shareholders may send their queries and concerns regarding the Company to the Company's investor relations email at ir@lht.com.sg.

V. MANAGING STAKEHOLDERS RELATIONSHIP

ENGAGEMENT WITH STAKEHOLDERS

PRINCIPLE 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1

The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The company discloses its strategy and key areas of focus in its Annual Report concerning the management of stakeholder relationships during the reporting period. LHT's sustainability report has undertaken a process to determine the environmental, social, and governance (ESG) issues that are important to these stakeholders. These issues form the materiality matrix upon which targets, performance, and progress are reviewed and endorsed by the board annually.

Provisions 13.2

The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Relationship with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the Company's long-term future. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, including staffs, shareholders customers, vendors, regulators and communities. The Company has mapped out the key management of the respective stakeholder relationships. Please refer to the Sustainability Report on pages 134 to 135 of this Annual Report for further details.

Corporate Governance Report

Provision 13.3

The company maintains a current corporate website to communicate and engage with stakeholders.

Communications with stakeholders

The Company's contact information is reflected on the website, www.lht.com.sg to enable stakeholders to contact the Company if required.

VI. OTHER CORPORATE GOVERNANCE MATTERS

Dealings in Securities

– Listing Manual Rule 1207 (19)

In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST on the best practices in respect of dealing in securities, the Company has in place an internal policy in relation to dealings in the Company's securities by its officers. The Company has informed its Directors and Officers of the Group not to deal in the Company's shares when they are in possession of any unpublished material or price-sensitive information and during the period commencing at least one month before the announcement of the Company's financial results until after the announcement of such financial results. The Directors and Officers of the Group are expected to observe the insider trading laws at all times when dealing in securities, even when dealing in securities within the permitted trading period, and are strongly discouraged to deal in the Company's securities on short-term consideration.



LHT HOLDINGS LIMITED

SUSTAINABILITY REPORT 2024



Being part of the Sustainable Effort



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Sustainability Report



1. BOARD STATEMENT

Dear Stakeholders,

It is with great pleasure that we share the release of our eighth annual sustainability report. At LHT Holdings Limited (**LHT**), the Board of Directors (the **Board**) strongly believes that true business success is not measured solely by financial achievements. It requires a dedicated focus on managing Environmental, Social, and Governance (**ESG**) factors thoughtfully and responsibly across every aspect of our operations.

As we embrace the latest technological advancements and drive our business toward further growth, we are acutely aware of the need to manage our environmental footprint responsibly. Today's heightened recycling awareness focuses on commonly discarded materials such as plastics, metals, paper, and glass. However, the importance of recycling wood waste often remains overlooked.

Our ESG Committee underscores that achieving sustainability for wood and wood products has shifted from being an aspiration to an essential responsibility. Increasingly, lawmakers and regulators are enforcing stringent measures to ensure the legality of wood sourcing, fostering accountability and promoting sustainable practices. We specialise in manufacturing and supplying wooden pallets, crates, and cases for industrial packaging, while also trading raw timber products, technical wood, and recycling wood waste into woodchips and other materials.

Sustainability is a dynamic journey, and we are committed to fostering robust reporting practices to enhance our sustainability disclosures and deliver positive economic, environmental, and social outcomes. Our commitment includes active engagement with key stakeholders to address their primary concerns and advance sustainability priorities that create lasting value. We remain dedicated to close collaboration with our business partners and stakeholders, ensuring effective monitoring and management of material ESG topics.

Sustainability Report

Step by step toward zero waste

Persistent Pursuit of Innovation in Wooden Pallet Development

We were honored to participate in the Malaysian International Food & Beverage Trade Fair 2024 at the Kuala Lumpur Convention Centre, where we showcased our Green Pallet as a sustainable packaging solution.

At this event, we introduced the ECR pallet, designed to help manufacturers, logistics providers, and warehouses improve cost efficiency and productivity. Key highlights included:

- Showcasing our eco-friendly Green Pallet, emphasising its role in sustainable packaging solutions.
- Launching the ECR-RFID Pallet Rental Program, offering a smart, cost-effective pallet management system.
- Engaging with global partners and industry stakeholders to drive forward green packaging initiatives.

Our commitment to sustainability is evident in our following innovative practices:

- **Utilising Laminated Veneer Lumber (LVL) as a raw material:**

This approach, applied in the construction of our wooden pallets and cases, capitalises on the material's high strength-to-weight ratio. This not only enhances the structural integrity of our products but also contributes to energy savings during transportation, consequently aiding in the reduction of fuel consumption.

Our active participation in global exhibitions, recognition through prestigious awards, and partnerships with research institutions such as A*STAR highlight our unwavering commitment to sustainable manufacturing. We remain dedicated to continuous innovation and environmentally responsible practices, striving to make a positive impact on the industry while upholding our sustainability goals.

LHT Managing Director and CEO, Ms. May Yap, at the International Packaging Conference 2024 at Nusa Dua Beach Hotel, Bali, Indonesia



Sustainability Report

Promoting Wood Waste Recycling Awareness

LHT is committed to providing sustainable, low-carbon footprint packaging solutions that meet the increasing demand for eco-friendly products. By utilising our expertise, we optimise packaging processes to reduce environmental impact, lower costs, and deliver value to our stakeholders. Our active participation in key events throughout the year focused on raising awareness about recycling wood waste, highlighting our dedication to sustainability and promoting a greener, more responsible future.

MIFB 2024 Exhibition:

LHT successfully showcased our innovative solutions at MIFB 2024 in Kuala Lumpur Convention Centre.

Highlights included:

- Introducing our eco-friendly Green Pallet for sustainable packaging
- Launching our ECR-RFID Pallet Rental Program
- Connecting with international partners and stakeholders to promote green packaging initiatives



SMF-PCS and SPSA- Singapore Packaging Stars Award and Gala Dinner 2024:

The Singapore Manufacturing Federation (SMF) – Packaging Council of Singapore (PCS) Industry Group, led by our CEO and MD, Ms. May Yap, recently hosted the Singapore Packaging Star Awards (SPSA) 2024 and Gala Dinner at Raffles Marina Hotel. Graced by Senior Minister of State Dr. Amy Khor, the event celebrated excellence in packaging design, emphasising innovation, creativity, and sustainability across categories such as Commercial Sales & Display, Environmentally Sustainable Packaging, Transportation & Protection, and Student Sales & Display.

International Packaging Conference 2024:

LHT CEO and Managing Director Ms. May Yap's speech at International Packaging Conference 2024 at Nusa Dua Beach Hotel, Bali, Indonesia, the event was organised by Asian Packaging Federation and Indonesia Packaging Federation, to share packaging sustainability in Asia and the road map and journey for sustainable packaging with a focus on reduction.



Sustainability Report



Effective Team Leadership

At LHT, we are committed to driving modernisation by implementing lean control principles, cultivating a culture of transparency and information-sharing, and prioritising exceptional customer experiences that foster long-term loyalty and repeat business.

Business Development

As part of our growth strategy, we are relocating key production operations to the new facility located at No. 6 Tuas South Street 10, Singapore 636941. As the Tuas facility is much smaller than our current facility in Sungei Kadut, some of the relocations will be optimised to our facilities located in Malaysia to enhance operational efficiency, boost productivity, and reinforce our commitment to sustainability by expanding the availability of environmentally friendly green pallets to the community.

As we look to the year ahead, our unwavering commitment to sustainability will drive us to further integrate eco-friendly practices throughout every facet of our operations. This dedication reflects our ambition for a resilient, environmentally responsible future. We invite you to explore our comprehensive Sustainability Report for an in-depth understanding of our progress and accomplishments. Your feedback is vital in shaping more transformative initiatives that contribute to building a better, more sustainable world. We eagerly anticipate your thoughts and suggestions.

Maintaining Good Corporate Governance

Corporate governance is essential to building trust and transparency. We recognise its key role in ensuring our success and protecting the interests of our stakeholders. We are proud to report that the Company has maintained a flawless record, with no incidents of corruption since the start of our sustainability reporting.

“ We are always conscious of our role in the conservation of natural resources. Recycling is one of many efforts that reflect our commitment towards mitigating climate change and deforestation. ”

Sustainability Report

2. OUR BUSINESS

LHT Holdings Limited (**LHT** or the **Company**), along with our subsidiaries (the **Group**), is one of Singapore's largest and most respected manufacturers, specialising in the production of high-quality, environmentally sustainable wooden pallets, boxes, and crates. Founded in 1977 and headquartered in Singapore, we have expanded our presence across key markets, including Malaysia and Vietnam. LHT has been a publicly listed company on the Mainboard of the Singapore Exchange Limited (**SGX**) since 26 July 1999, reflecting our industry leadership and commitment to excellence.

Since the Company's founding in 1977, LHT has been dedicated to delivering high-quality packaging products with a strong focus on environmental sustainability. We offer a comprehensive suite of services, from design and manufacturing to industrial moving, packing, and rental, providing a seamless, one-stop solution that ensures peace of mind for our customers. The key features that set us apart in the industry include:

Environmental Friendly



Our green innovation sets us apart. By producing Innovative Processed Product Conversion (IPPC) wood pallets, we significantly lower carbon emissions compared to conventional pallets, helping our clients achieve a smaller carbon footprint.

As a frontrunner in eco-friendly pallet and crate manufacturing, we are dedicated to sustainability, transforming waste wood into durable, sustainable pallets that embody our motto: "Green Pallet for Green Packaging."

Technologically Advanced



We are dedicated to developing innovative products and services that push industry boundaries while promoting sustainability. As an essential business, we continuously enhance our operations to deliver a seamless and efficient packaging and delivery experience for our customers.

Our commitment to continuous improvement is strengthened through collaborations with esteemed partners like SIMTech and other technology experts. These partnerships give us the confidence that our solutions will not only meet but exceed the long-term expectations of our community.

Emerging Technology



We have revolutionised our traditional industry by embracing advanced technologies and establishing a digital-driven 4.0 factory. Our commitment to innovation enables us to deliver superior, eco-friendly products to our loyal customers while improving efficiency and sustainability.

In 2010, the success of our RFID Pallet Leasing & Tracking system marked a turning point, driving us to further explore and implement emerging technologies. This journey has allowed us to produce greener products while optimising operations. Our dedication to technological progress is matched by the unwavering support and collaboration of our trusted partners.

3. ABOUT THE REPORT

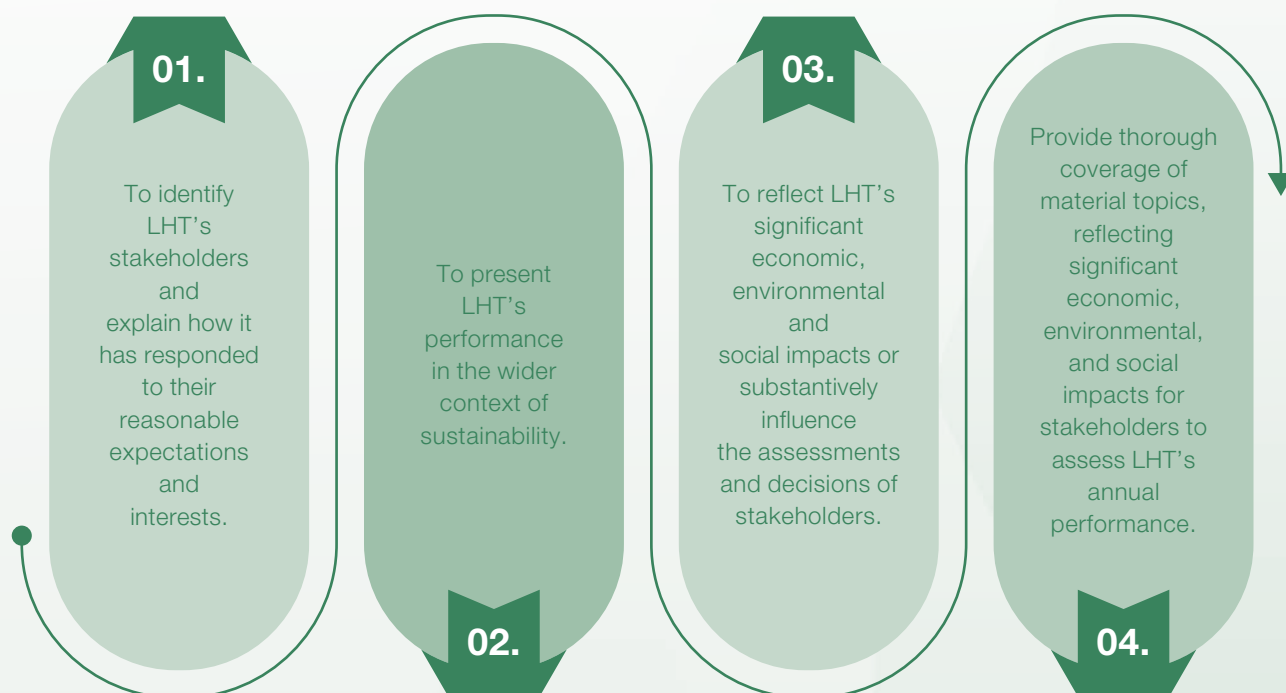
Scope of the Report

This report covers the sustainability aspects of LHT, emphasising non-financial performance and management approach disclosures. The reporting period extends from 1 January 2024 to 31 December 2024, with any exceptions noted. Where available, historical data for FY2022 and FY2023 are included for comparative analysis. The report is designed to address stakeholders' concerns about sustainability issues arising from our core business operations in Singapore, including industrial packaging, heat treatment, pallet design & testing, pallet rental, and waste disposal. The determination of primary business operations considered in this report is based on the controls exercised by us. With our strategic initiative to expand the use of our facilities in Malaysia to leverage more competitive labour costs in the coming years, we plan to incorporate our Malaysian subsidiaries into future Sustainability Reports.

For a comprehensive list of entities covered in this report, please refer to **Appendix A**.

Reporting Standards

The preparation of this report is in accordance with Chapter 7: Continuing Obligations of SGX Rulebooks, specifically 711A and 711B (**SGX Listing Rules**), drawing guidance from Practice Note 7.6 Sustainability Reporting Guide. In addition to complying with the relevant listing rules, this report is meticulously crafted with reference to the Global Reporting Initiative (**GRI**) Standards, recognised as a comprehensive and globally accepted framework for sustainability reporting. Our report aligns with the GRI's principles for determining report content and ensuring report quality, which involves a thorough consideration of our activities, their associated impacts, and the significant expectations and interests of our stakeholders. The content was established by the following four GRI Standard reporting principles:



For the GRI content index, please refer to **Appendix D**.

Moreover, this report is prepared in accordance with the recommendations outlined by the Task Force on Climate-related Financial Disclosures (**TCFD**). In alignment with the recommendations in SGX-ST Practice Note 7.6 Sustainability Reporting Guide, we have adopted a phased approach that concentrates on specific areas of climate-related financial disclosures in our reporting. This strategic approach allows us to effectively address key aspects of climate risk and opportunities within the context of our operations and business activities. For the TCFD recommendations content index, please refer to **Appendix E**.

Sustainability Report

Restatements

No restatements were made from the previous report.

Independent Verification

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

Sustainability Contact

The electronic version of this report can be accessed on the Company's website (www.lht.com.sg) under the section "Investor Relations".

We welcome your views and feedback on our sustainability practices and reporting. For any enquiry related to this report, please contact:

LHT Holdings Limited
27 Sungei Kadut Street 1
Singapore 729335
Tel.: (65) 6269 7890
Fax: (65) 6367 4907 or (65) 6269 1706
E-mail: sr@lht.com.sg



LHT is honored to attend the Asian Packaging Federation Annual General Meeting and Propak Asia 2024 at Thailand, Bangkok International Conference Exhibition.

4. KEY SUSTAINABILITY HIGHLIGHTS

**3,570.5
TONNES**

of Laminated Veneer Lumber (**LVL**) were received, enabling the Company to meet target of using LVL for at least 40% of raw materials for pallet production. LVL serves as a sustainable and cost-effective alternative to traditional timber, reducing waste, improving efficiency, and ensuring excellent structural reliability.

**11,665.3
TONNES**

of horticulture and industrial wood waste were collected for recycling, successfully meeting its set target. This achievement highlights our dedication to sustainability by actively reducing waste and promoting the circular economy through its recycling initiatives.

**10,893.5
TONNES**

of total woodchips produced from horticulture and industrial wood waste to be used as biomass fuel for power generation.

89.9%

of the total available pallets were rented out, exceeding the target of renting at least 70%. This achievement demonstrates our dedication to reducing wood waste and lowering carbon footprints through the recycling and reuse of pallets.

**301
TRAINING
HOURS**

were provided to the employees on fire safety, workplace health and safety topics. Achieved the target to provide 300 manhours of fire safety, health and other continuous training and briefing annually for our employees.

**0
FATALITY
CASES**

for every 100,000 manhours worked in 2024. Maintained fatality cases of 0 for every 100,000 manhours worked since the year we published Sustainability Report.

Sustainability Report

Memberships

- Singapore Green Building Council (**SGBC**)
- Waste Management & Recycling Association of Singapore (**WMRAS**)
- Singapore Timber Association
- Singapore Manufacturing Federation (**SMF**)
- Singapore Business Federation (**SBF**)

Awards

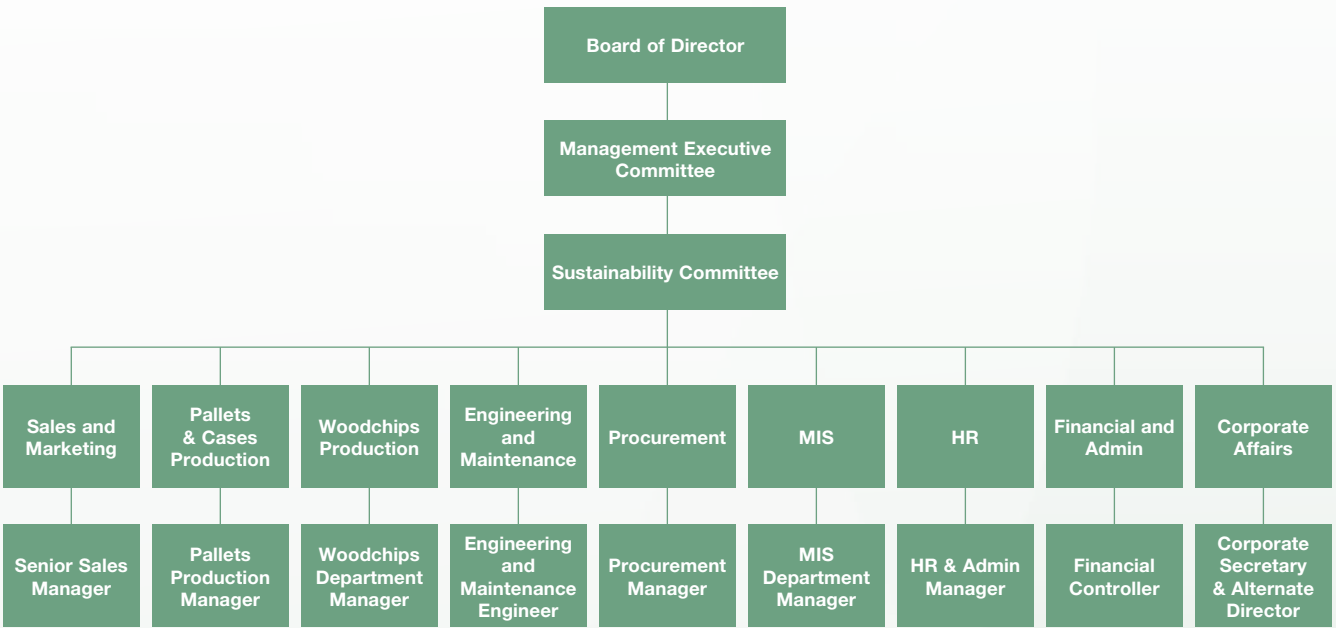
Association	Awards
2020	
Dun & Bradstreet	Business Eminence Awards 2020
AI Acquisition International	Business Excellence Awards 2020 – Leader in Multi-Purpose Pallet Packaging Manufacturer 2020 – Asia
The Leaders Globe	The 10 Most Renowned Brands to watch in 2020
World Packaging Organisation	WordStar 2020 Award for Packing Excellence – RFID Green Pallet for Green Packaging
2021	
Brands for Good	2021-2022 Honouree Award Winner In recognition of businesses for doing good and embodying social responsibility in business and operations
Malaysia International Business Awards 2021	Materials Award – LHT Gpac Technology (M) Sdn Bhd In recognition of outstanding initiatives of international firms in Malaysia
2022	
CSR Works	Asia's Best Sustainability Awards – SME Category (Bronze)
Singapore Business Review	SBR National Business Awards 2022 – Manufacturing – Efficient Consumer Response (ECR) RFID Pallets Management System
D&B (Dun & Bradstreet)	D&B Business Eminence Awards 2022
Singapore Business Review	SBR Made In Singapore Awards 2022 – Packaging Category
2023	
World Packaging Organisation (WPO)	WorldStar Global Packaging Awards 2023 – ISO Pest-free Pallet
CSR Works 2022 Asia Sustainability Reporting Awards (ASRA)	Asia's Best Sustainability Awards 2022 – SME category – Finalist
2024	
Singapore Packaging Star Award 2024	Eco Attachable Pallet

5. SUSTAINABILITY STRATEGY

Sustainability Organisation Structure

Sustainability is a key pillar of our long-term growth strategy, integral to the value we create for our stakeholders, including our people, the environment, and society. This focus on sustainability significantly impacts our financial performance. To ensure we uphold this commitment, Board of Directors (the **Board**) oversees ESG matters, while our dedicated Sustainability Committee (**SC**) drives the culture of sustainability within LHT.

The SC is responsible for formulating our sustainability strategies, policies, and initiatives, with support from department heads who collaborate on implementing these efforts across our operations. In addition to development, the SC is tasked with annually tracking and reporting performance to both the SC and the Board, ensuring transparency and accountability in our sustainability initiatives.



LHT is dedicated to fostering a sustainable workplace built on strong governance and ethical business practices. The Board integrates key ESG factors into the Group’s strategic objectives and policies, ensuring they are effectively managed and aligned with responsible corporate values. Committed to the highest standards of integrity and transparency, the Group operates within both local and international legal frameworks while upholding fair grievance handling. A robust Code of Conduct further strengthens ethical practices, clearly defining responsibilities for employees and the supply chain to promote responsible and sustainable business conduct.

LHT fosters a culture of accountability and transparency through a robust whistleblowing policy, empowering our employees to report suspected or actual instances of illegal, unethical, or inappropriate activities without fear of reprisal. Regular reviews of these policies reflect our unwavering dedication to responsible business practices.






Sustainability is deeply embedded in LHT’s business operations, with ESG considerations at the core of our strategic approach. Our products and services adhere to rigorous environmental and safety standards, consistently exceeding customer expectations. By maintaining fair labour practices across our operations, LHT ensures the delivery of high-quality products and dependable services. This dedication strengthens customer trust while upholding our pledge to responsibility and sustainability.

Sustainability Report

Stakeholder Engagement

LHT views our stakeholders as essential partners in driving our sustainability efforts. Key stakeholders, including employees, customers, suppliers, investors, government agencies, and regulators, play a critical role in shaping our strategies and operations. By engaging proactively through various communication channels, LHT ensures stakeholders are informed about our sustainability initiatives, gathers their feedback, and builds strong, collaborative relationships. This active engagement has enhanced mutual understanding and bolstered our ability to address both economic and environmental priorities effectively.

Focusing on strategic stakeholder collaboration, LHT is committed to fostering shared values and sustainable practices. This approach not only reinforces the Group's long-term success but also contributes meaningfully to the prosperity and well-being of the wider community.

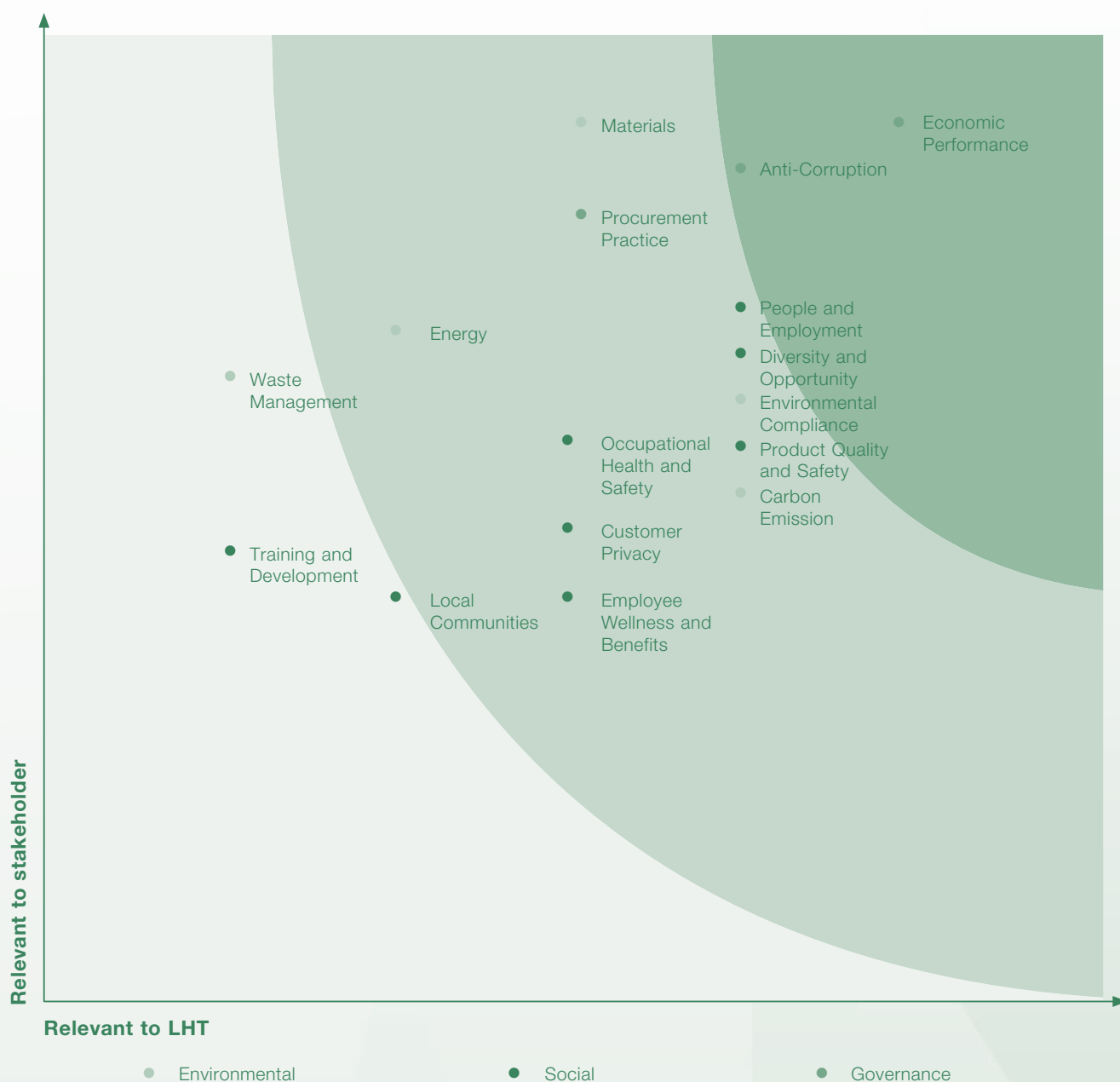
Stakeholders	Mode Engagement	Frequency	Value Creation
 Employees	<ul style="list-style-type: none"> Employee appraisals Informal one-to-one sessions Managers' and seniors' open-door policy 	<ul style="list-style-type: none"> Semi-annually Ad-hoc Ad-hoc 	<ul style="list-style-type: none"> LHT is committed to fostering continuous engagement with our employees through both formal and informal channels, seeking to genuinely understand their thoughts and concerns. Recognising that employees are the driving force behind LHT's operations, this ongoing engagement is crucial to supporting operational efficiency and achieving overall business excellence.
 Customers	<ul style="list-style-type: none"> Hotline Email queries Customer visits Face-to-face meetings Telephone follow-ups Annual review and feedback sessions 	<ul style="list-style-type: none"> Ad-hoc Ad-hoc On-going Ad-hoc Ad-hoc Annually 	<ul style="list-style-type: none"> LHT is dedicated to building enduring relationships with our customers, investing in the delivery of the highest quality products and services. In addition to this commitment, the Group actively collects reviews and feedback to ensure continuous improvement in our operations, aligning with the evolving expectations of our valued customers.
 Suppliers and Service Providers	<ul style="list-style-type: none"> Day-to-day communications Face-to-face meetings Annual review and feedback sessions Email queries Supplier audits Telephone follow-ups 	<ul style="list-style-type: none"> On-going Ad-hoc On-going Ad-hoc Ad-hoc Ad-hoc 	<ul style="list-style-type: none"> LHT strives to cultivate cooperative and enduring relationships with our value chain partners. This goal is accomplished by fostering close collaboration while ensuring strict adherence to regulations, safeguarding the integrity and continuity of these valuable partnerships.
 Investors/Shareholders	<ul style="list-style-type: none"> Group Annual Report Annual General Meeting Extraordinary General Meeting Group Results Announcement on a half-yearly basis Informal discussion 	<ul style="list-style-type: none"> Annually Annually Ad-hoc Semi-annually Ad-hoc 	<ul style="list-style-type: none"> LHT is committed to maximising returns for investors and shareholders, coupled with a dedication to enhancing transparency. This commitment is realised through comprehensive financial and sustainability reporting, supplemented by timely and active communication to keep stakeholders well-informed.
 Government and Regulators	<ul style="list-style-type: none"> Face-to-face meetings Regular inspections/visits by various agencies Monthly/yearly reporting Regular audits 	<ul style="list-style-type: none"> Ad-hoc Ad-hoc On-going On-going 	<ul style="list-style-type: none"> LHT is committed to achieving full compliance and endeavours to elevate the standards of our sustainability practices through regular inspections, audits, and frequent reporting. This proactive approach ensures ongoing adherence to established guidelines and fosters continuous improvement in sustainability efforts.

Sustainability Report

Materiality Assessment

Our materiality review exercise identifies significant ESG factors pertinent to our businesses. This assessment evaluates the impact of these factors on our operations and their significance to stakeholders. Additionally, we analyse the Group's activities to understand the influence on these identified ESG factors.

The review assesses the significance of ESG factors, drawing on the insights and expertise of those closely involved in specific operational areas. We maintain that the material factors identified in our previous materiality review exercise continue to be relevant to us in FY2024. Furthermore, we have incorporated certain additional material ESG factors to provide a more comprehensive perspective on our sustainability initiatives to our stakeholders.



Sustainability Report

How We Support UN SDGs

Supporting United Nations Sustainable Development Goals (UN SDGs)

To strengthen the effectiveness of our sustainability efforts, we review the commitments within each key area of our strategy. Aligned with the UN SDGs, our framework ensures that our objectives contribute to broader global sustainability targets. By integrating these commitments into our sustainability program, we aim to address environmental, social, and economic challenges while creating meaningful value for both our organisation and stakeholders. This approach reinforces our dedication to driving positive change and supporting global sustainability initiatives.

Goals	How we support
3 GOOD HEALTH AND WELL-BEING 	LHT is dedicated to maintaining a steadfast commitment to health and safety practices, prioritising the well-being of all individuals on our premises. This dedication encompasses both our employees and others, seeking to ensure their welfare and shield the Group from potential legal liabilities related to safety lapses. We strongly emphasise that complete adherence to health and safety measures is essential for managing the overall well-being of everyone in the workplace. For our commitment, please refer to the Occupational Health Safety section.
4 QUALITY EDUCATION 	In 2024, LHT remained dedicated to our commitment to societal enrichment and engagement in various educational events. For our commitment, please refer to the Local Communities section.
6 CLEAN WATER AND SANITATION 	The Group prioritises addressing water scarcity by implementing strategies to reduce water consumption, including the installation of water-efficient fittings across its facilities. Additionally, we actively promote awareness about water conservation among employees, customers, and the communities we serve. These initiatives reflect our dedication to sustainable water management and fostering a deeper understanding of the importance of water preservation. For further details, please refer to the Water Consumption section.
7 AFFORDABLE AND CLEAN ENERGY 	Recognising the environmental impact of our energy use, we are fully committed to adopting energy-efficient practices that reduce our ecological footprint. This dedication reflects our strong commitment to environmental stewardship while also addressing the financial challenges posed by rising fuel costs. For more details, please refer to the Energy Efficiency section.
8 DECENT WORK AND ECONOMIC GROWTH 	We are deeply committed to fostering fair employment practices and supporting local economic development, reflecting our dedication to promoting decent work and economic growth. By investing in employee development and collaborating with local stakeholders, we aim to make a positive and lasting impact on the communities and economies where we operate. For further details, please refer to the Employee's Wellness and Benefits section.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	LHT's commitment to environmental protection is exemplified by our innovations in waste wood recycling, which transforms wood wastes into woodchips, which can then be used as biomass fuel for the generation of electricity.
13 CLIMATE ACTION 	We recognise the critical need for climate action and are dedicated to minimising our greenhouse gas emissions through energy-efficient building designs and sustainable operational practices. By regularly assessing our emissions and refining our environmental strategies, we demonstrate a strong commitment to combating climate change. These efforts align with our goal of fostering a sustainable future for our business, stakeholders, and the planet. For more details, refer to the Greenhouse Gas Emissions Management section.

6. SUSTAINABILITY APPROACHES

Sustainability Pillars

Our sustainability commitment is anchored in three core pillars that shape our ESG initiatives. By organising material topics within these pillars, we provide clear and structured communication to our stakeholders. As we advance on our sustainability journey, our ESG framework will continue to grow and adapt. These pillars reflect our unwavering focus on:



01

Protecting our Earth

Demonstrating our commitment to reducing our environmental footprint, we actively participate in initiatives aimed at combating climate change. For instance, our efforts made in climate related risks and opportunities management, timber tie tomorrow, greenhouse gas emissions management, waste management, energy efficiency and water consumption. Please refer to **Section 8** for more details.



02

Empowering Communities

Demonstrating our commitment to fostering a holistic approach to corporate responsibility, emphasising the empowerment of communities. For instance, our efforts made in social performance, occupational health & safety, people & employment, training and education, diversity & equal opportunity in the workforce, employee wellness & benefits, local communities, customer privacy and socially responsible procurement. Please refer to **Section 9** for more details.



03

Ethical Operations and Responsible Practices

Demonstrating our commitment to recognising the pivotal role that ethical decision-making and responsible business conduct play in shaping a sustainable future. For instance, our efforts made in economic performance, procurement practice, anti-corruption, operating business with integrity and ethically, whistleblowing. Please refer to **Section 10** for more details.

How we measure our performance

Our sustainability strategy is deeply embedded across our business operations, with dedicated teams focusing on specific areas under the guidance of departmental managers. Progress is monitored through two key methods: tracking performance against defined metrics and evaluating program advancements based on set commitments. This dual approach provides a thorough assessment, ensuring both measurable outcomes and the achievement of qualitative sustainability goals.






Metrics and targets

We have defined key performance indicators (**KPIs**) for each area identified in our sustainability materiality matrix. Periodically, we plan to introduce new metrics and update targets to ensure ongoing alignment with our strategy.

Sustainability Report

Commitments

To ensure the effectiveness of our sustainability program, we have incorporated key commitments for each area outlined above. The progress made against each key commitment is indicated using the symbols shown in the table below:

Symbol	Meaning
	New commitment this year
	Not started
	In progress
	Complete
	Ongoing commitment: no end date

Regular tracking and reviews of our sustainability program are conducted to ensure ongoing oversight and alignment with strategic objectives.







Ms. May Yap at SMF-PCS and SPSA- Singapore Packaging Stars Award and Gala Dinner 2024

7. SUSTAINABILITY PERFORMANCE

Progress Against Targets

The table presented below provides a comprehensive overview of our progress in alignment with our ESG targets.

Use of LVL as raw material	FY2024 target	FY2024 progress 	FY2025 target
	To use LVL as raw materials in at least 40% of raw materials purchased for pallets produced.	<ul style="list-style-type: none"> We received 3,570.5 tonnes of LVL, accounting for over 55.3% of total raw material usage, surpassing our FY2024 target. 	<ul style="list-style-type: none"> We remain committed to waste reduction by actively promoting the use of LVL. Our target will continue to be at least 40% of total raw material usage.
Collection of horticulture wood waste and industrial wood waste	FY2024 target	FY2024 progress 	FY2025 target
	To collect 8,400 tonnes of horticulture and industrial wood waste	<ul style="list-style-type: none"> We successfully collected 11,665.3 tonnes of horticultural and industrial wood waste this year, achieving our target for FY2024. This accomplishment underscores our ongoing commitment to sustainability through effective waste management and resource recovery efforts. 	<ul style="list-style-type: none"> Although a decline in demand for woodchips is anticipated over time, we plan to maintain our target of collecting 8,400 tonnes of horticultural and industrial wood waste.
Productions of wood chips	FY2024 target	FY2024 progress 	FY2025 target
	To produce 8,400 tonnes of woodchips	<ul style="list-style-type: none"> We successfully produced 10,893.5 tonnes of woodchips, meeting the target for FY2024. 	<ul style="list-style-type: none"> We maintain our target to produce 8,400 tonnes of woodchips.
Reusing pallets as rental pallets	FY2024 target	FY2024 progress 	FY2025 target
	To rent out at least 70% of pallets available for rent	<ul style="list-style-type: none"> We have rented out 89.9% of the total available pallets, to minimise wood wastage and carbon footprint by recycling pallets for rent. 	<ul style="list-style-type: none"> We will continue to promote reducing our carbon footprint through pallet reuse. The target for next year will remain the same at 70%.

Sustainability Report

Hosting

educational plant tours to promote environmental awareness

FY2024 target

To host 1 promotional and educational tour and plant visits, and also to host study missions and delegates from foreign countries, to highlight how progressive and responsible.

FY2024 progress

- In 2024, we did not host any educational tours, as there has been a continued lack of interest from educational and institutional groups following the global COVID-19 pandemic.

FY2025 target

- We remain committed to achieving our FY2024 target in FY2025 and to organising at least one promotional and educational tour, including plant visits.

Training manhours for production employees

FY2024 target

To provide 300 training manhours on fire safety, workplace health and safety topics

FY2024 progress

- A total of 301 manhours of training were provided to employees, focusing on fire safety and workplace health and safety topics.

FY2025 target

- We will continue to conduct safety briefings during our monthly fire and safety meetings, with the targeted briefing and training manhours set to be maintained at 300 hours for the FY2025.

Workplace injury rate

FY2024 target

To not exceed the injury rate of 2.00 for every 100,000 manhours worked

FY2024 progress

- Our injury rate for FY2024 was 1.48 per 100,000 manhours worked, successfully staying below our target of 2.00 per 100,000 manhours worked.

FY2025 target

- We target to continue to maintain our injury rate below 2.00 per 100,000 manhours worked.

Workplace fatalities case

FY2024 target

To maintain zero fatality cases

FY2024 progress

- We maintained zero fatality cases since the year we published our SR.

FY2025 target

- We are committed to maintaining zero fatality.

8. PROTECTING OUR EARTH

Task Force on Climate-related Financial Disclosures

In alignment with the TCFD recommendations, we undertook a comprehensive gap analysis to evaluate our climate-related disclosures, ensuring they adhere to the updated 2021 TCFD guidelines. As part of our broader strategy, we remain committed to engaging with key stakeholders to collaboratively address climate change and its far-reaching impacts. By integrating sustainable practices across our operations, we are not only enhancing our resilience to climate risks but also contributing to a more sustainable and prosperous future for both our organisation and society.

Our primary goal is to proactively address climate-related risks while maintaining a strong commitment to environmentally responsible operations. This report includes a dedicated section that outlines our efforts to manage climate change risks and highlights the opportunities that arise from our sustainability initiatives.

We remain steadfast in our commitment to working collaboratively with stakeholders to mitigate the impacts of climate change on both the environment and society. Through these efforts, we continue to prioritise both the management of climate risks and the promotion of sustainable business practices.

Governance

In FY2024, we continue to enhance the efficiency of our climate governance framework, building on the measures implemented in FY2023. These include refining policies, defining roles, and strengthening capacity.

The Board acknowledges that climate-related risks and opportunities are essential elements of our regular operational activities. This collaborative approach reflects our dedication to proactive climate risk management and the seamless incorporation of sustainability into our everyday business practices.

Strategy

Climate poses significant risks to businesses like ours, but we also see the strategic opportunities that arise from adopting a long-term approach. In FY2023, we conducted a reassessment of climate-related risks and opportunities, evaluating both the likelihood and potential impact on our business. We believe these climate risks and opportunities remain unchanged for FY2024.

Our ESG strategy remains central to managing our environmental impacts, with climate change continuing to be a key focus. To support effective planning, we categorise time horizons for climate considerations as follows: **short-term (0 to 3 years), medium-term (3 to 5 years), and long-term (5 to 30 years).**

Sustainability Report

Climate-related risks and opportunities: Identifying climate-related risks

In FY2024, we persisted in enhancing our comprehension of key risks in Singapore, considering the short, medium, and long-term perspectives, along with exploring strategies to address them. The table below presents a summary of the identified risks, their implications for our organisation, and the strategies or actions we are implementing or planning to address them:



Risk Identified	Why this is Important	Implications for Us	Addressing Strategies/Actions
Evolving Regulations	<p>Immediate impacts of changes in environmental regulations or policies, including the disclosure requirements. Also, there is also increased enforcement of the regulation of the obligations of operators who place timber and timber on the market.</p> <p>Category: Policy and Legal Significance: High Timeline: Short Term</p>	<ul style="list-style-type: none"> Increasing compliance costs are incurred to meet new regulatory requirements. 	<ul style="list-style-type: none"> Engaging additional managers, HR professionals, and senior management personnel in ESG-related affairs. Implementing a structured escalation process for addressing any ESG-related concerns. Engaging external internal audit function to review the company's internal sustainability reporting process, ensuring that adequate controls are in place to ensure compliance with regulatory requirements.
Energy Intensity	<p>Risks associated with escalating energy prices impacting operational expenses.</p> <p>Category: Policy and Legal Significance: Medium Timeline: Short Term</p>	<ul style="list-style-type: none"> Increase operation cost due to surge in electricity price 	<ul style="list-style-type: none"> Sourcing and implementing alternative renewable energy sources, such as replacing traditional fuel-powered forklifts with electrically powered forklifts in daily operations. Installing a Green Heat Treatment system in the heat treatment room to diminish the reliance on non-renewable energy sources.
Shift in Consumer Preferences	<p>As awareness about environmental issues grows, consumers are increasingly making choices based on sustainability. Wooden pallets may be seen as not environmentally friendly.</p> <p>Category: Market Significance: Medium Timeline: Long Term</p>	<ul style="list-style-type: none"> Gradual increases in production costs as more climate-resilient materials become necessary for the long-term durability of packaging. Reduction in revenue due to product obsolescence 	<ul style="list-style-type: none"> Utilising LVL as a raw material in the construction of wooden pallets and cases. This material boasts a high strength-to-weight ratio, contributing to energy savings during transportation and thereby aiding in the reduction of fuel consumption.

Sustainability Report

Risk Identified	Why this is Important	Implications for Us	Addressing Strategies/Actions
Deforestation Concerns	<p>If the Group sources wood for pallets from unsustainable forestry practices or contributes to deforestation, we can attract negative attention. Consumers and environmental activists may criticise the company for contributing to habitat destruction, loss of biodiversity, and climate change.</p> <p>Category: Reputation Significance: Low Timeline: Long Term</p>	<ul style="list-style-type: none"> Reduced revenue due to loss of customers as a result of reputational damage 	<ul style="list-style-type: none"> The Group procures wood and relevant forest products solely from suppliers certified by the Forestry Stewardship Council (FSC). Sourcing from suppliers in origin countries such as New Zealand, Vietnam, Malaysia, and China to mitigate the risk of unintentionally purchasing wood from illegal logging activities.
Supply Chain Disruptions	<p>Depletion of natural forest resources to meet the market demand.</p> <p>Category: Deforestation Significance: Low Timeline: Medium Term</p>	<ul style="list-style-type: none"> Reduced production output and revenue due to disruption to production 	<ul style="list-style-type: none"> Engaging suppliers from a wide range of countries, increasing the geographic diversity of the supply chain. Broadening the sources from which materials are obtained, both in terms of geographic locations and types of suppliers to enhance its flexibility in sourcing, potentially finding more cost-effective and sustainable options.
Supply Chain Disruptions	<p>Immediate disruptions in the supply chain due to extreme weather affecting transportation routes. Serious flooding disasters reported in China, Vietnam and Malaysia caused temporary closures of key transportation routes used for raw material delivery.</p> <p><u>Damage to the Facility</u> Extreme weather events can result in damage to the Group's assets, including factory buildings and production equipment.</p> <p><u>Safety of Employee</u> Extreme weather events have the potential to cause harm and pose risks to the well-being of our employees. Such events may lead to casualties, encompassing injuries or even fatalities among our workforce.</p> <p>Category: Extreme Weather Event Significance: Low Timeline: Short Term</p>	<ul style="list-style-type: none"> Reduced production output and revenue due to disruption to production Cost of repair and replacement of assets Rise in medical costs and insurance expenses 	<ul style="list-style-type: none"> Establishing locations, such as warehouses or distribution centres in Singapore and Malaysia to mitigate the risk of supply chain disruptions caused by extreme weather events damaging the Group's properties. Maintaining larger inventories of raw materials, components, or finished products to serve as a buffer against supply chain disruptions, demand fluctuations, or unforeseen challenges, ensures that the Group can continue operations smoothly.

Sustainability Report

Climate-related risk and opportunities: Identifying climate-related opportunities

Climate change is anticipated to generate demand for new environmentally friendly products, and we acknowledge the opportunities for us to invest in, develop, or redesign our products and services to align with climate action. Additionally, we recognise that changes to our operational policies could contribute to an overall reduction in our emissions profile. The table below illustrates examples of climate-related opportunities, detailing their time horizon and the significance of their impacts.



Opportunities Identified	Why this is Important	Implications for Us	Addressing Strategies/Actions
Product Lifecycle Impact in terms of pest-free, weight and durability	<p>Develop and promote sustainable pallet solutions, incorporating innovative materials and environmentally friendly design.</p> <p>Category: Products and Services Significance: Medium Timeline: Short Term</p>	<ul style="list-style-type: none"> Capture market share in the growing sustainable packaging sector, positioning as an industry leader in green pallet solutions. 	<ul style="list-style-type: none"> Utilising LVL and sustainable wood, eg. engineered wood as raw materials in the construction of Innovative Process Product Conversion (IPPC) pallets. These materials enhances productivity by streamlining the wooden pallet manufacturing process from 60 procedures to just 3 procedures.
Wood Waste Disposal Regulations	<p>Long-term impacts as regulatory frameworks evolve and introduce more sustainable waste disposal requirements such as the introduction of regulations promoting circular economy practices in waste disposal.</p> <p>Category: Policy and Legal Significance: Low Timeline: Long Term</p>	<ul style="list-style-type: none"> Rising compliance cost to meet new regulatory requirements 	<ul style="list-style-type: none"> Continuously maintaining the license with the National Environmental Agency as a licensed wood waste collection centre ensures the ongoing capability to transform wood waste into woodchips to be used as bio-mass fuel for producing electricity.
Green Technology Adoption	<p>Incorporate advanced green technologies in manufacturing processes to improve efficiency and reduce environmental impact.</p> <p>Renewable Energy Integration (Heat Treatment) Explore the integration of renewable energy sources into heat treatment processes to reduce the carbon footprint.</p> <p>Category: Resource Efficiency Significance: Medium Timeline: Medium Term</p>	<ul style="list-style-type: none"> Capital investments in technology development have an impact on cash flow. 	<ul style="list-style-type: none"> Utilising LVL and engineered wood as raw materials in the construction of IPPC pallets.

Risk Management

Identifying and assessing climate-related risks

LHT's enterprise risk assessment process provides a clear structure for managing climate risks across the entire cycle – identification, assessment, mitigation, and monitoring. The process is further detailed by business function, encompassing strategy, risk management, business continuity, and investment. This creates a robust framework for managing climate risks, with specific metrics outlined in the Metrics and Targets section.

In assessing climate risks and opportunities, we rely on credible sources such as the IPCC's Sixth Assessment Report (**AR6**), the Meteorological Service Singapore's Chapter 5 on Climate Change Projections for Singapore, the Centre for Climate Research Singapore, and the Climate Scenario Analysis from MAS's Industry-Wide Stress Test, published on 6 December 2022. Our impact assessment covers financial, legal, reputational, safety, and operational factors, which are rated from insignificant to severe, with likelihood ranging from rare to almost certain.

To assess the impacts of climate-related risks and opportunities, we analyse qualitative information, including:

- Our sustainability performance, such as Greenhouse Gas (**GHG**) emissions, energy efficiency, and water usage.
- Revenue and assets are susceptible to the transition to a low-carbon economy, including potential revenue loss and impairment of specific assets.
- Assets and business operations are vulnerable to extreme weather events and temperature changes.
- The current and estimated cost of capital and operation required to manage identified risks.

Managing climate-related risks

The management is responsible for overseeing climate-related risks, ensuring that measures and triggers for environmental risks align with our risk appetite and meet both local and Group environmental goals. Any climate-related risks identified are addressed through appropriate governance processes, which may include management-level discussions, escalation to the highest governance body, and additional corrective actions if required. This approach ensures that climate-related risks are effectively managed within our established risk management system.

Integration of climate-related risks into the organisation's overall risk management

Action plans are developed for each identified climate-related risk and opportunity, addressing immediate challenges while building long-term resilience. Our sustainability goals are supported by continuous monitoring systems that allow for consistent tracking of progress, impact measurement, and strategy adjustments as conditions change.

We are committed to refining our risk management practices by utilising internationally recognised research for scenario analysis. This approach ensures the continued effectiveness and relevance of our climate risk assessments and strengthens our proactive strategy for sustainable business practices.

Sustainability Report

Timber Ties to Tomorrow



Use of LVL as Raw Material

LHT is dedicated to addressing the environmental and climate change challenges posed by deforestation, actively working to minimise its impact within the scope of our business operations. With Singapore’s limited natural resources in mind, the Group emphasises the importance of recycling and reusing materials. As part of this commitment, LHT strives to combat deforestation and land degradation by incorporating LVL as a key raw material in the production of its wooden pallets and cases.

LVL is an engineered timber made by bonding multiple thin wood veneers with adhesives. It offers an exceptional size-to-strength and weight-to-strength ratio, making it highly versatile for various uses. By adopting LVL, we not only reduces waste and improves operational efficiency but also provides a cost-effective, sustainable alternative to traditional wood sources like raw timber. This transition ensures that structural reliability and strength remain intact, meeting the requirements for our products. Ultimately, the shift to LVL reflects LHT’s commitment to environmental responsibility and sustainable practices while maintaining the robustness of its offerings.



LHT is committed to reducing the environmental and climate change impacts of deforestation by actively minimising these effects in our business operations. Recognising the limitations of Singapore’s natural resources, the Group emphasises the importance of recycling and reusing available materials. To further this goal, LHT is dedicated to reducing deforestation and land degradation by incorporating LVL as a key raw material in the manufacturing of wooden pallets and cases, supporting both sustainability and efficient resource use.

	2022	2023	2024	2025
 Target	<ul style="list-style-type: none">To achieve LVL purchased as 60% of all raw materials purchased for pallets production.	<ul style="list-style-type: none">To achieve LVL purchased as 50% of all raw materials purchased for pallets production.	<ul style="list-style-type: none">To achieve LVL purchased as 40% of all raw materials purchased for pallets production.	<ul style="list-style-type: none">To achieve LVL purchased as 40% of all raw materials purchased for pallets production.
 Performance	<ul style="list-style-type: none">Average of 59% of LVL over all raw materials received for pallets production.	<ul style="list-style-type: none">Average of 59% of LVL over all raw materials received for pallets production.	<ul style="list-style-type: none">Average of 55% of LVL over all raw materials received for pallets production.	<ul style="list-style-type: none">To be announced

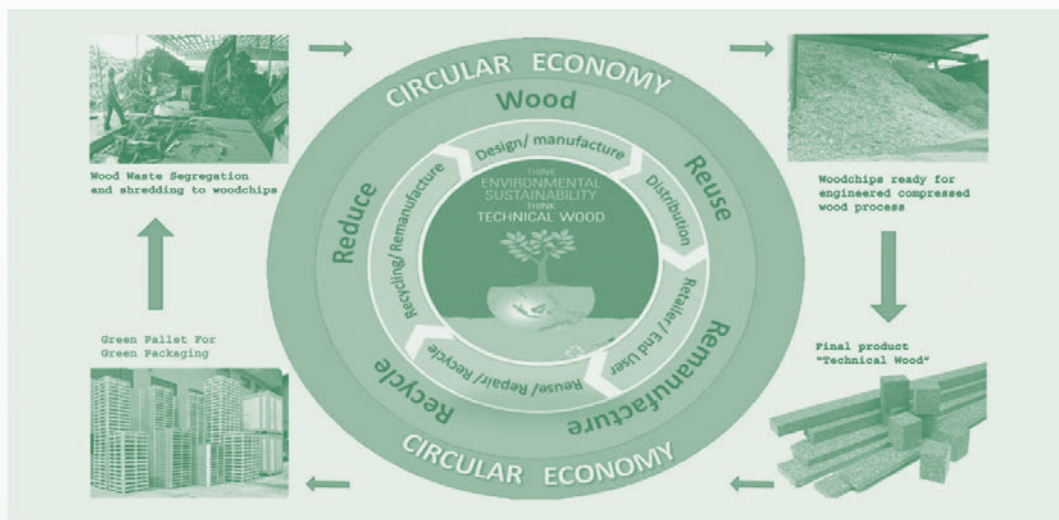
Sustainability Report

Green Pallets for Green Packaging

As Singapore's leading pallet manufacturer, LHT is dedicated to combating climate change by reducing the environmental impact of our products and operations. This commitment is demonstrated through the production of pallets designed to generate significantly lower carbon emissions compared to conventional wood pallets.

At the heart of our strategy is a commitment to a circular business model, which fuels our ongoing innovation and enhancement of products and services. In line with our sustainability objectives, LHT prioritises the use of renewable and recyclable materials as sustainable alternatives to conventional wood in the creation of wood-like products.

As a licensed wood waste collection centre under the National Environmental Agency, LHT proactively transforms wood waste into eco-friendly products like woodchips which is used as bio-mass fuel for power generation. Our dedication to sustainability is evident in every aspect of our operations, driven by the principles of **Reduce, Reuse, and Recycle (3R)**, which we integrate across our entire value chain. Through these efforts, we aim to not only reduce carbon emissions but also surpass environmental standards, reinforcing a sustainable and responsible business model.



Sustainability Report

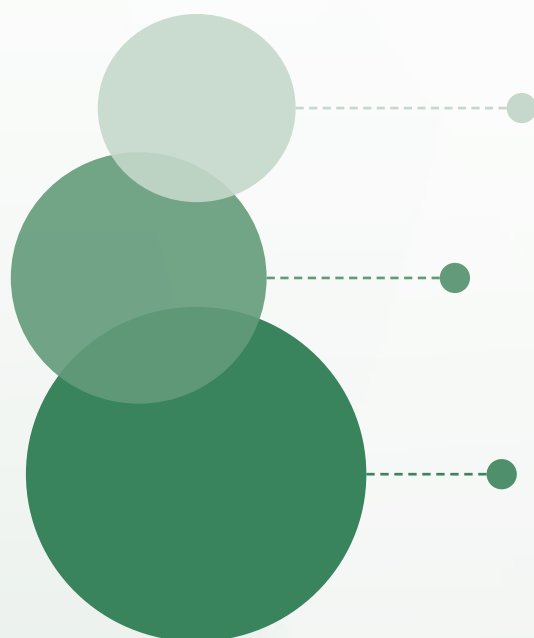
GHG Emissions Management

Metrics

We evaluate climate-related risks and opportunities through a comprehensive set of metrics and targets. These efforts reflect our commitment to setting clear decarbonisation goals for both operations and production. In Singapore, we have customised these metrics to align with our enterprise business strategies and environmental risk management practices.

Aligned with industry best practices, we have embraced the GHG Protocol as a robust framework for measuring and managing carbon emissions. This protocol integrates seamlessly with GRI Standards, providing a reliable and effective method for businesses to track emissions and implement strategic planning.

Since 2021, LHT has established a range of measurable performance indicators and targets to track our progress toward sustainability objectives. These metrics are diligently monitored by relevant governance committees to ensure accountability. To reinforce our commitment to environmental risk management, we have embedded these objectives into our incentive structures, directly linking rewards to performance. This approach drives accountability, encourages responsible behaviour, and aligns actions with our sustainability goals, fostering a culture of commitment and responsibility across the organisation.



Scope 1

Our Scope 1 emissions are exclusively derived from the use of fuel consumption. In FY2024, our total consumption amounted to 1,576.4 MWh of fuel, resulting in a cumulative emission of 425.6 tCO₂e

Scope 2

Our Scope 2 emissions arise from the electricity procured. In FY2024, the total electricity purchased from the grid amounted to 1,168 MWh, resulting in a total emission of 487.1 tCO₂e.

Scope 3

Our Scope 3 emission covers the entire upstream and downstream supply chain from suppliers to customers. As these would be data from external sources, we are still in the process of study to identify meaningful data to collect, the availability and completeness of such data, and also the feasibility of collecting such data consistently from such external sources in a timely manner.

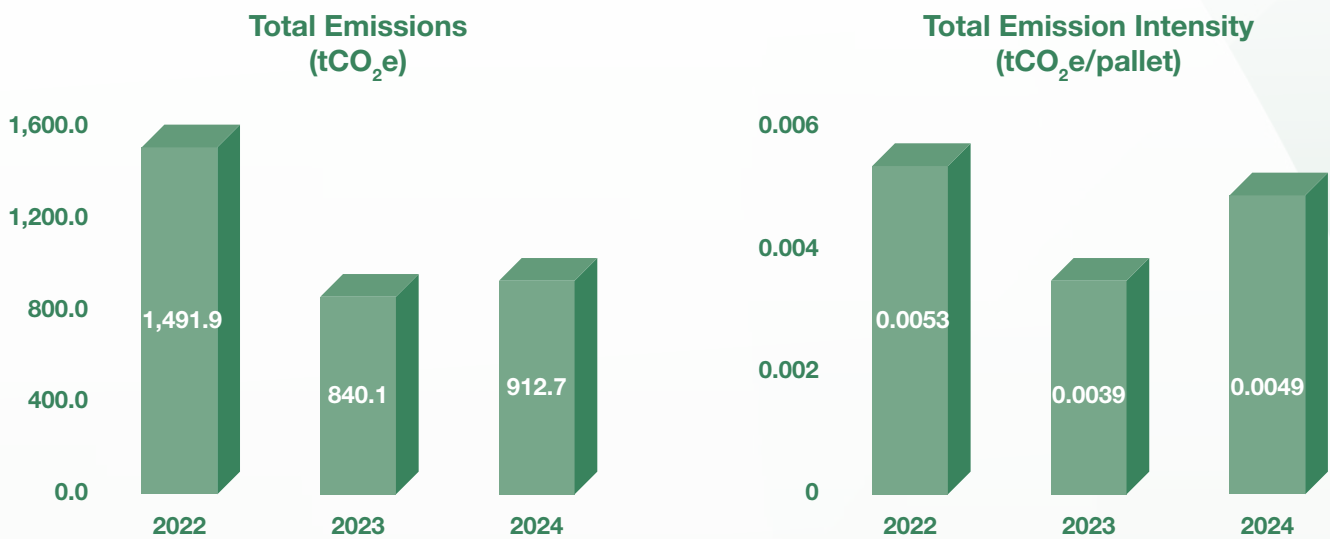
Total intensity

In FY2024, we began preparations for our new facility at 6 Tuas South Street 10, managed by LHT Ecotech Resources Pte Ltd. As the facility is currently undergoing renovations and repairs before becoming fully operational, the associated utilities consumption has been excluded from this report, as it is not directly related to production. This consumption will be incorporated into report once the facility becomes operational.

As a result, our total carbon emissions increased by 9%, from 840.0 tCO₂e in the previous year to 912.7 tCO₂e in FY2024. Meanwhile, carbon emissions intensity per pallet produced rose by 26%, from 0.0039 tCO₂e/pallet to 0.0049 tCO₂e/pallet. This rise in emission intensity was primarily due to a decrease in pallet volume.

Sustainability Report


Looking ahead to FY2025, we remain committed to implementing energy-efficient solutions and sustainable practices to effectively manage and reduce our carbon footprint over time.



Target

We remain steadfast in our commitment to sustainability and reducing our environmental footprint. In line with our goal of reducing our carbon footprint by 1% in FY2024 compared to the previous year, we have implemented several best practices to drive improvements in our operations. These include:

- Implementing regular maintenance routines to ensure optimal engine condition and maximise fuel usage efficiency.
- Promoting sustainable practices among employees, such as encouraging recycling and the use of environmentally friendly products.

	2022	2023	2024	2025
 Target	<ul style="list-style-type: none">• No target was set previously in 2022	<ul style="list-style-type: none">• No target was set previously in 2023	<ul style="list-style-type: none">• To reduce 1% in total emissions intensity measured against the base year 2023.	<ul style="list-style-type: none">• To maintain the same as last year's target.
 Performance	<ul style="list-style-type: none">• Maintained total emissions intensity at 0.0053 tCO₂e/pallet.	<ul style="list-style-type: none">• Maintained total emissions intensity at 0.0039 tCO₂e/pallet.	<ul style="list-style-type: none">• Increasing total emissions intensity to 0.0049 tCO₂e/pallet.	<ul style="list-style-type: none">• To be announced

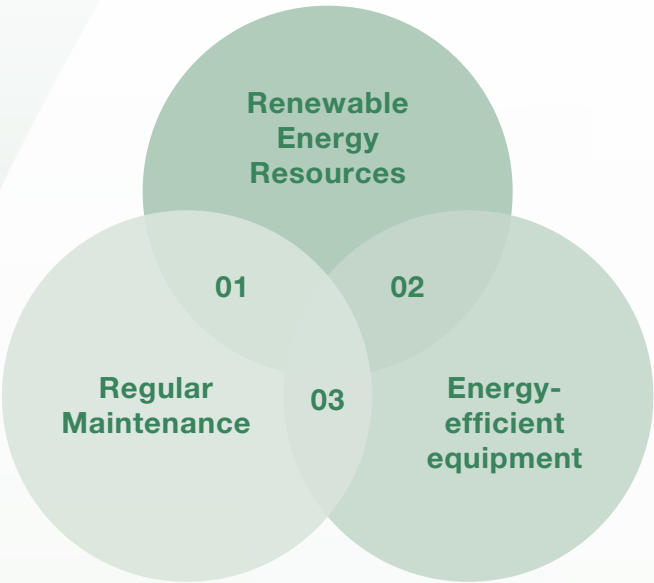
Energy Efficiency

Our total energy consumption is split between diesel usage, which makes up 57%, and electricity consumption, accounting for 43%. Operating as a manufacturer in Singapore focused on producing high-quality, eco-friendly wooden pallets, boxes, crates and woodchips, our production processes are heavily reliant on electricity and diesel.

Understanding the environmental implications of our energy use, we are committed to adopting energy-efficient practices to reduce our carbon footprint. This approach not only supports our environmental objectives but also helps mitigate the financial impact of high fuel consumption costs.

Sustainability Report

Our energy-efficiency initiatives include the following strategies:



01

Exploring the feasibility of integrating renewable energy sources, such as solar panels, to generate electricity for our operations.

02

Investing in modern, energy-efficient machinery for wood processing, assembly, and heat treatment. Ensuring that motors, compressors, and other equipment are appropriately sized and well-maintained for optimal efficiency.

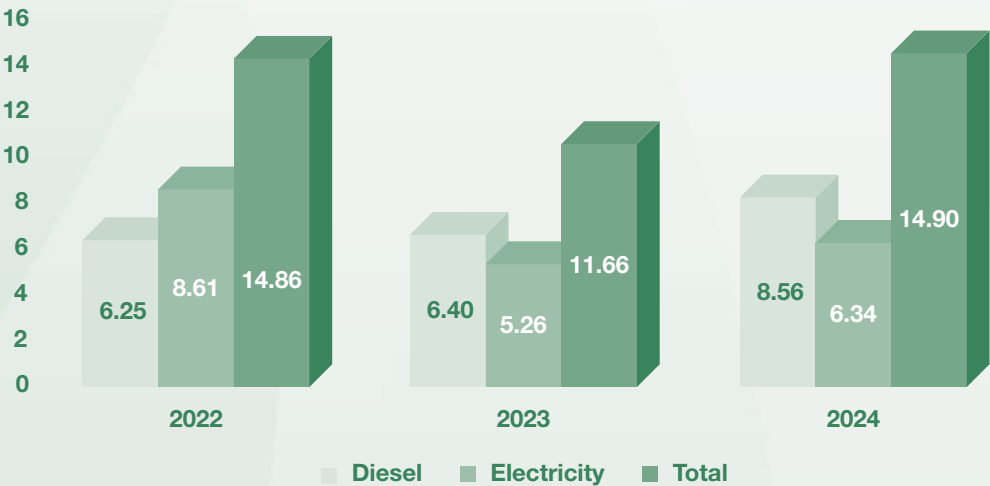
03

Prioritising the regular maintenance and tuning of our machinery and equipment to ensure peak operating efficiency. By keeping our equipment in excellent condition, we minimise fuel requirements for operations.

In FY2024, our total energy consumption reached 2,744.4 megawatt-hours (MWh), with an energy intensity of 14.90 kWh per pallet produced. Compared to FY2023, this represents a 10% increase in total energy consumption from 2,497.6 MWh and a 28% rise in energy intensity from 11.66 kWh per pallet. The increase in energy intensity was primarily driven by a decline in pallet production in Singapore.

To maintain consistency in year-over-year operational comparisons, energy consumption related to the preparations and renovations of the 6 Tuas South Street 10 property has been excluded from this report as it is not yet operational.

Energy Consumption Intensity (kWh/pallet)











Sustainability Report

At LHT, diesel is essential to powering key aspects of our operations, including forklifts, specialised machineries, and our fleet of delivery lorries and trucks. However, our commitment to environmental stewardship drives us to actively minimise fuel consumption wherever feasible. We prioritise maintaining a clean and sustainable environment, reflected in our ongoing efforts to adopt eco-friendly practices. By carefully managing diesel usage, we aim to significantly reduce our environmental impact and contribute to the promotion of sustainable operations across our business.

Similarly, electricity is vital to numerous facets of our operations at LHT, powering machineries, lighting work areas, and supporting crucial processes. In alignment with our commitment to environmental sustainability, we are fully dedicated to optimising electricity usage wherever possible. By carefully managing our energy consumption, we contribute to environmental conservation and uphold our commitment to sustainable business practices.

Looking ahead, we will refine our approach to energy management by shifting our targets from total fuel and electricity consumption to per-unit production volume measurements. As our production shifts more to Malaysia, we plan to include them in future sustainability reports. While overall consumption is expected to increase, per-unit tracking will provide a more meaningful and accurate measure of energy efficiency. This will enable us to better monitor and enhance sustainability performance while reinforcing our commitment to responsible resource management.

	2022	2023 	2024 	2025
 Target	<ul style="list-style-type: none"> No target was set previously in 2022 	<ul style="list-style-type: none"> To consume less than 176,000 litres of diesel 	<ul style="list-style-type: none"> To consume less than 176,000 litres of diesel 	<ul style="list-style-type: none"> To consume less than 176,000 litres of diesel
 Performance	<ul style="list-style-type: none"> 176,662 litres of fuel were consumed 	<ul style="list-style-type: none"> 137,061 litres of fuel were consumed 	<ul style="list-style-type: none"> 157,642 litres of fuel were consumed 	<ul style="list-style-type: none"> To be announced

	2022	2023 	2024 	2025
 Target	<ul style="list-style-type: none"> No target was set previously in 2022 	<ul style="list-style-type: none"> To consume less than 2,600,000 kilowatts of electricity 	<ul style="list-style-type: none"> To consume less than 1,600,000 kilowatts of electricity 	<ul style="list-style-type: none"> To consume less than 1,600,000 kilowatts of electricity
 Performance	<ul style="list-style-type: none"> 2,433,531 kilowatts of electricity were consumed 	<ul style="list-style-type: none"> 1,126,999 kilowatts of electricity were consumed 	<ul style="list-style-type: none"> 1,168,029 kilowatts of electricity were consumed 	<ul style="list-style-type: none"> To be announced

Water Consumption

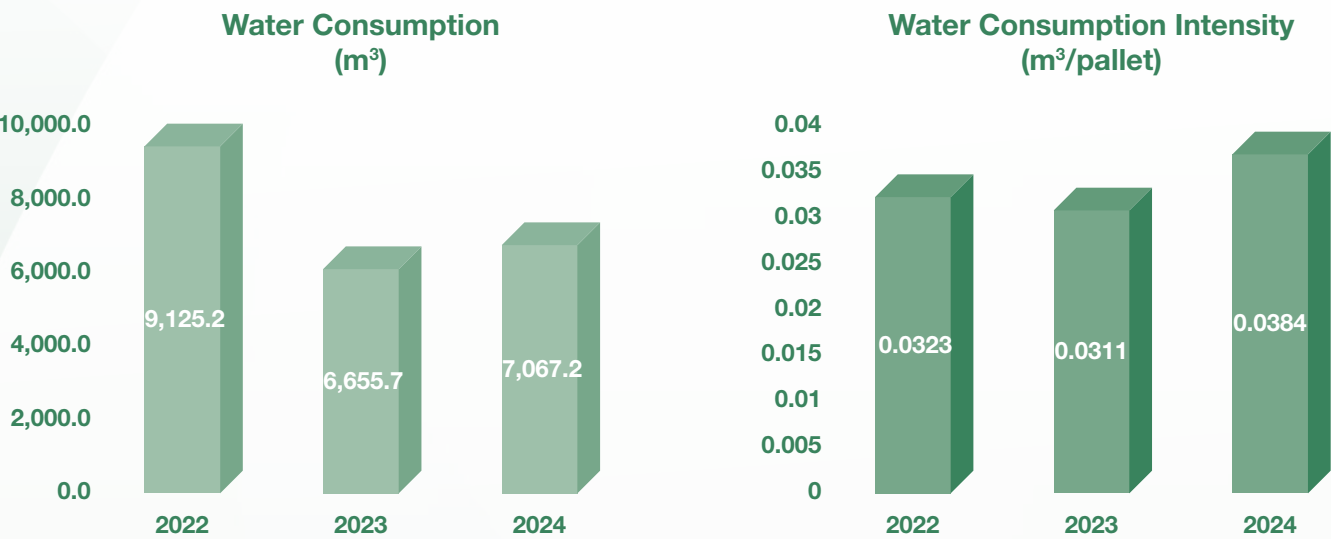
We recognise the critical issue of water scarcity and have taken proactive steps to reduce water consumption. This includes installing water-efficient fittings across our facilities and raising awareness about water scarcity among our employees, customers, and the communities we serve.

As we transition to our new facility at 6 Tuas South Street 10, renovations and repairs are necessary before it becomes fully operational. However, to ensure a fair comparison between years, water consumption related to these activities has been excluded from our operational data, as it is not operational yet.

As a result, in FY2024, our total water consumption was 7,067.2 m³, with a consumption intensity of 0.0384 m³ per pallet produced. This marks a 23% increase in intensity compared to FY2023, when total water usage was 6,655.7 m³, and the intensity was 0.0311 m³ per pallet. The increase is primarily due to a 14% decline in production volume in Singapore.

Sustainability Report

Through ongoing employee and stakeholder engagement, we aim to reduce overall consumption and strengthen the long-term impact of our sustainability efforts.



Waste Management

Managing Horticultural waste, industrial wood waste and woodchips

At LHT, we are committed to addressing environmental challenges by carefully collecting horticultural wood waste from post-forest clearings and the pruning of roadside trees and shrubs. We also source industrial wood waste from companies, repurposing discarded materials like pallets and crates after goods unloading, ensuring that they are either responsibly disposed of, incinerated in an eco-friendly manner, or recycled sustainably.

In line with our commitment to sustainability, LHT transforms horticultural and industrial wood waste into valuable resources like woodchips to be used as biomass fuel for clean energy. By doing so, we not only help reduce pollution but also eliminate hazardous waste, demonstrating our dedication to environmental preservation and ecosystem protection. Through these efforts, we strive to turn waste into opportunity and inspire a greener, more sustainable future.

Sustainability Report

Collection and recycling of the horticulture and industrial wood waste

In FY2024, the Group collected a total of 11,665.3 tonnes of wood waste for recycling, achieving the target set. This accomplishment underscores our continued commitment to minimising waste and reducing pollution, reinforcing our dedication to sustainable practices and environmental responsibility. Looking ahead, we will maintain our target of collecting 8,400 tonnes of horticultural and industrial wood waste, as we continue our efforts toward sustainability in the upcoming years.

	2022	2023	2024	2025
 Target	<ul style="list-style-type: none"> To collect 12,000 tonnes of horticulture and industrial wood waste 	<ul style="list-style-type: none"> To collect 12,000 tonnes of horticulture and industrial wood waste 	<ul style="list-style-type: none"> To collect 8,400 tonnes of horticulture and industrial wood waste 	<ul style="list-style-type: none"> To collect 8,400 tonnes of horticulture and industrial wood waste
 Performance	<ul style="list-style-type: none"> Collected a total of 13,166.3 tonnes of horticulture and wood waste. 	<ul style="list-style-type: none"> Collected a total of 9,813.1 tonnes of horticulture and wood waste. 	<ul style="list-style-type: none"> Collected a total of 11,665.3 tonnes of horticulture and wood waste. 	<ul style="list-style-type: none"> To be announced

Production of Woodchips

LHT specialises in transforming horticultural and wood waste into valuable resources, producing woodchips to be used as biomass fuel for power generation.

During this period, our woodchip production reached 10,893.5 tonnes, successfully achieving the target set in FY2023. We are proud of this accomplishment, as it reflects our ongoing dedication and hard work toward meeting our production goals. This achievement reinforces our commitment to continuous improvement and demonstrates our efforts in delivering high-quality products while maintaining sustainability.

In FY2025, although the demand for woodchips is expected to decrease over time, we will maintain the collection target at 8,400 tonnes per year, as we remain committed to sustainable practices and meeting our environmental goals.






	2022	2023	2024	2025
 Target	<ul style="list-style-type: none"> To produce 12,000 tonnes of woodchips 	<ul style="list-style-type: none"> To produce 12,000 tonnes of woodchips 	<ul style="list-style-type: none"> To produce 8,400 tonnes of woodchips 	<ul style="list-style-type: none"> To produce 8,400 tonnes of woodchips
 Performance	<ul style="list-style-type: none"> Produced a total of 12,019.9 tonnes of woodchips 	<ul style="list-style-type: none"> Produced a total of 8,946.4 tonnes of woodchips. 	<ul style="list-style-type: none"> Produced a total of 10,893.5 tonnes of woodchips 	<ul style="list-style-type: none"> To be announced

Rental pallets

LHT is proud to have a dedicated division focused on the rental of pallets, playing an integral role in the recycling process. This initiative prevents pallets from being used for single-use purposes and subsequently discarded. By offering pallet rental services, we actively contribute to minimising resource consumption, reducing waste, and mitigating the environmental impact, reinforcing our commitment to sustainability and responsible business practices.

In FY2024, we are proud to report that an impressive 90% of our available rental pallets were rented out, significantly surpassing our targeted goal of 70%. This accomplishment underscores our ongoing commitment to sustainability and resource optimisation. Looking ahead to 2025, LHT aims to maintain this positive trend by continuing to target a 70% rental rate, ensuring that we stay on track with our environmental goals and contribute to the conservation of resources.

Sustainability Report

	2022 	2023 	2024 	2025
 Target	<ul style="list-style-type: none"> To rent out at least 70% of pallets available for rent. 	<ul style="list-style-type: none"> To rent out at least 70% of pallets available for rent. 	<ul style="list-style-type: none"> To rent out at least 70% of pallets available for rent. 	<ul style="list-style-type: none"> To rent out at least 70% of pallets available for rent.
 Performance	<ul style="list-style-type: none"> 86% of available pallets are rented out. 	<ul style="list-style-type: none"> 89% of available pallets are rented out. 	<ul style="list-style-type: none"> 90% of available pallets are rented out. 	<ul style="list-style-type: none"> To be announced

Protecting the Environment Through Strict Compliance

Since 2001, the Group has remained steadfast in its commitment to responsible business practices and minimising environmental impact, consistently adhering to ISO14000 standards. We regularly monitor and review our policies and operations to ensure they align with ISO9001 and Bizsafe certifications, reinforcing our dedication to continuous improvement.

Our proactive approach to environmental protection includes the active recycling of used wooden industrial packaging materials for woodchip production. This initiative reflects LHT's commitment to resource efficiency and sustainability, as outlined in our Environment, Health, and Safety (**EHS**) policy. This policy supports our efforts to foster a culture of sustainability within the workplace.

To ensure these principles are upheld, we have clear EHS performance metrics for each department, with annual reviews based on evolving market and climate needs. Stakeholder feedback is critical in shaping best-in-class sustainable practices. The ISO14001 and Fire, Health, and Safety Committees play an essential role in ensuring compliance with safety and environmental standards, driving sustainability improvements across the organisation.

These committees are committed to innovation, regularly initiating new ideas and leading enhancements to improve safety and sustainability. As the global focus on sustainability grows, LHT continues to refine its approach, aligning with international standards and evolving business demands.

This year, we are proud to announce that LHT has incurred zero fines related to non-compliance, reflecting our unwavering dedication to adhering to regulatory standards and maintaining high levels of compliance across all operations. This achievement highlights our commitment to responsible business practices, environmental stewardship, and a strong ethical framework within the organisation.

	2022 	2023 	2024 	2025
 Target	<ul style="list-style-type: none"> To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations. 	<ul style="list-style-type: none"> To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations. 	<ul style="list-style-type: none"> To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations. 	<ul style="list-style-type: none"> To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations.
 Performance	<ul style="list-style-type: none"> 2 minor fines related to non-compliance. 	<ul style="list-style-type: none"> 1 minor fine related to non-compliance. 	<ul style="list-style-type: none"> No fines related to non-compliance. 	<ul style="list-style-type: none"> To be announced

9. EMPOWERING COMMUNITIES

Social Performance

At LHT, we view investing in our employees as both a fundamental commitment and a core value that is instrumental in driving our company's success and long-term growth.

LHT is unwavering in its dedication to fostering a business environment that is not only respectful and rewarding but, most importantly, safe for all employees. The Group champions diversity and equal opportunity, ensuring that no employee faces discrimination. This commitment is evident throughout the entire employment journey, from recruitment to remuneration, upholding fairness and equity at every stage.

The health and safety of our workforce is a core priority for LHT. With a strong sense of responsibility, we maintain high standards of safety and health protection across all operations. The Group rigorously monitors work-related injuries, underscoring our proactive approach to addressing and reducing workplace accidents. Through these ongoing efforts, LHT is determined to create a work environment where the well-being and safety of every employee are safeguarded.

LEARNING & DEVELOPMENT

To enhance work adaptation and productivity, the Group offers training courses tailored to the specific needs and requirements of each employee.

RECOGNITION

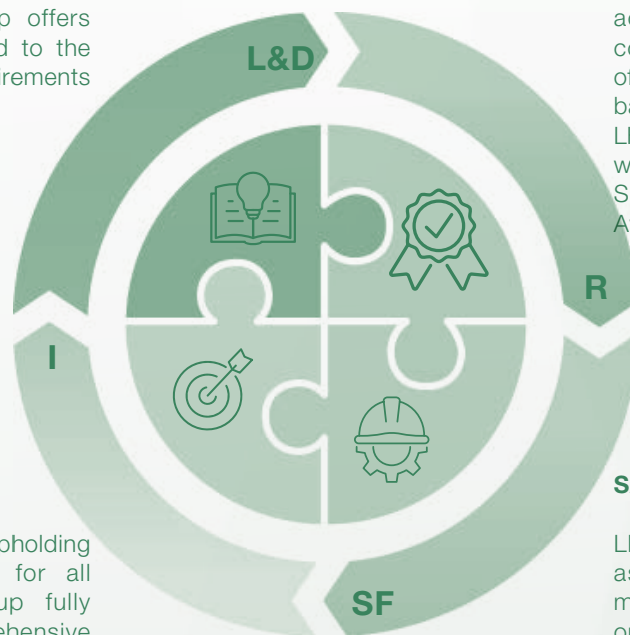
The Group values and acknowledges its employees' contributions to its success, offering competitive remuneration based on merit and performance. LHT takes pride in its long-serving workforce, with 13 employees in Singapore receiving Long Service Awards in FY2024.

IMPARTIALITY

LHT is dedicated to upholding fairness and equality for all employees. The Group fully adheres to its comprehensive HR policy, ensuring equal opportunities for everyone regardless of race, gender, religion, or nationality.

SAFE WORKPLACE

LHT's ISO committees regularly assess and improve quality management systems to boost operational efficiency. In addition to reinforcing safety and health through the Occupational Health and Safety (OHS) policy, these reviews also contribute to enhanced employee productivity and competitiveness.



Sustainability Report

Occupational Health & Safety

Safeguarding employees' health and safety

LHT is deeply committed to upholding rigorous health and safety standards to protect the well-being of everyone within our facilities. This dedication extends to employees and visitors alike, ensuring a safe environment while minimising legal risks associated with safety concerns. We believe that compliance with health and safety practices is not just a responsibility but a cornerstone of creating a productive workplace. By prioritising the connection between health and safety, we recognise that a healthy workforce and environment are essential to fostering a secure and efficient workspace.

During this period, the Group achieved a workplace injury rate of 1.48, meeting our target of keeping the rate below 2.00 per 100,000 manhours worked. Furthermore, we are proud to report that LHT has continued to maintain zero occupational fatalities. This achievement reflects our proactive approach to occupational health and safety, including regular monitoring, active engagement with employees, and addressing concerns promptly. Through ongoing safety training and inspections, we empower our workforce to identify and mitigate risks, ensuring a safer working environment for all.

Our commitment to workplace safety remains unwavering as we strive to minimise injuries and incidents in the years ahead. LHT is devoted to the continual review and improvement of our policies, particularly those related to OHS, to create an even safer working environment.

LHT prioritises fire safety and prevention in the wood industry, understanding its essential role in maintaining a smooth and uninterrupted supply of products and services.

	2022	2023	2024	2025
 Target	<ul style="list-style-type: none">To not exceed the injury rate of 2.00 for every 100,000 manhours worked.	<ul style="list-style-type: none">To not exceed the injury rate of 2.00 for every 100,000 manhours worked.	<ul style="list-style-type: none">To not exceed the injury rate of 2.00 for every 100,000 manhours worked.	<ul style="list-style-type: none">To not exceed the injury rate of 2.00 for every 100,000 manhours worked.
 Performance	<ul style="list-style-type: none">Injury rate of 1.16 for every 100,000 manhours worked.	<ul style="list-style-type: none">Injury rate of 0.89 for every 100,000 manhours worked.	<ul style="list-style-type: none">Injury rate of 1.48 for every 100,000 manhours worked.	<ul style="list-style-type: none">To be announced

People & Employment

Employees are LHT's asset

LHT firmly believes that our people are our greatest asset, serving as the driving force behind the successful execution of corporate strategies through their dedication and exceptional performance. We take great pride in recognising our employees as the cornerstone of our success, fostering an environment where talented and motivated individuals are empowered to excel and achieve extraordinary outcomes.

At LHT, we are dedicated to being a holistic employer, prioritising the comprehensive growth and well-being of our employees. We believe that fostering both physical and emotional well-being is key to unlocking each individual's motivation and drive for success.

Our commitment to fairness and equity is reflected in a transparent hiring process that emphasises expertise and qualifications, irrespective of race, gender, age, or nationality. To attract and retain top talent, our senior management regularly reviews HR policies and remuneration frameworks, ensuring competitive compensation that aligns with current market standards.

As we navigate the post-pandemic recovery, LHT recognises the importance of retaining our dedicated and resilient workforce. By fostering a positive and rewarding work environment, LHT continues to prioritise the well-being and satisfaction of our team members, ensuring our long-term engagement and growth.

Sustainability Report

Routine Briefings, Training and Inspections

To ensure our employees remain vigilant about health and safety risks, LHT conducts regular briefings to reinforce awareness and compliance. These sessions cover internal safety policies, standard operating procedures (**SOPs**), and relevant external safety documentation, including contractor safety records. Furthermore, employees are required to attend annual safety training courses focusing on key areas such as workplace safety, fire prevention, and occupational first aid. This holistic approach fosters a culture of heightened safety awareness and preparedness within the organisation.

In addition, routine health and safety inspections, including fire safety assessments, are conducted at our premises. These proactive measures underscore LHT's steadfast commitment to maintaining a safe and secure working environment for all.

The following table provides an overview of our health and safety performance in FY2024 and the past two years:

	FY2022	FY2023	FY2024
Total hours worked by employees	259,138	224,101	202,243
Number of work-related fatalities	0	0	0
Work-related fatalities rate (per 100,000 manhours worked)	0	0	0
Work-related fatalities rate (per 1,000,000 manhours worked)	0	0	0
Number of high-consequences work-related injury cases	0	0	0
High-consequences work-related injury rate (per 100,000 manhours worked)	0	0	0
High-consequences work-related injury rate (per 1,000,000 manhours worked)	0	0	0
Number of work-related injury cases	3	2	3
Work-related injury rate (per 100,000 manhours worked)	1.16	0.89	1.48
Work-related injury rate (per 1,000,000 manhours worked)	11.58	8.92	14.83
Lost days due to work-related injuries	20	5	8
Lost days due to work-related injuries rate (per 100,000 manhours worked)	7.72	2.23	3.96
Lost days due to work-related injuries rate (per 1,000,000 manhours worked)	77.18	22.31	39.56

In FY2024, we experienced three work-related injury incidents, underscoring the need for continuous vigilance and adherence to safety practices. Following these incidents, we conducted a thorough review of workplace procedures, implemented additional safety measures, and emphasised to all employees the critical importance of maintaining vigilance and adhering to safety protocols, reaffirming our commitment to a safe and secure working environment.

The increase in lost days due to work-related injuries, from 5 to 8, underscores the importance of reinforcing safety measures and enhancing employee training to prevent future incidents. This slight rise serves as a reminder to remain vigilant in addressing workplace hazards and cultivating a strong culture of safety. As such, we remain steadfast in our commitment to continuously improving safety protocols, conducting regular training sessions, and proactively monitoring risks to safeguard the well-being of our employees and maintain a safe working environment.

Sustainability Report

Training and Education

Empowering the workforce through career enhancement and skill development

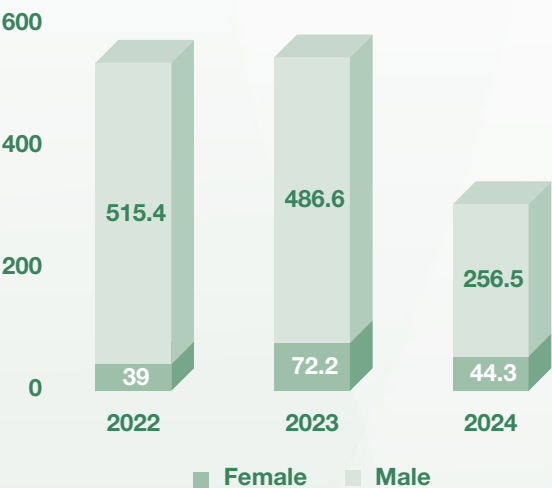
LHT prioritises the personal and professional development of our employees, fostering individuals who reflect the company’s values and culture. We believe that investing in talent development and training is crucial for enhancing skills, personal growth, and leadership abilities, ultimately driving productivity and innovation.

This commitment extends to meeting the expectations of our ISO accreditation and regulatory compliance. Regularly reviewing the training needs of each employee, we craft comprehensive training plans that cover key areas like health and safety, governance, and job-specific skills, ensuring workplace excellence and building a world-class team with high-level capabilities.

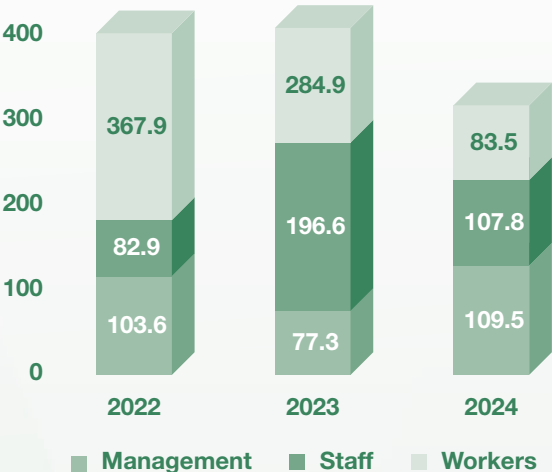
As a responsible employer, we emphasise workplace health and safety by conducting monthly fire, health, and safety meetings, as well as on-the-job training programs such as forklift training for production employees. Additionally, we provide additional trainings where relevant and necessary, to ensure operational readiness and industry changes.

At LHT, our unwavering commitment to continuous improvement and employee development reinforces our position as a responsible and preferred employer, creating a workforce prepared for future challenges and opportunities.

Training Manhours by Gender



Training Manhour by Employment Categories



	2022	2023	2024	2025
<div>Target</div>	<div><ul style="list-style-type: none">To provide 100 training man-hours on fire safety, workplace health and safety topics</div>	<div><ul style="list-style-type: none">To provide 300 training man-hours on fire safety, workplace health and safety topics</div>	<div><ul style="list-style-type: none">To provide 300 training man-hours on fire safety, workplace health and safety topics</div>	<div><ul style="list-style-type: none">To provide 300 training man-hours on fire safety, workplace health and safety topics</div>
<div>Performance</div>	<div><ul style="list-style-type: none">554 training man-hours on fire safety, workplace health and safety topics</div>	<div><ul style="list-style-type: none">558 training man-hours on fire safety, workplace health and safety topics</div>	<div><ul style="list-style-type: none">301 training man-hours on fire safety, workplace health and safety topics</div>	<div><ul style="list-style-type: none">To be announced</div>

Sustainability Report

Diversity & Equal Opportunity in the Workforce

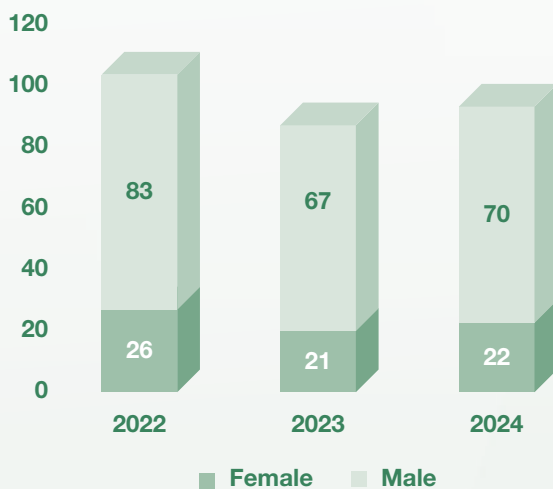
We cultivate a multi-diversified work environment to inculcate social harmony

At LHT, we are committed to eliminating discrimination and promoting equal opportunities, ensuring a fair and inclusive workplace for all. Diversity is embedded at every level of our organization, fostering gender balance and a collaborative environment that values every individual. We believe a diverse workforce – bringing varied backgrounds, skills, and perspectives – is key to driving innovation and business growth. By embracing diversity, we create an inclusive workplace that attracts, retains, and engages talent, strengthening our long-term resilience and success. We maintain a zero-tolerance policy for any form of discrimination.

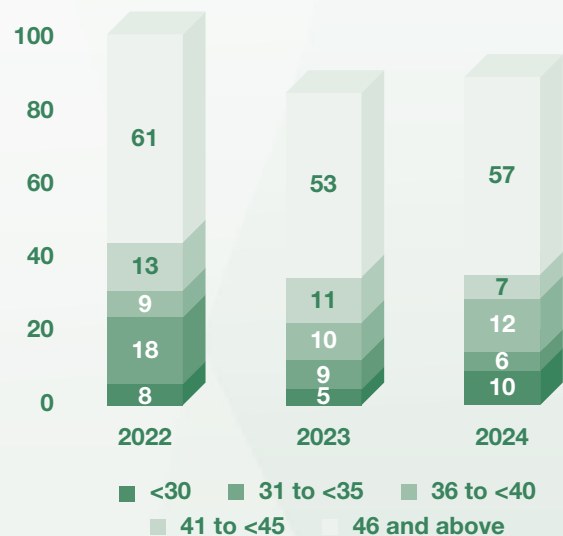
Our workforce's gender diversity reflects the unique challenges of our industry, where certain functions, like production and warehouse operations, naturally see lower female representation. While this is the current reality, we recognise that there is room for improvement and remain committed to fostering an inclusive environment that encourages greater gender balance across all areas of our operations.

The age diversity within the Group highlights a well-balanced workforce with a strong focus on experience and continuity. Employees aged 46 and above constitute the largest segment at 62%, showcasing our reliance on seasoned employees who bring stability and invaluable expertise. Meanwhile, younger employees under 30 and those aged 31 to 35 comprise 17% of the workforce, demonstrating our commitment to developing fresh talent and ensuring effective succession planning. The mid-range age groups, 13% aged 36 to 40 and 8% aged 41 to 45 – serve as a bridge between experienced employees and new talents, promoting collaboration and knowledge sharing.

Number of employees by gender



Number of employees by age group



We focus on expanding hiring practices to include a broader range of ethnicities in the coming years. This is part of our ongoing efforts to foster a more inclusive workforce. Our ultimate goal is to ensure fair work practices and remuneration are based solely on each employee's performance. We remain dedicated to continuous improvement in these areas, striving to create a workplace culture rooted in fairness, respect, and equal opportunities for all.

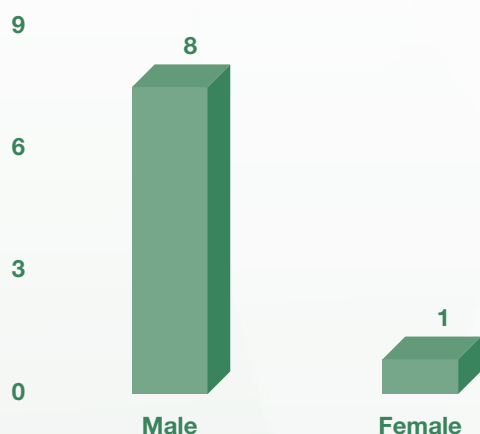
Sustainability Report

Attraction and Retention

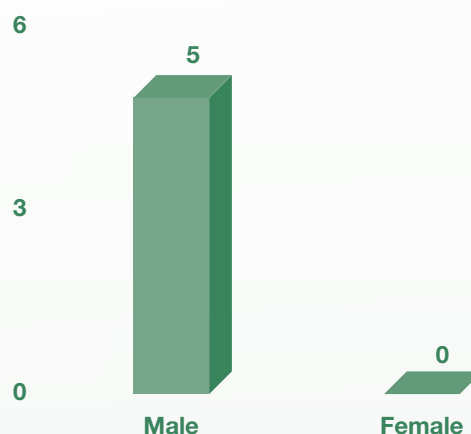
In our hiring approach, we prioritise candidates' qualifications and professional experience, ensuring a fair and inclusive recruitment process that upholds the principles of non-discrimination across various dimensions, including race, gender, and age. In FY2024, we successfully welcomed 9 new employees, comprising 1 female and 8 males, reflecting our continued focus on bringing in diverse talent while maintaining fairness in hiring practices.

In FY2024, a total of 5 employees left us, a decision we fully respect and acknowledge. While we are saddened by their departure, we remain optimistic about maintaining positive relationships with these former employees as they move on to new opportunities. Our commitment extends beyond their resignation, as we strive to understand the reasons behind their decisions and are dedicated to enhancing the work environment based on the valuable feedback they provide. Among those who left us, all were male. The following graphs show our new hires and turnover in FY2024:

New Hires Employees by Gender



Employees Turnover by Gender



Employee Wellness & Benefits

A well-cared employee is paramount to a happy and stable work environment

At LHT, we believe that our employees are our most valuable asset, and their well-being is central to the success of our organisation. To show our appreciation, we offer a robust benefits package that exceeds industry norms, ensuring that employees feel supported, valued, and empowered in both their professional and personal lives.

In addition to essential benefits like medical and dental coverage, we provide childcare leave, meal allowances, and transport allowances. These benefits are designed to alleviate some of the everyday challenges our employees face, giving them the flexibility to focus on their work while maintaining a healthy work-life balance.

Understanding that significant life events can be both joyous and challenging, we offer additional leave options such as marriage, maternity, and paternity leave. These benefits ensure that our employees have the time and support needed to celebrate and adjust to changes in their personal lives. Compassionate leave is another vital benefit, reflecting our commitment to being there for our employees during difficult times, providing them with the space to grieve or attend to family matters without the added stress of work obligations.

We also recognise that health and wellness go hand in hand with overall productivity and satisfaction. By fostering a supportive work environment that invests in our employees' well-being, we create a culture that nurtures engagement, loyalty, and long-term success. These benefits are a reflection of our values, and we are proud to provide them as part of our commitment to fostering a positive and inclusive workplace. Through these initiatives, we aim to create an environment where employees feel truly cared for and motivated to perform at their best.

Sustainability Report

Local Communities

Engaging our local communities through our 3R program

LHT is committed to contributing to society by actively participating in various outreach and educational initiatives.

LHT is committed to promoting sustainability by encouraging eco-friendly practices such as recycling, waste reduction, and energy efficiency. We collaborate with government agencies, corporations, and educational institutions to support the 3R principles. Throughout the year, we actively participate in events focused on raising awareness about recycling wood waste and fostering a culture of environmental responsibility, reinforcing our dedication to sustainability:

SMF-PCS and SPSA- Singapore Packaging Stars Award and Gala Dinner 2024:

The Singapore Manufacturing Federation (**SMF**) – Packaging Council of Singapore (**PCS**) Industry Group, led by our CEO and Managing Director, Ms. May Yap, recently hosted the Singapore Packaging Star Awards (**SPSA**) 2024 and Gala Dinner at Raffles Marina Hotel. Graced by Senior Minister of State Dr. Amy Khor, the event celebrated excellence in packaging design, emphasising innovation, creativity, and sustainability across categories such as Commercial Sales & Display, Environmental Sustainable Packaging, Transportation & Protection, and Student Sales & Display.



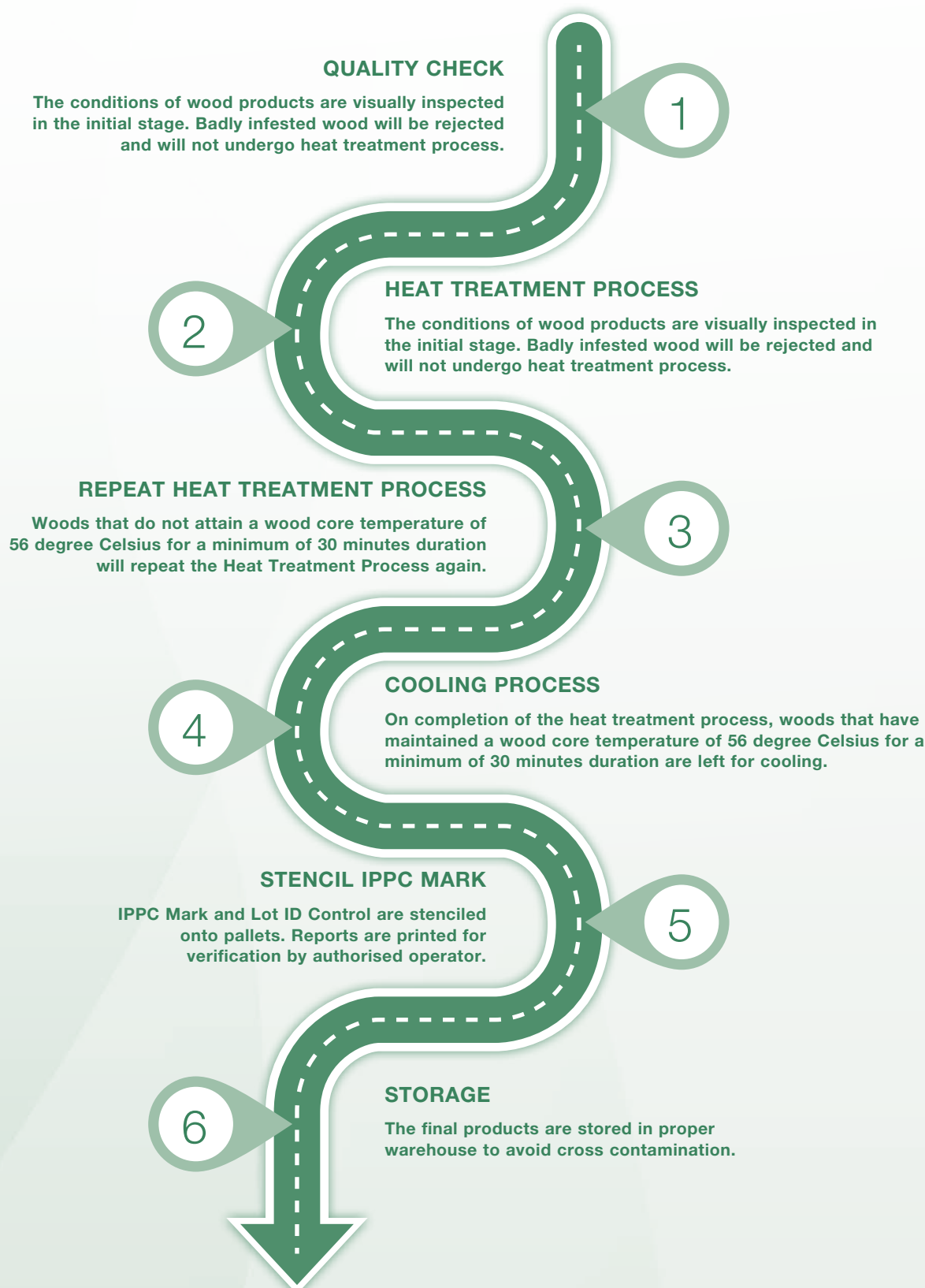
International Packaging Conference 2024:

LHT CEO and Managing Director, Ms. May Yap's speech at International Packaging Conference 2024 at Nusa Dua Beach Hotel, Bali, Indonesia, the event was organised by Asian Packaging Federation and Indonesia Packaging Federation, to share the packaging sustainability in Asia, The road map and journey to share for the sustainable packaging production with a focus on reduction.

Sustainability Report

Heat treatment – Conforming to ISPM 15 Standard

Adhering to the standards outlined by the IPPC, specifically the ISPM 15 standard, LHT has taken proactive measures to ensure compliance. Our facilities are fully equipped with advanced heat treatment facilities designed to effectively control pests in wood materials.



ECR Pallet Rental Scheme

In 2009, LHT formed a strategic partnership with A*Star's Research Institute Singapore of Manufacturing (**SIMTech**) to introduce an innovative sharing economy model. This collaboration led to the creation of the Pallet Leasing and Tracking System, which allows clients to access a shared pool of pallets managed and maintained by LHT. This system has brought significant economic benefits to both LHT and its clients.

Additionally, LHT incorporated Radio Frequency Identification (**RFID**) technology into its ECR pallet rental scheme. Each pallet is fitted with an RFID tag, which enhances resource management and logistics efficiency. With RFID integration, pallets can easily be tracked, thus streamlining operations and improving logistical processes.

LHT's pallet rental eliminates the need for clients to make large upfront investments in pallet purchases. Instead, they can opt for cost-effective monthly rentals, tailored to their needs. This flexibility allows clients to adjust pallet usage based on their operational demands, optimising costs in accordance with seasonal fluctuations.






Customer Privacy

Safekeeping of information is vital to ensure customer assurance and trust

At LHT, we recognise the critical importance of safeguarding both data and customer information. Our commitment to this priority is reflected in the comprehensive implementation of our Data Protection and Security Policy, designed to ensure robust infrastructure and protocols that minimise the risk of information breaches. This policy covers not only customer data but also the privacy of our employees.

As a Business-to-Business (**B2B**) organisation, we understand the heightened responsibility to uphold the highest standards of data protection, given that our clients are primarily businesses and organisations. This emphasis on security is central to maintaining trust and ensuring the privacy of all parties involved.

This year, the Group is proud to report zero cases of substantiated concerns related to breaches of customer privacy. This achievement not only reflects our unwavering commitment to safeguarding sensitive information but also motivates us to continue maintaining the highest standards of confidentiality and security for the data entrusted to us by our valued customers and stakeholders.

	2022 	2023 	2024 	2025
 Target	<ul style="list-style-type: none"> No target was set previously in 2022. 	<ul style="list-style-type: none"> To maintain zero cases of substantiated concerns related to breaches of customer privacy. 	<ul style="list-style-type: none"> To maintain zero cases of substantiated concerns related to breaches of customer privacy. 	<ul style="list-style-type: none"> To maintain zero cases of substantiated concerns related to breaches of customer privacy.
 Performance	<ul style="list-style-type: none"> Received zero cases of substantiated concerns related to breaches of customer privacy. 	<ul style="list-style-type: none"> Received zero cases of substantiated concerns related to breaches of customer privacy. 	<ul style="list-style-type: none"> Received zero cases of substantiated concerns related to breaches of customer privacy. 	<ul style="list-style-type: none"> To be announced






Sustainability Report

Ensuring Personal Data and Privacy Protection

Furthermore, LHT places a high priority on personal data privacy and takes deliberate measures to protect all personal data through its Personal Data Protection Policy. This policy serves as a comprehensive guide for employees, fostering continuous awareness and facilitating compliance with personal data protection laws and regulations.

To stay current with evolving regulatory requirements from the Personal Data Protection Commission (**PDPC**), LHT undergoes periodic reviews and updates of its policies. Aligning with the implementation of the Personal Data Protection Act (**PDPA**), LHT ensures that our employees are well-versed in the requirements, standards, and industry practices by providing essential training in accordance with guidelines issued by the PDPC.

In FY2024, LHT is pleased to report that there were no breaches or losses of personal data. This success reflects the effectiveness of our current data protection protocols and our dedication to maintaining the highest standards in safeguarding personal information.

	2022 	2023 	2024 	2025
 Target	<ul style="list-style-type: none">• 0 cases of major breaches	<ul style="list-style-type: none">• 0 cases of major breaches	<ul style="list-style-type: none">• 0 cases of major breaches	<ul style="list-style-type: none">• 0 cases of major breaches
 Performance	<ul style="list-style-type: none">• 0 cases of major breaches	<ul style="list-style-type: none">• 0 cases of major breaches	<ul style="list-style-type: none">• 0 cases of major breaches	<ul style="list-style-type: none">• To be announced

LHT regularly reviews its data governance frameworks to enhance the security measures are in place for personal data. By continuously improving our processes and taking proactive steps, we aim to reinforce the trust our stakeholders place in us to protect their personal information.

Socially Responsible Procurement

LHT is committed to integrating sustainable procurement practices into its operations, reflecting our dedication to making thoughtful, long-term decisions that benefit both our business and the environment. We strive to embrace sustainability in all aspects of our supply chain, especially by continuously seeking the latest advancements in packaging technology, as long as it aligns with both financial and operational considerations. In an era where stakeholders are increasingly focused on environmental, social, and ethical responsibility, we ensure that these values are embedded into our procurement and supply chain activities.

LHT’s key sourcing comes from regions like New Zealand, China, Vietnam, and Malaysia. Locally, we source for horticulture and wood waste, for the production of woodchips. Throughout our sourcing process, sustainability remains a top priority for LHT, and we work to ensure that each part of our supply chain reflects our commitment to sustainable practices.

Sustainability is not just a priority but a foundational value at LHT, influencing how we approach self-regulating practices and supply chain management. By emphasising compliance and ethical sourcing, we ensure that all aspects of our supply chain reflect our broader sustainability objectives and are aligned with ISO standards.

10. ETHICAL OPERATIONAL AND RESPONSIBLE PRACTICES

Economic Performance

LHT aims to become the leading manufacturer of premium wooden pallets, boxes, cases, and crates within our industry. This vision is driven by a clear focus on expanding our customer base while ensuring long-term economic sustainability.

As part of our global expansion strategy, LHT has proactively sought opportunities to extend its reach. The demand for our products is fueled by customers who value the high quality and eco-friendly nature of our offerings. Our commitment to delivering world-class packaging solutions, supported by exceptional service, is central to our mission. LHT continuously strives to exceed customer expectations with superior products and reliable delivery.

The Company is dedicated to upholding good corporate governance and practices, confident that such adherence will lead to sustained growth and enhanced shareholder value over the long term. For a detailed overview of our financial performance, please refer to the relevant sections in LHT's Annual Report 2024:

- Operating and Financial Review (pages 14 to 16)
- Financial Summary (pages 17 to 18)
- Financial Statements (pages 20 to 72)

Procurement Practice

LHT prioritises sustainable procurement practices, acknowledging the importance of making sound financial decisions that support a sustainable future. The company is dedicated to promoting a business model that embraces sustainability and is proactive in adopting the latest packaging technology, whenever it is financially and operationally viable. As environmental and social responsibility becomes more critical to stakeholders, LHT emphasises compliance and ethical supply chain management, ensuring our operations align with sustainability goals and ISO standards.

With a global supply chain, primarily sources of materials are from New Zealand, China, Vietnam, and Malaysia. As for horticulture and wood waste, these are sourced locally for our woodchip production.

Sustainability is deeply embedded in LHT's corporate culture, guiding self-regulation practices and robust supply chain management. The Group acknowledges the growing importance of environmental and social protection and ensures all supply chain operations, from suppliers to customers, align with our sustainability management principles.






Anti-corruption

LHT has implemented an anti-bribery and anti-corruption policy, reinforcing the commitment to conducting business legally, ethically, and with integrity. This policy explicitly requires all employees of LHT to adhere to the Prevention of Corruption Act, Chapter 241 of Singapore. The scope of the policy is comprehensive, encompassing individuals at all levels and grades, whether permanent, fixed-term, or temporary.

LHT takes a systematic approach to risk management, aiming to identify, measure, prioritise, and respond to risks that may pose challenges to its objectives, initiatives, and daily operating activities. As part of this approach, the company conducts risk assessment exercises to identify and evaluate key risks within the group. The evaluation of risk exposure considers factors such as likelihood and impact, providing a comprehensive understanding of the risks identified.

This proactive risk management strategy aligns with LHT's commitment to maintaining ethical business practices and ensuring compliance with anti-bribery and anti-corruption standards.






Sustainability Report

	2022 	2023 	2024 	2025
 Target	<ul style="list-style-type: none"> To maintain 0 corruption or bribery cases in 2022. 	<ul style="list-style-type: none"> To maintain 0 corruption or bribery cases in 2023. 	<ul style="list-style-type: none"> To maintain 0 corruption or bribery cases in 2024. 	<ul style="list-style-type: none"> To maintain 0 corruption or bribery cases in 2025.
 Performance	<ul style="list-style-type: none"> Maintained 0 corruption or bribery cases in 2022. 	<ul style="list-style-type: none"> Maintained 0 corruption or bribery cases in 2023. 	<ul style="list-style-type: none"> Maintained 0 corruption or bribery cases in 2024. 	<ul style="list-style-type: none"> To be announced

Operating Business Ethically and with Integrity

LHT places a strong emphasis on integrity and accountability as core values in its business operations and among its employees. Recognising corruption as a significant risk to both business and reputation, the company enforces a strict zero-tolerance policy towards all forms of corruption, including fraud and bribery. To strengthen its anti-corruption commitment, LHT ensures that all employees are educated on the risks and consequences of corruption through its business ethics guidelines and Code of Conduct, which are communicated to all stakeholders.

Additionally, LHT's Whistleblowing Policy plays a key role in addressing concerns regarding corruption and detailing procedures for reporting issues, which are escalated to the Chairman and thoroughly investigated. The company's approach to responsible business practices reflects its dedication to maintaining high ethical standards and fostering a corporate culture that prioritises responsibility and accountability.

	2022 	2023 	2024 	2025
 Target	<ul style="list-style-type: none"> To maintain 0 incidents of fraud and bribery. 	<ul style="list-style-type: none"> To maintain 0 incidents of fraud and bribery. 	<ul style="list-style-type: none"> To maintain 0 incidents of fraud and bribery. 	<ul style="list-style-type: none"> To maintain 0 incidents of fraud and bribery.
 Performance	<ul style="list-style-type: none"> Maintained 0 incidents of fraud and bribery. 	<ul style="list-style-type: none"> Maintained 0 incidents of fraud and bribery. 	<ul style="list-style-type: none"> Maintained 0 incidents of fraud and bribery. 	<ul style="list-style-type: none"> To be announced

Whistleblowing

LHT has established a robust whistleblowing policy to ensure the effective assessment and investigation of reported incidents involving bribery, fraud, or other forms of malpractice. This policy is a key component of the company's broader anti-corruption strategy and helps monitor and detect potential corporate misconduct, particularly in financial reporting and related areas.

The whistleblowing procedures allow employees to raise concerns confidentially and anonymously. Employees are encouraged to submit detailed written reports outlining any corporate improprieties they have observed. The procedures ensure that reports are properly assessed and investigated, with all records retained securely, and whistleblowers are protected from retaliation. This comprehensive approach supports LHT's commitment to maintaining integrity and accountability throughout the organisation.

To ensure independent investigations, all reports are directed to any member of the Whistleblowing Committee or directly to the Chairman of the Audit and Risk Committee. Employees can submit their reports either to the Whistleblowing Committee or directly to the Chairman of the Audit and Risk Committee via email or in writing, sealed in an envelope and marked as "Confidential."

The detailed procedures are accessible on the company's Intranet for reference. This whistleblowing mechanism reinforces LHT's commitment to transparency, accountability, and ethical business practices.






Sustainability Report

The Company welcomes whistleblowing emails to be sent to our dedicated independent team at the provided contact:

- WhistleBlowing@lht.com.sg (to Whistleblowing Committee)
- ChairmanAC@lht.com.sg (to Chairman of Audit and Risk Committee)
- Address: LHT Holdings Ltd, 27 Sungei Kadut Street 1, Singapore 729335

All employees will be acquainted with the Whistleblowing Policy as an integral part of their orientation program and also in the Company’s intranet.

The Committee is dedicated to handling all information received with the utmost confidentiality, ensuring the complete privacy and anonymity of the Whistleblower, except when required by judicial or legal authorities. We are pleased to report that in FY2024, zero whistleblowing incidents were reported, reflecting the company’s strong ethical practices and commitment to maintaining a transparent and responsible work environment.

	2022 	2023 	2024 	2025
 Target	<ul style="list-style-type: none">• To maintain 0 whistleblowing incident	<ul style="list-style-type: none">• To maintain 0 whistleblowing incident	<ul style="list-style-type: none">• To maintain 0 whistleblowing incident	<ul style="list-style-type: none">• To maintain 0 whistleblowing incident
 Performance	<ul style="list-style-type: none">• Maintained 0 whistleblowing incident	<ul style="list-style-type: none">• Maintained 0 whistleblowing incident	<ul style="list-style-type: none">• Maintained 0 whistleblowing incident	<ul style="list-style-type: none">• To be announced

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APPENDIX A: LIST OF ENTITIES INCLUDED IN THIS REPORT

Name	Principal activities	Location	Coverage	Reasons
LHT Holdings Ltd	Manufacturing and trading of wooden pallets, boxes, crates and timber-related products	Singapore	Include all core metrics	
Kim Hiap Lee Company (Pte.) Limited	Timber merchants, saw millers and pallet rental	Singapore	Include all core metrics	
LHT Marketing Pte Ltd	Timber merchants and commission agents	Singapore	Include all core metrics	
LHT Ecotech Resources Pte Ltd	Manufacturing of woodchips, wood waste recycling and recovering	27 Sungei Kadut Street 1, Singapore 729335	Include all core metrics	
LHT Ecotech Resources Pte Ltd	Manufacturing of woodchips, wood waste recycling and recovering	No. 6 Tuas South Street 10, Singapore 636941	Exclude electricity and water	Still under renovations and not yet operational

APPENDIX B: SUSTAINABILITY SCORECARD

Environmental

Performance indicators	Units	FY2022	FY2023	FY2024
Energy consumption				
Diesel consumption	'000 litre	176.7	137.1	157.6
Diesel consumption	MWh	1,766.6	1,370.6	1,576.4
Electricity consumption	MWh	2,433.5	1,127.0	1,168.0
Total energy consumption	MWh	4,200.1	2,497.6	2,744.4
Energy consumption intensity				
Diesel consumption intensity	MWh/pallet	0.0063	0.0064	0.0086
Electricity consumption intensity	MWh/pallet	0.0086	0.0053	0.0063
Total energy consumption intensity	MWh/pallet	0.0149	0.0117	0.0149
Carbon footprint				
Scope 1 emission	tCO ₂ e	477.0	370.1	425.6
Scope 2 emission	tCO ₂ e	1,014.8 ¹	470.0	487.1
Total emissions	tCO ₂ e	1,491.8 ¹	840.1	912.7
Carbon footprint intensity				
Scope 1 emission intensity	tCO ₂ e/pallet	0.0017	0.0017	0.0023
Scope 2 emission intensity	tCO ₂ e/pallet	0.0036	0.0022	0.0026
Total emissions intensity	tCO ₂ e/pallet	0.0053	0.0039	0.0049
Water management				
Water consumption	m ³	9,125.2	6,655.7	7,067.2
Water consumption intensity	m ³ /pallet	0.0323	0.0311	0.0384

¹ Restated in FY2023 SR

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Social

Performance indicators	Units	FY2022	FY2023	FY2024
Portion of LVL received				
LVL Board	Tonnes	4,567.6	2,721.2	3,570.5
Pinewood	Tonnes	2,503.0	1,586.7	2,175.2
Plywood	Tonnes	533.5	339.4	475.7
Densified Wood Block	Tonnes	158.4	0.0	236.3
Total Tonnes Received	Tonnes	7,762.5	4,647.3	6,457.7
LVL over other Raw Materials	%	59	59	55
Wood waste collected and woodchips produced				
Waste wood collected	Tonnes	13,166.3	9,813.1	11,665.3
Total Woodchips produced	Tonnes	12,019.9	8,946.4	10,893.5
Ratio of woodchips produced to waste wood collected	%	91	91	93
Rental Pallets				
Percentage of pallets rent out	%	86	89	90
Visitor plant tours				
Plant tour count	Tour	0	1	0
Gender diversity				
Male	Person (%)	83 (76%)	67 (76%)	70 (76%)
Female	Person (%)	26 (24%)	21 (24%)	22 (24%)
Total employees	Person (%)	109 (100%)	88 (100%)	92 (100%)
Age group diversity				
< 30	Person (%)	8 (7%)	5 (6%)	10 (11%)
31 to < 35	Person (%)	18 (17%)	9 (10%)	6 (6%)
36 to < 40	Person (%)	9 (8%)	10 (11%)	12 (13%)
41 to < 45	Person (%)	13 (12%)	11 (13%)	7 (8%)
46 and above	Person (%)	61 (56%)	53 (60%)	57 (62%)

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Performance indicators	Units	FY2022	FY2023	FY2024
Nationality diversity				
Singaporean	Person (%)	57 (52%)	50 (57%)	51 (56%)
Malaysian	Person (%)	31 (29%)	25 (28%)	25 (27%)
China	Person (%)	20 (18%)	13 (15%)	16 (17%)
India	Person (%)	1 (1%)	0 (0%)	0 (0%)
Ability diversity				
Able	Person (%)	109 (100%)	88 (100%)	92 (100%)
Disabled	Person (%)	0 (0%)	0 (0%)	0 (0%)
Employee categories				
Executives	Person (%)	5 (5%)	5 (6%)	5 (5%)
Management	Person (%)	20 (18%)	19 (22%)	20 (22%)
Staff	Person (%)	23 (21%)	16 (18%)	21 (23%)
Workers	Person (%)	61 (56%)	48 (54%)	46 (50%)
Executives and Management – Gender diversity				
Male	Person (%)	19 (76%)	18 (75%)	19 (76%)
Female	Person (%)	6 (24%)	6 (25%)	6 (24%)
New hires by Gender				
Male	Person (%)	16 (80%)	4 (100%)	8 (89%)
Female	Person (%)	4 (20%)	0 (0%)	1 (11%)
Total new hires	Person (%)	20 (100%)	4 (100%)	9 (100%)
New hires by Age group				
< 30	Person (%)	6 (30%)	1 (25%)	5 (56%)
31 to < 35	Person (%)	1 (5%)	0 (0%)	2 (22%)
36 to < 40	Person (%)	6 (30%)	0 (0%)	0 (0%)
41 to < 45	Person (%)	3 (15%)	2 (50%)	0 (0%)
46 and above	Person (%)	4 (20%)	1 (25%)	2 (22%)

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Performance indicators	Units	FY2022	FY2023	FY2024
Turnover by Gender				
Male	Person (%)	16 (80%)	20 (80%)	5 (100%)
Female	Person (%)	4 (20%)	5 (20%)	0 (0%)
Total resignations	Person (%)	20 (100%)	25 (100%)	5 (100%)
Turnover by Age group				
< 30	Person (%)	3 (15%)	3 (12%)	0 (0%)
31 to < 35	Person (%)	3 (15%)	3 (12%)	2 (40%)
36 to < 40	Person (%)	4 (20%)	5 (20%)	1 (20%)
41 to < 45	Person (%)	2 (10%)	5 (20%)	0 (0%)
46 and above	Person (%)	8 (40%)	9 (36%)	2 (40%)
Training				
Total training manhours	Manhours	554.40	558.81	300.75
Workplace Safety				
Total manhours worked	Manhours	259,138	224,101	202,243
Total work-related injury cases	Cases	3	2	3
Work-related injury cases per every 100,000 hrs worked	Cases/100,000 manhours worked	1.16	0.89	1.48
Work-related injury cases per every 1,000,000 hrs worked	Cases/1,000,000 manhours worked	11.58	8.92	14.83
Total lost days resulting from injury cases	Days	20	5	8
Lost day rate per every 100,000 hours worked	Cases/100,000 manhours worked	7.72	2.23	3.96
Lost day rate per every 1,000,000 hours worked	Cases/1,000,000 manhours worked	77.18	22.31	39.56
Total high-consequence work-related injury	Cases	0	0	0
Fatal injury cases per every 100,000 hours worked	Cases/100,000 hours worked	0	0	0
Governance				
Performance indicators	Units	FY2022	FY2023	FY2024
Number of cases of environmental non-compliance	Cases	2	1	0

APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

This section details key definitions, methodologies and data boundaries applied to LHT Group's Sustainability Report, as we endeavour to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

Environment

Climate-related Physical Risks

Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise).

Climate-related Transitional Risks

Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relates to policy and legal actions, technology changes, market responses, and reputational considerations.

Climate-related Opportunities

Climate-related opportunities refer to the potential positive impacts related to climate change on an organisation. Efforts to mitigate and adapt to climate change can produce opportunities for organisations, such as through resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources, the development of new products and services, and building resilience along the supply chain.

Carbon Emissions

Scope 1

In the scope of this reporting, scope 1 emissions are emissions generated from the consumption of fuels for our operation. The fuel consumption by other business segments is considered immaterial given the nature of their operations. The emissions factor used for calculating carbon emissions is obtained from The United Kingdom Department for Environmental, Food & Rural Affairs ("**UK Defra**"). Carbon emissions are expressed in tonnes of carbon dioxide equivalent ("tCO₂e").

Scope 2

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity. Scope 2 emissions have been calculated using the location-based method. The Grid Emission Factor ("**GEF**") used for calculating carbon emissions is obtained from the Singapore Energy Market Authority ("**EMA**"). Carbon emissions are expressed in tCO₂e.

Carbon Emissions Intensity

This is the ratio of carbon emissions relative to the pallet production volume of the Company. Carbon emissions intensity is expressed in tCO₂e per pallet produced ("tCO₂e/pallet").

Energy Consumption

Energy consumed results from fuels and electricity consumed by the Company. Energy consumed is expressed in megawatt-hours ("MWh").

Energy Intensity

This is the ratio of carbon emissions relative to the pallet production volume of the Company. Energy intensity is expressed in MWh per pallet produced ("MWh/pallet").

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Water Consumption

This is the volume of water consumed by the Company. Given the nature of LHT's business and in Singapore's context, where water comes from a single third-party source supplied by the Public Utilities Board ("**PUB**") and discharge is not required to be monitored, the total amount of water withdrawn is assumed to be the amount consumed as is reflected in utility bills received by the Company. The volume of water consumed is expressed in cubic meters ("m³").

Water Intensity

This is the ratio of carbon emissions relative to the pallet production volume of the Company. Water consumption intensity is expressed in m³ per pallet produced ("m³/pallet").

Social

Employee

Employees are defined as individuals who are in an employment relationship with the Company.

New Hires and Turnover (rates)

New hires are defined as new employees who have joined the Company during the financial year.

Turnover is defined as all employees who have left the Company voluntarily, or due to dismissal, retirement or death in service during the financial year.

New hires/turnover rate is the total number of new hires/employee turnovers in the financial year, relative to the total number of employees recorded at financial year-end.

The new hires/turnover rate by age group is the total number of new hires/employee turnovers for each age group in the financial year, relative to the total number of new hires/employee turnovers recorded at financial year-end.

New hires/turnover rate by gender is the total number of female/(male) new hires/employee turnovers for each gender in the financial year, relative to the total number of new hires/employee turnovers recorded as at financial year-end.

Work-related incident

Injury incidents are non-fatal or fatal injuries or ill health arising out of, or in the course of, work.

Ill health indicates damage to health and includes diseases, illnesses and disorders.

Recordable Work-related Injury and Rate

The rate of recordable work-related injuries for employees/non-employee workers is the total number of employees'/non-employee workers' work-related injuries per hundred thousand and per million manhours worked, relative to the total manhours worked by all employees/non-employee workers recorded as of year-end.

Fatalities and Rate

The rate of fatalities as a result of work-related injury by employees and non-employee workers is the number of employees'/non-employee workers' fatalities as a result of work-related injury per hundred thousand and per million manhours worked, relative to the total manhours worked by all employees/non-employee workers recorded as at year-end.

The rate of fatalities as a result of work-related ill health by employees and non-employee workers is the number of employees'/non-employee workers' fatalities as a result of work-related ill health per hundred thousand and per million manhours worked, relative to the total manhours worked by all employees/non-employee workers recorded as at year-end.

High-consequence Work-related Injury and Rate

High-consequence work-related injury is a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

The rate of high-consequence work-related injuries (excluding fatalities) by employees or non-employee workers is the number of high-consequence work-related injuries (excluding fatalities) from employees/non-employee workers per hundred thousand and per million manhours worked, relative to the total manhours worked by all employees/non-employee workers recorded as at year-end.

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APPENDIX D: GRI CONTENT INDEX

GRI Standards Content Index

The GRI Content Index references the LHT's Sustainability Report 2024 (**SR**) and the Annual Report 2024 (**AR**).

Statement of use	LHT Holdings Limited has reported the information cited in this GRI content index for the period 01 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard		Disclosure	Location
GRI 2: General disclosures 2021	2-1	Organisation details	SR Our Business
	2-2	Entities included in the organisation's sustainability reporting	SR Appendix A: List of entities covered in this Sustainability Report
	2-3	Reporting period, frequency and contact point	SR About the Report
	2-4	Restatements of information	SR About the Report
	2-5	External assurance	SR About the Report
	2-6	Activities, value chain and other business relationships	SR Our Business
	2-7	Employees	SR Empowering Communities
	2-8	Workers who are not an employee	Not applicable
	2-9	Governance structure and composition	AR Corporate Governance
	2-10	Nomination and selection of the highest governance body	AR Corporate Governance
	2-11	Chair of the highest governance body	AR Corporate Governance
	2-12	Role of the highest governance body in overseeing the management impacts	AR Corporate Governance
	2-13	Delegation of responsibility for managing impacts	AR Corporate Governance
	2-14	Role of the highest government body in sustainability report	AR Corporate Governance
	2-15	Conflicts of interest	AR Corporate Governance
	2-16	Communication of critical concerns	SR Key Sustainability Highlights
	2-17	The collective knowledge of the highest governance body	AR Corporate Governance

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GRI Standard		Disclosure	Location
	2-18	Evaluation of the performance of the highest governance body	AR Corporate Governance
	2-19	Remuneration policies	AR Corporate Governance
	2-20	Processes to determine the remuneration	AR Corporate Governance
	2-21	Annual total compensation ratio	AR Corporate Governance
	2-22	Statement on sustainable development strategy	SR Sustainability Approaches
	2-23	Policy commitments	SR Key Sustainability Highlights
	2-24	Embedding policy commitments	SR Key Sustainability Highlights
	2-25	Processes to remediate negative impacts	SR Sustainability Performance
	2-26	Mechanisms for seeking advice and raising concerns	AR Corporate Governance
	2-27	Compliance with laws and regulations	SR Ethical Operational and Responsible Practices
	2-28	Membership associations	SR Key Sustainability Highlights
	2-29	Approach to stakeholder engagement	SR Sustainability Strategy
	2-30	Collective bargaining agreements	SR Sustainability Strategy
GRI 03: Material topics 2021	3-1	The process of determining material topics	SR Materiality Assessment
	3-2	List of material topics	SR Materiality Assessment
	3-3	Management of material topics	SR Materiality Assessment
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	SR Ethical Operational and Responsible Practices
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	SR Protect Our Earth
	302-3	Energy intensity	SR Protect Our Earth
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	SR Protect Our Earth
	303-5	Water consumption	SR Protect Our Earth

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GRI Standard		Disclosure	Location
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR Protect Our Earth
	305-2	Energy indirect (Scope 2) GHG emissions	SR Protect Our Earth
	305-3	Other indirect (Scope 3) GHG emissions	The company is currently in the process of studying the feasibility in terms of completeness, accuracy and costs of collating more extensive data on Scope 3 carbon emissions as these are associated with activities outside it's direct operational control like supply chain and other indirect sources
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	SR Protect Our Earth
	306-2	Management of significant waste-related impacts	SR Protect Our Earth
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR Empowering Communities
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	SR Empowering Communities
	403-2	Hazard identification, risk assessment, and incident investigation	SR Empowering Communities
	403-3	Occupational health services	SR Empowering Communities
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR Empowering Communities
	403-5	Worker training on occupational health and safety	SR Empowering Communities
	403-6	Promotion of worker health	SR Empowering Communities
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR Empowering Communities
	403-8	Workers covered by occupational health and safety management system	SR Empowering Communities
	403-9	Work-related injuries	SR Empowering Communities
	403-10	Work-related ill health	No work-related ill health

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GRI Standard		Disclosure	Location
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR Empowering Communities
	404-2	Programs for upgrading employee skills and transition assistance programs	SR Empowering Communities
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	SR Empowering Communities
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	SR Empowering Communities
GRI 408: Child labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	No child labour employed by the Company
GRI 409: Forced or compulsory labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No child labour employed by the Company
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SR Empowering Communities
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantial complaints were received.

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APPENDIX E: TCFD RECOMMENDATIONS CONTENT INDEX

TCFD Recommendations Content Index

The TCFD Recommendation Content Index indicates our current implementation status for climate reporting.

TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	SR Protect Our Earth
	Describe management's role in assessing and managing climate-related risks and opportunities	SR Protect Our Earth
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	SR Protect Our Earth
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	SR Protect Our Earth
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Company currently does not employ scenario analysis in identifying climate risks and opportunities.
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	SR Protect Our Earth
	Describe the organisation's processes for managing climate-related risks	SR Protect Our Earth
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	SR Protect Our Earth
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SR Protect Our Earth
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	The Company has disclosed Scope 1 and Scope 2 GHG emissions. The Company plans to include Scope 3 GHG emissions in the total GHG emissions in the future.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	SR Protect Our Earth

Statistics of Shareholdings

As at 11 March 2025

SHAREHOLDERS' INFORMATION AS AT 11 MARCH 2025

Issued and fully paid-up capital	:	\$24,620,615
No. of shares	:	53,244,997 shares
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
Treasury Shares and Subsidiary Holdings	:	Nil

SUBSTANTIAL SHAREHOLDERS AS AT 11 MARCH 2025

as recorded in the Register of Substantial Shareholders

Name of Substantial Shareholders	Number of Shares		Deemed Interest	
	Direct Interest	%		%
Yap Mui Kee	9,824,132	18.45	—	—
Lan Ruilong	9,671,205	18.16	—	—
Teo Beng Choo	5,097,625	9.57	—	—
Synectix Pte Ltd	12,098,147 ^(a)	22.72	—	—
Li Suet Man	—	—	12,098,147 ^(a)	22.72
Li Ear	1,723,490 ^(b)	3.24	12,098,147 ^(a)	22.72

Notes:

- (a) 7,098,147 shares of Synectix Pte Ltd are held by DBS Nominees Pte Ltd. Li Suet Man and Li Ear are each deemed interested in the 12,098,147 shares of Synectix Pte Ltd.
- (b) 757,900 shares of Li Ear are held by DBS Bank.

STATISTICS OF SHAREHOLDINGS AS AT 11 MARCH 2025

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	88	2.28	4,317	0.01
100 – 1,000	2,761	71.70	880,923	1.65
1,001 – 10,000	848	22.02	2,593,191	4.87
10,001 – 1,000,000	149	3.87	9,720,010	18.26
1,000,001 and above	5	0.13	40,046,556	75.21
	3,851	100.00	53,244,997	100.00

Statistics of Shareholdings

As at 11 March 2025

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	DBS Nominees Pte Ltd	10,453,594	19.64
2.	Yap Mui Kee	9,824,132	18.45
3.	Lan Ruilong	9,671,205	18.16
4.	Teo Beng Choo	5,097,625	9.57
5.	Synectix Pte Ltd	5,000,000	9.39
6.	Jonathan Chadwick	1,000,000	1.88
7.	Li Ear	965,590	1.81
8.	Billy Neo Kian Wee (Billy Liang Jianwei)	856,000	1.61
9.	Morph Investments Ltd	645,000	1.21
10.	Lim Kwee Poh	400,000	0.75
11.	Teo Ting Yue	350,000	0.66
12.	Seah Chong Teck	293,250	0.55
13.	Ng Boon Guat	250,000	0.47
14.	Leong Hwei Min	250,000	0.47
15.	Phillip Securities Pte Ltd	245,351	0.46
16.	Lai Weng Kay	218,000	0.41
17.	Chan Jin Ming	180,000	0.34
18.	Goh Tat Kean	146,100	0.27
19.	Koh Tee Kia	130,500	0.25
20.	Tan Hwei Sze	110,000	0.21
Total		46,086,347	86.56

Free Float

Based on information available to the Company as at 11 March 2025, approximately 25.63% of the issued ordinary shares of the Company were held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of LHT Holdings Limited (“the Company”) will be held at 6 Tuas South Street 10, Singapore 636941 on Tuesday, 29 April 2025 at 3.30 p.m. (“AGM”) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Li Suet Man who is retiring pursuant to Regulation 103 of the Company’s Constitution. **[See Explanatory Note (i)] (Resolution 2)**
3. To re-elect the following Directors who are retiring pursuant to Regulation 107 of the Company’s Constitution:–
Dr Kimmis Pun Kim Ming **[See Explanatory Note (ii)] (Resolution 3)**
Mr Lan Ruilong **[See Explanatory Note (iii)] (Resolution 4)**
4. To note the retirement of Mr Lock Wai Han who is retiring pursuant to Regulation 104 of the Company’s Constitution and will not be seeking re-election as Director of the Company. **[See Explanatory Note (iv)]**
5. To declare a first and final one-tier tax exempt dividend of S\$0.05 per ordinary share for the financial year ended 31 December 2024 (2023: S\$0.05). **(Resolution 5)**
6. To approve the payment of Directors’ fees of S\$228,833.33 for the year ended 31 December 2024 (2023: S\$241,000.00) **(Resolution 6)**
7. To approve the payment of Directors’ fees of S\$300,000 for the year ending 31 December 2025, to be paid quarterly in arrears. (2024: S\$228,833.33) **(Resolution 7)**
8. To re-appoint Messrs BDO LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

10. Authority to allot and issue shares

“That pursuant to Section 161 of the Companies Act 1967 (the “Act”), the Constitution and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (the “Shares”) (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements, or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force):
- (i) issue additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the directors while this Resolution was in force; and
 - (ii) issue Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a *pro rata* basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below); and
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:–
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (v)]

(Resolution 9)

By Order of the Board

Sally Yap Mei Yen
Company Secretary

Singapore, 7 April 2025

Notice of Annual General Meeting

EXPLANATORY NOTES:

- (i) **Resolution 2** – Mr Li Suet Man will, upon re-election as a Director of the Company, remain as the Non-Independent Non-Executive Chairman of the Company. Detailed information of Mr Li Suet Man can be found under the “Board of Directors” and “Disclosure of Information on Directors Seeking Re-election” sections of the Company’s Annual Report.
- (ii) **Resolution 3** – Dr Kimmis Pun Kim Ming will, upon re-election as a Director of the Company, remain as the Non-Executive Independent Director and a member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee respectively. She is considered to be independent pursuant to Rule 704(8) of the Listing Rule of the SGX-ST. There are no relationships (including immediate family relationships) between Dr Kimmis Pun Kim Ming and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect her independence. Detailed information of Dr Kimmis Pun Kim Ming can be found under the “Board of Directors” and “Disclosure of Information on Directors Seeking Re-election” sections of the Company’s Annual Report.
- (iii) **Resolution 4** – Mr Lan Ruilong will, upon re-election as a Director of the Company, remain as the Non-Executive Non-Independent Director of the Company. Detailed information of Mr Lan Ruilong can be found under the “Board of Directors” and “Disclosure of Information on Directors Seeking Re-election” sections of the Company’s Annual Report.
- (iv) Mr Lock Wai Han will not be seeking re-election and will retire as Director of the Company on 29 April 2025 at the close of the AGM. Upon the retirement of Mr Lock Wai Han as a Director of the Company, he will cease to be a Non-Executive Lead Independent Director of the Company and will relinquish his position as a member of the Audit and Risk Committee, and Remuneration Committee respectively.
- (v) **Resolution 9** – if passed, will empower the Directors from the date of the above Meeting until the date of the next annual general meeting, to issue shares and convertible securities in the Company. The number of shares and convertible securities that the Directors may allot and issue under this Resolution would not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company at the time of the passing of this Resolution. For issue of shares and convertible securities (other than on a *pro rata* basis to all shareholders), the aggregate number of shares and convertible securities to be issued shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company.

NOTES:

Format of Meeting

- 1. The AGM will be held, in a wholly physical format, at 6 Tuas South Street 10, Singapore 636941 on Tuesday, 29 April 2025 at 3.30 p.m. (the “Meeting”). There will be no option for shareholders to participate virtually.
- 2. This Notice of Meeting, the accompanying proxy form and the request form will be sent to members by electronic means via publication on the Company’s website at <https://www.lht.com.sg> and the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of Meeting, the accompanying proxy form and the request form will also be sent to members via post.

Appointment of Proxy(ies)

- 3. A Member (other than a Relevant Intermediary*) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company. A Shareholder may choose to appoint the Chairman of the AGM as his/her proxy.
- 4. A member who is a Relevant Intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.
- 5. An investor who buys shares using Central Provident Fund Investment Scheme (“CPF Investor”) and/or Supplementary Retirement Scheme (“SRS Investor”) (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2025, being seven (7) working days prior to the date of this Meeting.

* “Relevant Intermediary” means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund (“CPF”), if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Notice of Annual General Meeting

6. If a proxy is to be appointed, the instrument appointing a proxy must be deposited at the Registered Office of the Company at 27 Sungei Kadut Street 1, Singapore 729335 not less than seventy-two (72) hours before the time appointed for holding the Meeting.

Submission of Questions

7. Members may also submit questions related to the resolutions to be tabled for approval at the Meeting, in advance of the Meeting, in the following manner by 3:30 p.m. on 22 April 2025:

- (i) By email to ir@lht.com.sg; or
- (ii) By post to 27 Sungei Kadut Street 1, Singapore 729335, attention: Company Secretary.

When submitting questions by post or via email, Shareholders should also provide the following details: (i) the Shareholder's full name; (ii) the Shareholder's address; and (iii) the manner in which the Shareholder holds shares in the Company (e.g., via CDP or CPF/SRS), for verification purposes.

8. Alternatively, a member may also ask questions during the Meeting.
9. The Company will endeavour to address all substantial and relevant questions (as may be determined by the Company in its sole discretion) submitted prior to the Meeting, at the Meeting. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The Company will publish the responses to such questions together with the minutes of the Meeting on SGXNet and the Company's website within one (1) month after the date of the Meeting.

Access to Documents

10. The following documents are made available to members on 7 April 2025 together with this Notice of Meeting via SGXNet and on the Company's corporate website:

- (a) the FY2024 Annual Report; and
- (b) the Proxy Form in relation to the Meeting.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of LHT Holdings Limited (the "Company") will be closed on 21 May 2025, for the preparation of dividend warrants for the first and final one-tier tax exempt dividend of S\$0.05 per ordinary share (the "Dividend") for the financial year ended 31 December 2024.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 up to 5.00 p.m. on 20 May 2025 will be registered to determine members' entitlements to the said dividend.

Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with shares at 5.00 p.m. on 20 May 2025 will be entitled to the proposed Dividend.

The proposed Dividend, if approved by the members at the Annual General Meeting to be held on 29 April 2025, will be paid on 30 May 2025.

By Order of the Board

Sally Yap Mei Yen
Company Secretary

Singapore, 7 April 2025

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Disclosure of Information on Directors Seeking Re-Election

Mr Li Suet Man, Dr Kimmis Pun Kim Ming and Mr Lan Ruilong are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2025 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
Date of Appointment	1 November 2019	1 December 2024	1 March 2025
Date of last re-appointment	28 April 2023	NA	NA
Age	64	63	55
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and evaluated Mr Li Suet Man's qualifications and work experience for re-appointment as a Non-Executive Non-Independent Chairman of the Company. The Board has reviewed and concluded that Mr Li Suet Man possesses the experience, expertise, knowledge and skills to contribute to the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered Dr Kimmis Pun Kim Ming for re-appointment as a Non-Executive Independent Director of the Company. The Board has reviewed and concluded that Dr Kimmis Pun Kim Ming possesses the experience, expertise, knowledge and skills to contribute to the businesses of the Group.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered Mr Lan Ruilong for re-appointment as a Non-Executive Non-Independent Director of the Company. The Board has reviewed and concluded that Mr Lan Ruilong possesses the experience, expertise, knowledge and skills to contribute to the businesses of the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Non-Executive Non-Independent Chairman Member of the Board	Non-Executive Independent Director Member of Audit and Risk Committee, Nominating Committee and Remuneration Committee	Non-Executive Non-Independent Director

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
Professional qualifications	<ol style="list-style-type: none"> 1. Master of Science and Executive Master of Science in Finance from The Bernard M. Baruch College, City University of New York 2. Member of Beta Gamma Sigma 	<ol style="list-style-type: none"> 1. Singapore Institute of Directors (Singapore) – Accredited Senior Director – Listed Companies 2. Institute of Banking & Finance (Singapore) – IBF Fellow 3. Swiss Association for Quality (Switzerland) – Certified Wealth Management Adviser – CWMA 4. Financial Planners Association of Singapore (Singapore) – Certified Financial Planner – CFP 5. Singapore College of Insurance (Singapore) – Life Insurance – CLI, Chartered Financial Consultant – ChFC 6. Estate Planning Practitioners Limited (Singapore) – Associate Estate Planning Practitioner – AEPP 7. University of Pittsburgh, Center For Fiduciary Studies, Center For Executive Education (USA) – Accredited Investment Fiduciary – AIF 	<ol style="list-style-type: none"> 1. Professional studies of ACCA at London School of Accounting 2. Member, Beijing Television Artists Association 3. Visiting Professor, Chongqing Institute of Foreign Trade and Economics 4. Member, Beijing Venture Capital Association

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
		<ul style="list-style-type: none"> 8. Cambridge University (United Kingdom) – Post Doctoral and Visiting Scholar 9. University of Saint Antonio de Murcia (Spain) – Doctorate of Business Administration 10. University of Manchester (United Kingdom) – Master of Business Administration 11. UBS Business University (Singapore) – Diploma in Wealth Management 12. Tsing Hua University (China) – China Economic and Political Studies 13. University of Manchester/IFS (United Kingdom) – Attended Bachelor of Science 14. HKP University ((Hong Kong) – Business Studies 15. Singapore Chinese Chamber Institute of Business (Singapore) – Diploma of Business Chinese 	

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
Working experience and occupation(s) during the past 10 years	1. April 2005 to present – Chief Executive Officer of Feoso Oil (Singapore) Pte Ltd	1. May 2023 to present – FA Corp Family Office – Managing Director 2. April 2023 to present – Shenning Family Office – Adviser 3. January 2021 to April 2023 – Shenning Family Office – Managing Director 4. April 2019 to January 2021 – EFG Bank – Senior Managing Director & Head of Greater China 5. March 2018 to April 2019 – VP Bank – Senior Managing Director, Head of Private Banking & Market Head, Greater China Region & Member of Management Committee 6. December 2015 to March 2018 – Standard Chartered Bank – Managing Director & Market Head of Greater China 7. August 2014 to December 2015 – BNP Paribas, Singapore – Managing Director & Head of China Market	1. December 2020 to present – General Manager, Investment & Production Department of H&R Century Union Corp 2. December 2017 to December 2020 – Vice President of Xiangshang Pictures Group 3. April 2015 to December 2017 – Vice President/Chief Producer of Beijing Dirty Monkeys Studios Co., Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Deemed Interest: 12,098,147 Ordinary Shares	Nil	Direct Interest: 9,671,205 Ordinary Shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Father of Li Ear, a substantial shareholder of the Company	No	No
Conflict of Interest (including any competing business)	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships			
Past (for the last 5 years)	<ol style="list-style-type: none"> 1. Non-Executive Director, LSO Oceanrina Development (S) Pte Ltd 2. Non-Executive Director, SME Centre@SMF Pte Ltd 	<ol style="list-style-type: none"> 1 Board of Director & Chair of Audit Committee, Financial Planning Standard Board USA 2 Advisory Board member, Crescent Girls school 3 Exco member, Kowloon Club 4 Senior Managing Director & Head of Greater China, EFG Bank 5 Managing Director, Shenning Family Office 	Vice President, Xiangshang Pictures Group
Present	<ol style="list-style-type: none"> 1. Alternate Director and CEO, Feoso Oil (Singapore) Pte Ltd 2. Alternate Director, Feoso (Singapore) Pte Ltd 3. Alternate Director, Feoso Investment (Singapore) Pte Ltd 4. Non-Executive Director, The Trading Room Enterprise Pte Ltd 5. Non-Executive Director, Club Chinois Pte Ltd 6. Non-Executive Director, Chinois Pte Ltd 7. Non-Executive Director, Far East Oil Terminal One Sdn Bhd 	<ol style="list-style-type: none"> 1. Managing Director, FA Corp Family Office 2. Adviser, Shenning Family Office 3. Chairman, Wealth Planning Standard Board 4. Board member, SG100 5. Lead Independent Director, SIIC Environment Holding Ltd 	Nil

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
	8. Non-Executive Director, Fiyala Pte Ltd 9. Non-Executive Director, Synectix Pte Ltd 10. Non-Executive Director, Marina Holistic Exchange Centre Pte Ltd		

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.

(a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No	No

Disclosure of Information on Directors Seeking Re-Election

	MR LI SUET MAN	DR KIMMIS PUN KIM MING	MR LAN RUILONG
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

LHT HOLDINGS LIMITED

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. The Annual General Meeting will be held, in a wholly physical format, at 6 Tuas South Street 10, Singapore 636941 on Tuesday, 29 April 2025 at 3.30 p.m. (the "Meeting"). There will be no option for shareholders to participate virtually.
2. This Notice of Meeting, the accompanying proxy form and the request form will be sent to members by electronic means via publication on the Company's website at <https://www.lht.com.sg> and the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of Meeting, the accompanying proxy form and the request form will also be sent to members via post.
3. A relevant intermediary may appoint more than two (2) proxies to attend the Meeting and vote (please see Note 3 for the definition of "relevant intermediary")
4. For investors who have used their CPF or SRS monies to buy shares in the Company, this Annual Report is forwarded to them at the request of their CPF or SRS Approved Nominees and is sent solely for information only.
5. This Proxy Form is not valid for use by CPF or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 16 April 2025, being seven (7) working days prior to the date of this Meeting.

I/We, _____ NRIC/Passport/Co. Registration No. _____
of _____ (Address)
being a member/members of LHT HOLDINGS LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings (%)
Address		

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings (%)
Address		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 29 April 2025 at 6 Tuas South Street 10, Singapore 636941 at 3.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and/or at any adjournment thereof.

No.	Resolutions relating to:	For	Against	Abstain
1	Adoption of Directors' Statement, Auditors' Report and Audited Financial Statements for the financial year ended 31 December 2024			
2	Re-election of Mr Li Suet Man as a Director of the Company			
3	Re-election of Dr Kimmis Pun Kim Ming as a Director of the Company			
4	Re-election of Mr Lan Ruilong as a Director of the Company			
5	Approval of first and final one-tier tax exempt dividend of S\$0.05 per ordinary share			
6	Approval of Directors' fees amounting to S\$228,833.33 for the financial year ended 31 December 2024			
7	Approval of Directors' fees amounting to S\$300,000.00 for the financial year ending 31 December 2025, to be paid quarterly in arrears			
8	Re-appointment of Messrs BDO LLP as Auditors			
9	Authority to allot and issue new shares			

Notes: If you wish to exercise all your vote "For", "Against" or "Abstain", please indicate with a [✓] within the box provided. Alternatively, please indicate the number of votes "For", "Against" or "Abstain" for each resolution.

Dated this _____ day of _____ 2025

Total Number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature of Shareholder(s)/and,
Common Seal of Corporate Member

Affix
Postage
Stamp

The Company Secretary
LHT HOLDINGS LIMITED
27 Sungei Kadut Street 1
Singapore 729335

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Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company. A Shareholder may choose to appoint the Chairman of the Meeting as his/her proxy.
3. A member who is a Relevant Intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.
* "Relevant Intermediary" means:
 - (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund ("CPF"), if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. Where a Member appoints more than one proxy, he shall specify the proportion of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 27 Sungei Kadut Street 1, Singapore 729335 not less than seventy-two (72) hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid. The dispensation of the use of common seal pursuant to the Companies Act 1967 of Singapore is applicable at this Meeting.
7. A corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

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General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged or submitted if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting dated 7 April 2025.







LHT HOLDINGS LIMITED

(COMPANY REGISTRATION NUMBER: 198003094E)

27 Sungei Kadut Street 1, Singapore 729335

 (65) 6269 7890

 (65) 6367 4907

 <http://www.lht.com.sg>

<http://www.technicalwood.com.sg>


<http://www.ecrpallet.com>

<http://www.ippcpallet.com>

<http://www.greenflo.com>

<http://www.gpac.com.sg>

<http://www.woodybiofuel.com>

 enquiry@lht.com.sg