



LHT HOLDINGS LIMITED

ANNUAL REPORT **2025**

ACHIEVING GREATER HEIGHTS





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 10,000 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 70 employees in Singapore and a total of 203 employees in the Group as at end February 2026.



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 recognized 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 the Singapore Packaging Agreement and National Environment Agency, SMF Business Model Innovation Award by the Singapore Manufacturing Federation, 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.

The Company has been awarded the Business Eminence Awards by Dun & Bradstreet (2002) and Asia’s Best Sustainability Awards – SME category – Bronze by CSR Works.

With its commitment to improving the environment and highly automated machineries, 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 great opportunity to showcase its advanced techniques, product applications to a diverse range of stakeholders, including staff of the statutory board, potential business partners and the public at large.



CORPORATE STRUCTURE AND CORPORATE INFORMATION

BOARD OF DIRECTORS

Li Suet Man	– <i>Interim Executive Chairman (Redesignated on 1 April 2025)</i>
Yap Mui Kee	– <i>Managing Director^{##} and CEO^{###}</i>
Lock Wai Han [#]	– <i>Ex-Non-Executive Lead Independent Director</i>
Theng Siew Lian Lisa	– <i>Non-Executive Independent Director</i>
Lim Kee Way Irwin	– <i>Non-Executive Lead Independent Director (Redesignated on 29 April 2025)</i>
Tan Peck Joo	– <i>Non-Executive Independent Director</i>
Dr Kimmis Pun Kim Ming	– <i>Non-Executive Independent Director</i>
Lan Ruilong	– <i>Non-Executive Non-Independent Director</i>
Sally Yap Mei Yen	– <i>Alternate Director to Yap Mui Kee^{##} and Corporate Secretary</i>

Stepped down on 29 April 2025
Stepped down on 9 September 2025
Stepped down on 23 May 2025

COMPANY SECRETARIES

Sally Yap Mei Yen
Chong Eng Wee (*Appointed on 20 May 2025*)

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*

Stepped down on 29 April 2025

REGISTERED OFFICE

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Singapore 068902
Tel : (65) 6269 7890
Mailing Address: 6 Tuas South Street 10, Singapore 636941

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>

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

AUDITOR

BDO LLP
Public Accountants and
Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Partner: Mr Leong Wenjie, Stephen
(*Appointed from the financial year ended
31 December 2025*)

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.

CHAIRMAN'S STATEMENT

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



REVIEW OF PERFORMANCE

For FY2025, the Group registered revenue of \$27.08 million, a 3.9% decline from \$28.19 million in FY2024. The lower revenue was mainly due to softer rental demand, with rental revenue decreasing by 21.9% to \$3.68 million (FY2024: \$4.71 million). Revenue from pallets and packaging remained relatively stable at \$21.84 million (FY2024: \$21.76 million) despite a competitive operating environment. Revenue from trading in timber-related products decreased by 24.2% to \$0.47 million (FY2024: \$0.62 million), while revenue from waste management and recycling remained stable at \$1.09 million (FY2024: \$1.10 million).

During the year, the business faced increased pressure on selling prices while also experiencing higher raw material costs. The combination of these factors contributed to a decline in gross profit margin to 37.4% in FY2025 from 40.6% in FY2024.

Net profit after tax for FY2025 decreased by 48.0% to \$1.16 million from \$2.23 million in FY2024. In addition to the softer operating environment, the Group's results for the year were affected by certain non-recurring costs associated with operational and business reorganisation efforts undertaken during the year.

Dear Shareholders,

On behalf of the Board of Directors, I present the Annual Report and audited financial statements of LHT Holdings Limited and its subsidiaries for the financial year ended 31 December 2025 ("FY2025").

FY2025 was a year in which the Group operated against a more challenging business environment. Demand conditions in certain segments remained uneven, competition continued to exert pressure on selling prices, and raw material costs stayed elevated. Against this backdrop, the Group remained focused on operational discipline, customer service and cost management.

CHAIRMAN'S STATEMENT



STRATEGIC INITIATIVES AND BUSINESS OUTLOOK

The Group's priority is to improve execution, enhance cost efficiency and strengthen its ability to respond to customers in a timely and effective manner. In support of this, we are undertaking several practical initiatives to improve the way the business operates.

A key initiative is the implementation of a new enterprise resource planning system to streamline processes, improve visibility across functions and support tighter cost control. These steps are intended to reinforce the fundamentals of the business and support the Group's longer-term resilience.

At the same time, we are strengthening our commercial team with additional sales leadership to drive a more proactive and disciplined sales effort. This is intended to deepen customer engagement, improve market coverage and support the Group's efforts to broaden its revenue base.

The Group will also continue to focus on operating efficiency, service reliability and prudent cost management. While the external environment remains competitive, the Board believes these initiatives are important to strengthening the Group's operating platform over time.

DIVIDEND

The Board is recommending a first and final one-tier tax-exempt dividend of \$0.05 per share and a special dividend of \$0.20 per share for FY2025, subject to shareholders' approval.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank our management team and employees for their efforts and commitment during the year. I would also like to express our appreciation to our customers, business partners and shareholders for their continued support and confidence in the Group.

Li Suet Man
Chairman
LHT Holdings Limited

BOARD OF DIRECTORS



Mr Li Suet Man

*Interim Executive Chairman
Age: 65*

Mr Li Suet Man joined the Company as an Independent Director on 1 November 2019. He was redesignated as a Non-Executive Non-Independent Director on 23 October 2023, and subsequently appointed as Non-Executive Non-Independent Chairman on 23 April 2024. On 1 April 2025, he was appointed as interim Non-Independent Executive Chairman.

Mr Li began his career in London with an international finance house. In 1996, after eight years abroad, he relocated to Singapore to pursue new opportunities and has since built an extensive business network in the region. He holds a Master's degree in Finance (GPA 3.94/4.00) from the City University of New York, as well as an Executive MSc in Finance from the Zicklin School of Business. He also completed a programme on sustainability at Cambridge University. In recognition of his academic excellence, he was inducted into Beta Gamma Sigma, the international honour society for collegiate schools of business, as a lifetime member. Since 2015, he has been regularly invited to teach International Finance and Business Management at two local universities.

Mr Li previously served as Chairman of the Energy and Chemicals Industry Group of the Singapore Manufacturing Federation, a role he held for over 13 years. During his tenure, he also co-chaired the Taskforce for Energy Supply and Transmission under the Singapore Standards Council. In 2013, he delivered a keynote address at the Singapore International Energy Week titled "Singapore – Asia's Energy Hub," which received significant media attention. He had also served as Chairman of the SME Centre and the China Business Committee, and was a member of the Singapore-Shandong Business Council for nine years.

Over the past decade, Mr Li has been appointed by the China-ASEAN Business Council as Executive Chairman of four industry collaboration committees covering Chemical, Biomedical, High-Tech, and Construction sectors. In recognition of his contributions, he was conferred the "2017 Outstanding Figure for Promoting ASEAN-China Enterprise Cooperation" by the ten ASEAN Ambassadors to China. In addition, he serves as Economic Advisor to the Shandong and Nanning International Chambers of Commerce, as well as Rizhao International Maritime City. Since 2021, Mr Li has been elected Vice President of the Singapore China Business Association.



Ms Theng Siew Lian Lisa

*Non-Executive Independent Director
Age: 59*

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.

BOARD OF DIRECTORS



Tan Peck Joo

*Non-Executive Independent Director
Age: 64*

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 edutavel, 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 Lead Independent Director
(Redesignated on 29 April 2025)
Age: 60*

Mr Lim Kee Way Irwin joined the Company as an Independent Director on 29 April 2024. He is currently the managing director of Inflexion Ventures Private Ltd, a business consultancy firm. Mr. Lim was previously the chief investment officer of Capital Asia Investments ("CAI"), a multi-family office. 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 Independent non-executive chairman of Octopus (APAC) Holdings Limited (formerly known as GS Holdings Limited) listed on the Catalist board of SGX and 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 were 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. He is also a senior advisor to G3, a global intelligence, cyber and investigation firm.

BOARD OF DIRECTORS



Dr Kimmis Pun Kim Ming
Non-Executive Independent Director
Age: 64

Dr Kimmis Pun Kim Ming, a veteran banker for 40 years in Asia, is the Managing Director, Head of Family Office, Asia Green Fund Management (CMS Licensed Fund Manager) and Managing Director, Family Office Advisory, FA Corp (Cross border Tax Accountant), 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, and the present Fund Management, 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, QFOA, QEPP 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.

BOARD OF DIRECTORS



Mr Lan Ruilong

Non-Executive Non-Independent Director
Age: 56

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 the Founder and CEO of Andaco Education Technology Group Pte Ltd.

He was the General Manager of the Investment and Production Department at H&R Century Union Corp., a publicly listed company in China, where he oversaw 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 Yap Mui Kee

Managing Director^{##} and CEO^{####}
Age: 64

^{##} Stepped down on 9 September 2025

^{####} Stepped down on 23 May 2025

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 oversaw the sales and marketing functions of the Group for more than 35 years and was 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 played an active role in the Group's ECR (Efficient Consumer Response) pallet rental business in Singapore and Malaysia; and oversaw 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 was 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 was also the 22nd and 23rd term President of the Singapore Timber Association and 3rd Vice Chairperson of Asian Packaging Federation in 2024.

She is a member of the Singapore Institute of Directors (SID) and has been accredited by the SID as a Senior Accredited Board Director.

BOARD OF DIRECTORS



Mr Lock Wai Han

*Ex-Non-Executive Lead Independent Director[#]
Age: 59*

[#] Stepped down on 29 April 2025

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 and subsequently OKH Global Ltd. He is currently the Executive Director of Asean Offshore Limited, a marine solutions company.

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 ESR Trust Mgt (Suntec) Ltd and sits on the Boards of The Hour Glass Ltd, Majuven Pte Ltd (Fund Management), the Federation of International Mixed Martial Arts and the Asian Mixed Martial Arts Association.

Mr Lock did not seek re-election and retired as Director of the Company on 29 April 2025 at the close of the FY2024 AGM.



Ms Sally Yap Mei Yen

*Alternate Director to Yap Mui Kee^{##} and Corporate Secretary
Age: 61*

^{##} Stepped down on 9 September 2025

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, a Postgraduate Diploma (Qualifi Level 7 Diploma) in International Business Law delivered by Douglas Business School (United Kingdom) 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 (CGMA). She is a life 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 Ong Swee Keong
Chief Executive Officer
Age: 53

Mr Ong Swee Keong joined the Company on 1 April 2025. A supply chain professional with over 25 years of corporate experience across multinational and domestic companies in Singapore, Malaysia and China, Mr Ong started work with Singapore Airlines before relocating to China to embark on a logistics career that laid his foundation on project execution and operations management.

Upon returning to Singapore, he took on regional roles leading multi-country projects in contract logistics, followed by leadership appointments in business development and general management, working closely with company boards and leadership teams in strategy formulation and execution.

Mr Ong graduated from the National University of Singapore in 1998 with a Bachelor's degree in Business Administration (Honours). He had previously served two terms as a member of the School of Engineering Advisory Committee, Republic Polytechnic in Singapore.



Mr Vincent Tan Khar Kheng
Administration and Financial Controller
Age: 57

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).

OPERATING AND FINANCIAL REVIEW

OPERATING REVIEW

► Pallet and Packaging Products

The pallet and packaging business has remained stable with registered revenue of \$21.84 million (FY2024: \$21.76 million), reflecting resilient core demand despite competitive market conditions while segmental result achieved net profit of \$18.72 million, as compared to a net profit of \$2.89 million last year, mainly due to intercompany dividend income, which was eliminated upon consolidation and has no impact on the Group's consolidated profits.

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 reduced by 24.2% to \$0.47 million (FY2024: \$0.62 million) as a result of softer demand in trading activities for the year. The segmental result registered net profit of \$0.97 million compared to net profit of \$0.08 million last year mainly due to higher trading margins. Trading activities do not follow any seasonal patterns.

► Waste Management and Recycling

The revenue of Waste Management and Recycling remained relatively stable at \$1.09 million (FY2024: \$1.10 million) prior to the cessation of woodchip production subsequent to FY2025 financial year-end, with segmental result registering a net loss of \$0.84 million (as compared to a net loss of \$0.27 million in FY2024 mainly due impairment of woodchip production machineries in view of the cessation of the woodchip production as mentioned above.

The woodchip supply revenue ceased in February 2026 with the cessation of the woodchip supply contract by end February 2026. The Group is currently pursuing other potential business opportunities within the waste management segment.

► Pallet Rental and Others

The revenue for pallet rental has decreased by 21.9% to \$3.68 million (FY2024: \$4.71 million) due to lower rental pallet demand in Malaysia. Accordingly, the segmental result registered a decrease in profit of \$1.73 million (FY2024: \$2.63 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 \$2.36 million and an operating profit of \$1.32 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 \$2.01 million and operating profit of \$0.28 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 \$0.56 million and operating profit of \$0.26 million, after tax.

LHT Marketing Pte Ltd, which is the trading arm for LHT Group, registered revenue of \$0.48 million with an operating profit of \$0.06 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 \$1.37 million with operating loss of \$1.26 million, after tax. Woodchips production will cease subsequent to FY2025 financial year end, as mentioned above.

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 \$8.12 million with operating profit of \$0.49 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, supply chain disruptions and ongoing geopolitical uncertainties. 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 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 LVL and other raw materials 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 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.

► Human Resource, Quality Management

As at the end of February 2026, the Group has a workforce of 70 employees in Singapore. Together with its subsidiaries in other countries, the Group now has a total of 203 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, 47 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.

OPERATING AND FINANCIAL REVIEW

FINANCIAL REVIEW

► Cash Flows and Liquidity

For the year ended 31 December 2025, The Group's net cash generated from operating activities increased to \$6.01 million (FY2024: \$3.06 million) while net cash and cash equivalents decreased to \$4.87 million (FY2024: \$10.75 million). The increase in inflow was mainly due to a higher change in working capital from operating activities while the decrease in cash and cash equivalents was mainly due to higher placement of fixed deposits in FY2025.

The Group's current ratio increased from 9.4 in FY2024 to 12.9 in FY2025, while the quick ratio also increased from 8.3 to 12.1 respectively, mainly due to lower current liabilities in FY2025. Net asset value per share decreased from 101.77 cents to 99.71 cents as at 31 December 2025. The shareholder's equity for the Group decreased to \$53.09 million (FY2024: \$54.19 million), while total assets decreased to \$61.87 million (FY2024: \$65.03 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 \$4.76 million has decreased as compared to last year amount of \$5.20 million. This decrease was mainly from the decrease in long-term borrowings to \$4.19 million (FY2024: \$4.41 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

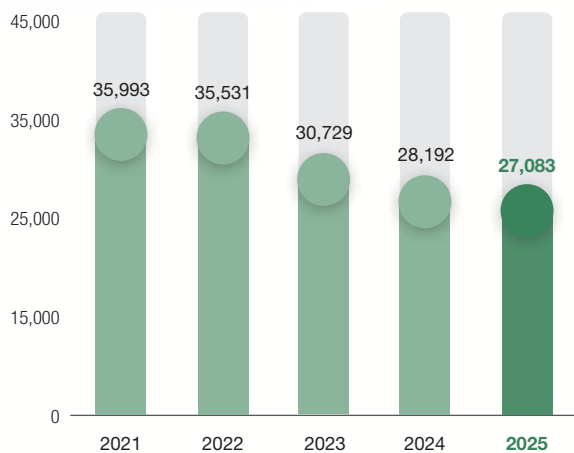
The Group's total capital expenditure incurred for the year was lower at \$0.46 million (FY2024: \$0.43 million), mainly due to additional rental pallets acquired.



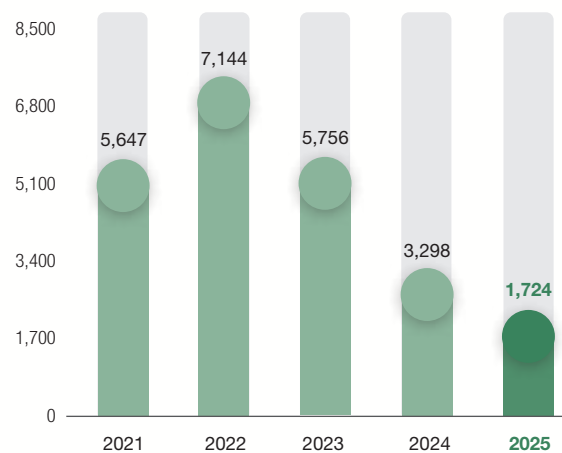
FINANCIAL SUMMARY

For the Financial Year Ended 31 December

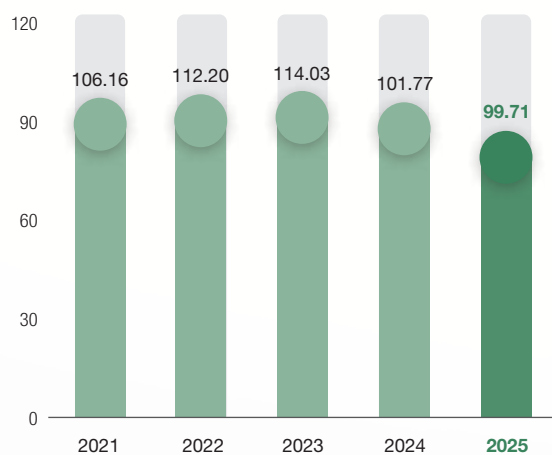
Revenue (S\$'000)



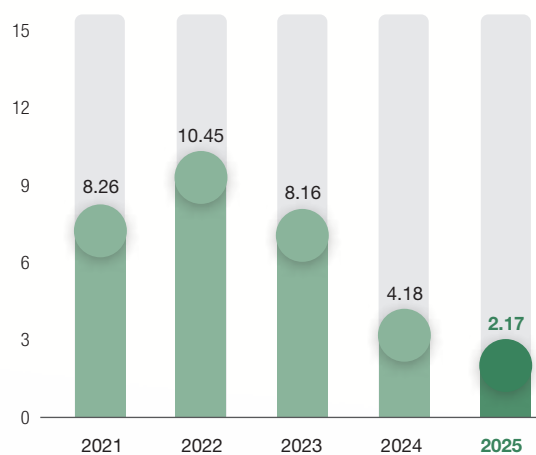
Profit Before Income Tax (S\$'000)



Net Assets Per Share (cents)



Earnings Per Share (cents)



FINANCIAL SUMMARY

For the Financial Year Ended 31 December

Result of Operations \$'000	2021	2022	2023	2024	2025
Revenue	35,993	35,531	30,729	28,192	27,083
Other income	2,439	3,084	3,696	3,475	2,848
Profit before income tax	5,647	7,144	5,756	3,298	1,724
Income tax expense	(1,251)	(1,579)	(1,411)	(1,071)	(566) ^A
Profit after income tax attributable to owners of the Company	4,396	5,565	4,345	2,227	1,158
Earnings per share (cents) ^B	8.26	10.45	8.16	4.18	2.17
Financial Position \$'000	2021	2022	2023	2024	2025
Non-current assets	17,895	15,600	23,581	17,120	14,468
Current assets	48,899	54,607	53,229	47,914	47,406
Current liabilities	(3,589)	(4,485)	(4,758)	(5,107)	(3,687)
Net current assets	45,310	50,122	48,471	42,807	43,719
Non-current liabilities	(6,680)	(5,981)	(11,338)	(5,737)	(5,095)
	56,525	59,741	60,714	54,190	53,092
Equity					
Equity attributable to owners of the Company	56,525	59,741	60,714	54,190	53,092
Net assets per share (cents)	106.16	112.20	114.03	101.77	99.71

Notes:

- (A) The Group's income tax expense for the financial year reflects adjustments arising from the finalisation of deferred tax positions upon completion of audit, primarily relating to temporary differences such as capital allowances and lease liabilities.
- (B) 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 2025

FY2025 has been a year of significant milestones for LHT Holdings Ltd..

29 APRIL 2025

Held Company's Annual General Meeting at 6 Tuas South Street 10, Singapore 636941.

1 JULY 2025 TO 2 MARCH 2026

The relocation from 27 Sungei Kadut Street 1 to 6 Tuas South Street 10 was strategically planned and executed with precision, ensuring minimal disruption to operations.

30 JULY TO 1 AUGUST 2025

Participated in the MIFB 2023 exhibition in Kuala Lumpur Convention Centre, to exhibit Green Pallet for Green Packaging.

9 AUGUST 2025

A sponsorship for the Green & Sustainability Wooden Packaging for their storage of goodies and transportation handling at the Singapore National Day event.

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") and the statement of changes in equity of the Company for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

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 2025, 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:

Li Suet Man
Lan Ruilong (Appointed on 1 March 2025)
Irwin Lim Kee Way
Tan Peck Joo
Lisa Theng Siew Lian
Dr Kimmis Pun Kim Ming

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/ Date of appointment	At end of year	At 21 January 2026	At beginning of year/ Date of appointment	At end of year	At 21 January 2026
	Number of ordinary shares			Number of ordinary shares		
Li Suet Man	–	–	–	12,098,147 ¹	12,098,147 ¹	12,098,147 ¹
Lan Ruilong ³	9,671,205 ²	9,671,205 ²	9,671,205 ²	–	–	–

1 Mr Li Suet Man is deemed to have an interest in 12,098,147 shares held by Synectix Pte Ltd. These shares are deposited with nominee companies, comprising 6,774,147 shares held through DBS Nominees Pte Ltd and 5,324,000 shares held through CGS International Securities Singapore Pte Ltd.

2 Mr Lan Ruilong is deemed to have a direct interest in shares held through a nominee account with Philip Securities Pte Ltd.

3 Mr Lan Ruilong is appointed as Non-Executive Non-Independent Director on 1 March 2025

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 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;
- 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;

DIRECTORS' STATEMENT

- (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

Li Suet Man
Interim Executive Chairman

Singapore
7 April 2026

Irwin Lim Kee Way
Lead Independent Director

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") as set out on pages 26 to 74, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025;
- 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 2025, 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"), as applicable to audit of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also 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 2025, the Group's and Company's inventories amounted to \$2,708,000 and \$1,017,000 (2024: \$5,290,000 and \$3,023,000) respectively, which accounted for approximately 6% of the Group's current assets and 2% of the Company's current assets respectively.

The Group adopts a periodic inventory accounting system, using an in-house inventory management system. The Group measures the cost of inventories (finished goods) using standard costing. Standard unit costs of the inventories are computed manually and entered into the inventory management system 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 2025.

INDEPENDENT AUDITOR'S REPORT

To the Members of LHT Holdings Limited

Related Disclosures

Refer to Note 6 of the accompanying financial statements.

Audit Response

We have performed the following audit procedures, amongst others:

- tested the computation of purchases using first-in, first-out basis and checked accuracy of the units' cost stated in the inventory management system by matching inventory unit cost from the inventory management system against invoices from suppliers and costing sheets on a sample basis;
- 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 finished goods on a sample basis; and
- traced the costs of inventories from the inventory management system 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 Leong Wenjie, Stephen.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore
7 April 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		Group	
	Note	2025 \$'000	2024 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,992	9,139
Right-of-use assets	4	7,476	7,981
Total non-current assets		14,468	17,120
Current assets			
Inventories	6	2,708	5,290
Trade and other receivables	7	5,741	6,783
Fixed deposits	8	34,084	25,092
Cash and cash equivalents	9	4,873	10,749
Total current assets		47,406	47,914
Total assets		61,874	65,034
LIABILITIES AND EQUITY			
Current liabilities			
Lease liabilities	10	570	788
Trade and other payables	11	2,441	3,765
Provisions	12	114	110
Income tax payables		562	444
Total current liabilities		3,687	5,107
Non-current liabilities			
Lease liabilities	10	4,191	4,408
Trade and other payables	11	–	175
Provisions	12	564	528
Deferred tax liabilities	13	340	626
Total non-current liabilities		5,095	5,737
Total liabilities		8,782	10,844
Equity			
Share capital	14	24,621	24,621
Currency translation reserve	15	(293)	(699)
Retained earnings		28,764	30,268
Total equity attributable to owners of the Company		53,092	54,190
Total liabilities and equity		61,874	65,034

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		Company	
	Note	2025 \$'000	2024 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	262	1,065
Right-of-use assets	4	150	276
Investments in subsidiaries	5	10,300	10,300
Deferred tax assets	13	24	–
Total non-current assets		10,736	11,641
Current assets			
Inventories	6	1,017	3,023
Trade and other receivables	7	4,799	5,784
Fixed deposits	8	34,002	13,155
Cash and cash equivalents	9	974	3,028
Total current assets		40,792	24,990
Total assets		51,528	36,631
LIABILITIES AND EQUITY			
Current liabilities			
Lease liabilities	10	158	371
Trade and other payables	11	3,093	3,484
Provision	12	114	110
Income tax payables		108	208
Total current liabilities		3,473	4,173
Non-current liabilities			
Lease liabilities	10	–	–
Trade and other payables	11	–	175
Provisions	12	–	–
Deferred tax liabilities	13	–	27
Total non-current liabilities		–	202
Total liabilities		3,473	4,375
Equity			
Share capital	14	24,621	24,621
Retained earnings		23,434	7,635
Total equity		48,055	32,256
Total liabilities and equity		51,528	36,631

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

CONSOLIDATED INCOME STATEMENT

For The Financial Year Ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Revenue	16	27,083	28,192
Cost of sales		(16,941)	(16,753)
Gross profit		10,142	11,439
Other item of income			
Other income	17	2,848	3,475
Other items of expenses			
Distribution expenses		(971)	(981)
Administrative expenses		(8,670)	(9,749)
Loss allowance reversed/(recognised) for trade receivables	7	34	(10)
Other expenses		(1,263)	(232)
Finance costs	18	(396)	(644)
Profit before income tax	19	1,724	3,298
Income tax expense	21	(566)	(1,071)
Profit for the financial year		1,158	2,227
Profit attributable to:			
Owners of the Company		1,158	2,227
Earnings per share attributable to owners of the Company (cents)			
Basic and diluted	22	2.17	4.18

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Profit for the financial year		1,158	2,227
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 (2024: \$Nil)		406	833
Total other comprehensive income		406	833
Total comprehensive income for the financial year attributable to owners of the Company		1,564	3,060
Total comprehensive income attributable to:			
Owners of the Company		1,564	3,060

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	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 2025		24,621	(699)	30,268	54,190
Total comprehensive income for the financial year:					
Profit for the financial year		–	–	1,158	1,158
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries		–	406	–	406
Total comprehensive income for the financial year		–	406	1,158	1,564
Total transactions with owners, recognised directly in equity					
Dividend	26	–	–	(2,662)	(2,662)
Balance at 31 December 2025		24,621	(293)	28,764	53,092
Balance at 1 January 2024		24,621	(1,532)	37,625	60,714
Total comprehensive income for the financial year:					
Profit for the financial year		–	–	2,227	2,227
Other comprehensive income:					
Exchange differences on translating foreign subsidiaries		–	833	–	833
Total comprehensive income for the financial 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

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

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	Note	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Company				
Balance at 1 January 2025		24,621	7,635	32,256
Total comprehensive income for the financial year:				
Profit for the financial year		–	18,461	18,461
Total comprehensive income for the financial year		–	18,461	18,461
Total transactions with owners, recognised directly in equity				
Dividend	26	–	(2,662)	(2,662)
Balance at 31 December 2025		24,621	23,434	48,055
Balance at 1 January 2024		24,621	16,448	41,069
Total comprehensive income for the financial year:				
Profit for the financial year		–	771	771
Total comprehensive income for the financial 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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Operating activities			
Profit before income tax		1,724	3,298
Adjustments for:			
Loss allowance (reversed)/recognised for trade receivables	7	(34)	10
Write-Back of obsolete inventories	6	(171)	(202)
Property, plant and equipment written off	19	706	61
Impairment loss on property, plant and equipment	19	435	–
Deferred grant income		(30)	(51)
Interest expense	18	396	644
Interest income	17	(522)	(905)
Depreciation of property, plant and equipment	3.3	1,503	1,854
Amortisation of right-of-use assets	4(c)	1,263	1,365
Gain on disposal of property, plant and equipment	17	(855)	(361)
Gain on remeasurement of lease liabilities	17	–	(157)
Gain on discharge of lease	17	(26)	–
Operating cash flows before movements in working capital		4,389	5,556
Changes in working capital:			
Inventories		2,720	(1,186)
Trade and other receivables		1,279	(881)
Trade and other payables		(1,642)	1,135
Cash generated from operations		6,746	4,624
Income taxes paid		(738)	(1,564)
Net cash from operating activities		6,008	3,060
Investing activities			
Purchase of property, plant and equipment		(459)	(430)
(Placement)/Withdrawal of fixed deposits		(7,704)	5,342
Proceeds from disposal of property, plant and equipment		1,152	378
Deposit refunded for acquisition of property	23	–	79
Interest received		491	957
Net cash (used in)/from investing activities		(6,520)	6,326
Financing activities			
Placement of fixed deposits pledged	8	(1,327)	–
Dividend paid	26	(2,662)	(9,584)
Repayment of lease liabilities	10	(1,075)	(1,281)
Interest paid	10	(356)	(602)
Net cash used in financing activities		(5,420)	(11,467)
Net change in cash and cash equivalents		(5,932)	(2,081)
Cash and cash equivalents at beginning of financial year		10,749	12,364
Net effect of exchange rate changes on the cash and cash equivalents held in foreign currencies		56	466
Cash and cash equivalents at end of financial year	9	4,873	10,749

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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”).

Subsequent to the financial year end, the Company relocated its principal place of business to 6 Tuas South Street 10, Singapore 636941 and changed its registered office to 112 Robinson Road #04-02, 112 Robinson, Singapore 068902, both with effect from 2 March 2026.

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)”) 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 entity within the Group 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.

Significant accounting estimates and assumptions used:

- Depreciation and useful lives (Note 3.1)
- 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 2025

2. Basis of preparation (Continued)

Significant accounting estimates and assumptions used: (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2025

On 1 January 2025, 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 currently ongoing.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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							
2025							
Cost							
As at 1 January 2025	14,178	20,138	2,838	1,767	7,083	433	46,437
Additions	–	16	125	33	139	146	459
Disposals	(50)	(12,742)	(14)	(9)	(759)	–	(13,574)
Written off	(646)	(1,913)	(259)	–	(861)	(415)	(4,094)
Transfer from inventories	–	–	–	–	209	–	209
Transfer from assets under construction	–	–	81	–	–	(81)	–
Transfer from right-of-use assets (Note 4)	–	–	–	9	–	–	9
Currency realignment	29	96	16	26	211	–	378
As at 31 December 2025	13,511	5,595	2,787	1,826	6,022	83	29,824
Accumulated depreciation and impairment loss							
As at 1 January 2025	10,085	19,056	2,782	1,138	4,237	–	37,298
Charge for the year	532	195	38	110	628	–	1,503
Disposals	(49)	(12,500)	(14)	(9)	(705)	–	(13,277)
Written off	(643)	(1,865)	(259)	–	(621)	–	(3,388)
Impairment	–	435	–	–	–	–	435
Currency realignment	18	94	12	10	127	–	261
As at 31 December 2025	9,943	5,415	2,559	1,249	3,666	–	22,832
Net carrying amount							
As at 31 December 2025	3,568	180	228	577	2,356	83	6,992

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

3. Property, plant and equipment (Continued)

	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	–	153	430
Disposals	–	–	–	–	(343)	–	(343)
Written off	–	(220)	(27)	–	(724)	–	(971)
Transfer from inventories*	–	–	–	–	509	–	509
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
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

* The Group represented \$509,000 from “Additions” to “Transfer from inventories” to better reflect the nature of these transactions. Accordingly, this resulted in reclassification of \$509,000 from cash outflow arising from “Investing activities - Purchase of property, plant and equipment” to “Operating activities – Changes in working capital: Inventories” in the Consolidated Statement of Cash Flows for the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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						
2025						
Cost						
As at 1 January 2025	9,489	15,483	2,265	235	427	27,899
Additions	–	–	38	33	135	206
Disposal	(50)	(12,707)	(5)	(9)	–	(12,771)
Written off	(646)	(1,870)	(251)	–	(415)	(3,182)
Transfer from assets under construction	–	–	64	–	(64)	–
Transfer from right-of-use assets (Note 4)	–	–	–	9	–	9
As at 31 December 2025	8,793	906	2,111	268	83	12,161
Accumulated depreciation						
As at 1 January 2025	9,295	15,082	2,248	209	–	26,834
Charge for the year	190	90	21	17	–	318
Disposal	(49)	(12,473)	(5)	(9)	–	(12,536)
Written off	(643)	(1,823)	(251)	–	–	(2,717)
As at 31 December 2025	8,793	876	2,013	217	–	11,899
Net carrying amount						
As at 31 December 2025	–	30	98	51	83	262
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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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 year
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 2026
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 sq	99 years expiring 2090

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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	
	2025 \$'000	2024 \$'000
Cost of sales (Note 19)	582	825
Administrative expenses (Note 19)	921	1,029
	1,503	1,854

3.4 Construction-in-progress

As at 31 December 2025, the Group's construction-in-progress relating to the development of an artificial intelligence-enabled robotic pallet assembly system amounted to \$Nil (2024: \$280,000).

During the financial year, additions of approximately \$135,000 were incurred in respect of the project. Following management's reassessment of the project, the cumulative development costs of approximately \$415,000 (comprising prior year balances and current year additions) were written off to profit or loss during the financial year.

During the financial year, included in the transfers from asset under construction of \$81,000 is approximately \$64,000 of construction-in-progress that was transferred to the relevant property, plant and equipment categories upon completion, mainly relating to infrastructure works at the leasehold property located at 6 Tuas South Street 10 and the Group's server IT infrastructure, which were previously recognised as construction-in-progress in the prior financial year.

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Leasehold properties	–	194	–	194
Plant and machinery	–	130	–	130
	–	324	–	324

3.6 Impairment of property, plant and equipment

During the financial year, following a strategic realignment of operations and the relocation of certain production activities, the Group recognised a one-off impairment loss of \$435,000 on certain plant and equipment related to woodchip production.

The recoverable amount of the affected assets of \$75,000 has been determined based on their fair value less costs of disposal, based on indicative market quotations obtained for similar assets. The impairment was recognised as the recoverable amount of the assets was assessed to be lower than their carrying amount.

The valuation is categorised within Level 3 of the fair value hierarchy as it is based on unobservable inputs, including estimated resale values and scrap proceeds. Costs of disposal were assessed to be not material.

Accordingly, an impairment loss was recognised as the carrying amount of these assets exceeded their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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				
2025				
At 1 January 2025	6,271	1,523	187	7,981
Lease modification	588	–	73	661
Amortisation charges	(1,026)	(97)	(140)	(1,263)
Transfer to property, plant and equipment (Note 3)	–	–	(9)	(9)
Currency realignment	45	57	4	106
At 31 December 2025	5,878	1,483	115	7,476
2024				
At 1 January 2024	11,841	1,485	461	13,787
Additions	–	42	55	97
Lease modification	(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
Company				
2025				
At 1 January 2025		245	31	276
Lease modification		426	36	462
Amortisation charges		(532)	(47)	(579)
Transfer to property, plant and equipment (Note 3)		–	(9)	(9)
At 31 December 2025		139	11	150
2024				
At 1 January 2024		5,468	139	5,607
Lease modification		(4,624)	(1)	(4,625)
Amortisation charges		(599)	(101)	(700)
Discharge of leases		–	(6)	(6)
At 31 December 2024		245	31	276

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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 two (2024: three) parcels of leasehold land in Singapore and four (2024: 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 2026
30 Kranji Way – PID 8201710044 at Kranji Industrial Estate Singapore	Under development	17,988 sqm	Terminated in February 2025
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 2025

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.

During the current financial year, the handover was completed on 4 February 2025, accordingly, the lease was discharged, resulting in the derecognition of lease liabilities. A gain of approximately \$26,000 was recognised in other income (Note 17).

In the prior financial year, a gain of \$157,000 was recognised in other income (Note 17) because 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 lease motor vehicles and forklifts 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 \$9,000 (2024: \$137,000) 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 have leases with terms of 12 months or less. The Group and the Company apply 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

4. Right-of-use assets (Continued)

(c) Amount recognised in profit or loss

	Group	
	2025 \$'000	2024 \$'000
Amortisation of right-of-use assets	1,263	1,365
Interest expense on lease liabilities (Notes 10 and 18)	356	602
Lease expense not capitalised in lease liabilities:		
– Expense relating to short-term leases (included in administrative expenses and cost of sales)	5	3
Total amount recognised in profit or loss	1,624	1,970

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

	2025 \$'000	2024 \$'000
Cost of sales (Note 19)	443	407
Administrative expenses (Note 19)	820	958
	1,263	1,365

(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 (2024: \$16,000) and \$16,000 (2024: \$16,000) 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 2025, the Group's and the Company's motor vehicles and forklifts with a carrying amount of \$Nil (2024: \$9,000) and \$Nil (2024: \$9,000) respectively are secured over the lease liabilities owing to financial institutions amounting to \$Nil (2024: \$6,000) and \$Nil (2024: \$6,000) respectively.

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

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 \$Nil (2024: \$9,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. Investments in subsidiaries

	Company	
	2025 \$'000	2024 \$'000
Unquoted equity shares, at cost	14,019	14,019
Impairment loss	(3,719)	(3,719)
	10,300	10,300

There were no movements in impairment loss during the financial year.

Significant restriction

Cash and bank balances of \$94,000 (2024: \$98,000) 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 2025 %	Interest held by the Group 2024 %
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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

5. Investments in subsidiaries (Continued)

Name of Company (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership 2025 %	Interest held by the Group 2024 %
LHT ECR Packaging (Vietnam) Company Limited ⁽²⁾ (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.

6. Inventories

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At cost				
Raw materials	2,011	3,914	429	1,808
Finished goods	697	1,376	588	1,215
	2,708	5,290	1,017	3,023

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 writes down 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 \$171,000 (2024: \$202,000) being part of an inventory write-down in the previous financial years, as the inventories were sold above carrying amount in 2025. The reversal has been included in other expenses (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

7. Trade and other receivables

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current				
Trade receivables				
– third parties	4,776	6,342	3,768	4,618
– subsidiaries	–	–	274	771
	4,776	6,342	4,042	5,389
Less: Loss allowance	(6)	(244)	(5)	(47)
Total trade receivables	4,770	6,098	4,037	5,342
GST/VAT receivables	302	320	–	–
Other receivables – third parties	207	63	122	–
Interest receivables	82	51	82	24
Refundable deposits	179	310	80	243
Prepayments	496	236	478	175
Less: Loss allowance for GST/VAT receivables	(295)	(295)	–	–
Total trade and other receivables	5,741	6,783	4,799	5,784
Add/(Less):				
– Fixed deposits (Note 8)	34,084	25,092	34,002	13,155
– Cash and cash equivalents (Note 9)	4,873	10,749	974	3,028
GST/VAT receivables	(302)	(320)	–	–
Loss allowance for GST/VAT receivables	295	295	–	–
– Prepayments	(496)	(236)	(478)	(175)
Financial assets at amortised cost	44,195	42,363	39,297	21,792

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.

Trade and other receivables are stated inclusive of Goods and Services Tax (“GST”) and Value-Added Tax (“VAT”), where applicable. GST and VAT are consumption taxes imposed by the respective tax authorities and are recoverable from or payable to those authorities.

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.

Included in other receivables is an amount of approximately \$122,000 placed with the Group’s banker, DBS Bank, as a cash margin deposit for bank guarantees issued. This amount is restricted and is not available for general use by the Group.

Movements in loss allowance for trade receivables are as follow:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	244	234	47	50
Loss allowance (reversed)/recognised	(34)	10	(13)	(3)
Loss allowance written off	(204)	–	(29)	–
At 31 December	6	244	5	47

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

7. Trade and other receivables (Continued)

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	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	4,699	5,784	4,316	5,548
Ringgit Malaysia	534	723	–	53
United States dollar	5	8	5	8
Vietnamese dong	–	7	–	–
	5,238	6,522	4,321	5,609

8. Fixed deposits

Fixed deposits are denominated in the following currencies:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	34,002	24,326	34,002	13,155
Ringgit Malaysia	82	689	–	–
United States dollar	–	77	–	–
	34,084	25,092	34,002	13,155

The fixed deposits of the Group amounting to \$1,404,000 (2024: \$77,000) are pledged to three (2024: two) banks as security for bank guarantee facilities granted to the subsidiaries. The fixed deposits bear effective interest rates ranging from 1.48% to 2.75% (2024: 2.37% to 3.70%) per annum with tenors of 1 to 12 months (2024: 3 to 12 months) and maturing within 0.2 to 8.5 months (2024: 3 months) from the end of the financial year.

9. Cash and cash equivalents

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

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Cash on hand	15	20	1	10
Bank balances	4,858	10,729	973	3,018
	4,873	10,749	974	3,028

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

9. Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	2,743	7,318	958	2,966
Ringgit Malaysia	1,710	2,647	1	5
United States dollar	326	684	15	57
Renminbi	94	98	–	–
Vietnamese dong	–	2	–	–
	4,873	10,749	974	3,028

10. Lease liabilities

	Leasehold land \$'000	Leasehold buildings \$'000	Motor vehicles and forklifts \$'000	Total \$'000
Group				
2025				
At 1 January 2025	4,960	47	189	5,196
Discharge of leases	(26)	–	–	(26)
Interest expenses (Note 18)	346	2	8	356
Lease modification	588	–	73	661
Lease payments				
Principal portion	(893)	(33)	(149)	(1,075)
Interest portion	(346)	(2)	(8)	(356)
Currency realignment	1	–	4	5
At 31 December 2025	4,630	14	117	4,761
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
Lease modification	(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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

10. Lease liabilities (Continued)

	Leasehold land \$'000	Motor vehicles and forklifts \$'000	Total \$'000
Company			
2025			
At 1 January 2025	341	30	371
Discharge of leases	(26)	–	(26)
Interest expenses	22	2	24
Lease modification	426	36	462
Lease payments			
– Principal portion	(594)	(55)	(649)
– Interest portion	(22)	(2)	(24)
At 31 December 2025	147	11	158
2024			
At 1 January 2024	5,780	125	5,905
Discharge of leases	–	(6)	(6)
Interest expenses	254	5	259
Lease modification	(4,779)	(1)	(4,780)
Lease payments			
– Principal portion	(660)	(88)	(748)
– Interest portion	(254)	(5)	(259)
At 31 December 2024	341	30	371

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

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Contractual undiscounted cash flows				
– Not later than a year	879	1,116	160	378
– Later than one year and not later than five years	3,154	2,509	–	–
– Over five years	2,498	3,587	–	–
	6,531	7,212	160	378
Less: Future interest expense	(1,770)	(2,016)	(2)	(7)
Present value of lease liabilities	4,761	5,196	158	371
Presented in statements of financial position				
– Current	570	788	158	371
– Non-current	4,191	4,408	–	–
	4,761	5,196	158	371

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 lease certain machineries and motor vehicles (i.e. commercial vehicles and forklifts) from third parties with only fixed payment over the lease terms.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

10. Lease liabilities (Continued)

The average incremental borrowing rate applied in the leases for the Group and the Company range from 2.28% to 7.00% (2024: 2.28% to 7.00%) and 7.00% (2024: 4.15% to 7.00%) respectively.

The total cash outflow for all leases including short-term leases for the Group amounted to \$1,437,000 (2024: \$1,886,000) for the current financial year.

Lease liabilities payables are denominated in the following currencies:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	4,639	4,989	158	371
Ringgit Malaysia	122	207	–	–
	4,761	5,196	158	371

11. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Non-current				
Deferred capital grant				
– Enterprise Development Grant (“EDG”)	–	175	–	175
Current				
Trade payables				
– third parties	598	1,700	157	923
– subsidiaries	–	–	1,615	1,097
GST/VAT payables	598	1,700	1,772	2,020
Amount owing to a director	254	238	153	159
Accrued expenses	–	25	–	–
Deposits received	841	1,131	704	963
Accrual for unutilised leave	85	76	15	17
Deferred capital grant – Capability Development Grant (“CDG”)	213	298	192	272
Advances from customers (Note 16(b))	–	30	–	30
Sundry payables	154	93	82	23
Total current trade and other payables	296	174	175	–
Total trade and other payables	2,441	3,765	3,093	3,484
Add/(Less):				
– Lease liabilities (Note 10)	2,441	3,940	3,093	3,659
– GST/VAT payables	4,761	5,196	158	371
– Accrual for unutilised leave	(254)	(238)	(153)	(159)
– Advances from customers (Note 16(b))	(213)	(298)	(192)	(272)
– Deferred capital grant – EDG	(154)	(93)	(82)	(23)
– Deferred capital grant – CDG	–	(175)	–	(175)
Financial liabilities carried at amortised cost	–	(30)	–	(30)
	6,581	8,302	2,824	3,371

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

11. Trade and other payables (Continued)

The trade amounts due to third parties and subsidiaries 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.

Deferred capital grant – Capability Development Grant (“CDG”)

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 2025, the Group and the Company recognised \$30,000 (2024: \$51,000) in profit or loss under other income (Note 17).

Deferred capital grant – Enterprise Development Grant (“EDG”)

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. The original qualifying period was from 1 July 2020 to 31 December 2022. Following approval from Enterprise Singapore on 3 January 2025, the qualifying period was extended to 30 September 2025, with the claim submission period extended to 29 March 2026.

During the financial year ended 31 December 2025, the Group and the Company recognised \$Nil (2024: \$Nil) of the grant income in profit or loss. The remaining unutilised grant of \$175,000 (2024: \$175,000) was reclassified as sundry payables from deferred capital grant following the Group’s realignment of the project line with its operation focus.

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	
	2025	2024	2025	2024
	\$’000	\$’000	\$’000	\$’000
Singapore dollar	1,212	1,809	1,900	2,253
Ringgit Malaysia	414	407	753	497
United States dollar	14	706	13	250
Renminbi	176	180	–	–
Vietnam dong	4	4	–	–
	1,820	3,106	2,666	3,000

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

12. Provisions

	Costs of dismantlement, removal or restoration			
	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	638	596	110	102
Unwind of discount (Note 18)	40	42	4	8
At 31 December	678	638	114	110

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.

Presented in statement of financial position

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
– Current	114	110	114	110
– Non-current	564	528	–	–
	678	638	114	110

13. Deferred tax liabilities/assets

	Group		Company	
	2025 \$'000	2025 \$'000	2025 \$'000	2024 \$'000
Deferred tax liabilities/(assets)	340	626	(24)	27

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

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At 1 January	626	653	27	20
Charged/(Credit) to profit or loss (Note 21)	(292)	(41)	(51)	7
Currency realignment	6	14	–	–
At 31 December	340	626	(24)	27

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

13. Deferred tax liabilities/assets (Continued)

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 2025	736	774	(815)	(5)	(64)	626
Charged/(Credit) to profit or loss	(351)	(747)	786	1	19	(292)
Currency realignment	6	–	–	–	–	6
At 31 December 2025	391	27	(29)	(4)	(45)	340
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
Company						
At 1 January 2025	89	44	(55)	(5)	(46)	27
Charged/(Credit) to profit or loss	(75)	(18)	28	1	13	(51)
At 31 December 2025	14	26	(27)	(4)	(33)	(24)
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

13.2 Deferred tax assets not recognised

Deferred tax assets not recognised relate to the following:

	Group	
	2025	2024
	\$'000	\$'000
Unutilised tax losses	75	109

As at 31 December 2025, the Group has unutilised tax losses of \$299,000 (2024: \$435,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

13. Deferred tax liabilities/assets (Continued)

13.2 Deferred tax assets not recognised (Continued)

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	
	2025 \$'000	2024 \$'000
Year 2025	–	138
Year 2026	293	293
Year 2027	2	2
Year 2028	1	1
Year 2029	1	1
Year 2030	2	–
	299	435

14. Share capital

	Group and Company			
	2025 Number of ordinary shares '000	2024 Number of ordinary shares '000	2025 Share capital \$'000	2024 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	
	2025 \$'000	2024 \$'000
Revenue from contracts with customers (SFRS(I) 15)		
Sales of goods – Point in time	23,406	23,485
Revenue from leases (SFRS(I) 16)		
Pallet rental	3,677	4,707
Total revenue	27,083	28,192

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

16. Revenue (Continued)

(a) Disaggregation of revenue (Continued)

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 income is recognised on a straight-line basis over the lease term in accordance with SFRS(I) 16.

(b) Contract balances

	Group	
	2025	2024
	\$'000	\$'000
<u>Contract liabilities</u>		
Advances from customers (Note 11)		
– sales of goods	154	93

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	
	2025	2024
	\$'000	\$'000
As at 1 January	93	23
Amount recognised as revenue	(70)	–
Cash received in advance of performance and not recognised as revenue	131	70
At 31 December	154	93

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 2025

17. Other income

	Group	
	2025 \$'000	2024 \$'000
Gain on disposal of property, plant and equipment	855	361
Gain on remeasurement of lease liabilities (Note 4(a)(i))	–	157
Gain on discharge of lease liabilities (Note 4(a)(i))	26	–
Government grants:		
(i) Corporate Income Tax Rebate Cash Grant	6	6
(ii) Capability Development Grant	30	51
(iii) Enterprise Development Grant	92	–
(iv) Wage Credit Scheme	22	46
(v) CPF Transition Offset	4	4
(vi) Others government grants	3	3
Heat treatment income	278	383
Interest income	522	905
Logistics service income	108	298
Waste collection income	502	738
Sundry income	400	523
	2,848	3,475

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	
	2025 \$'000	2024 \$'000
Interest expense in respect of:		
Lease liabilities (Note 10)	356	602
Unwind of discount on site restoration provision (Note 12)	40	42
	396	644

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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	
	2025 \$'000	2024 \$'000
<i>Cost of sales</i>		
Cost of inventories included in cost of sales	10,755	9,679
Employee benefits expenses (Note 20)	3,227	3,739
Repair and maintenance expenses	566	476
Depreciation of property, plant and equipment (Note 3.3)	582	825
Amortisation of right-of-use assets (Note 4(c))	443	407
Short term lease expense	3	1
Utilities expenses	544	668
<i>Distribution expenses</i>		
Transportation and carriage expenses	971	981
<i>Administrative expenses</i>		
Advertisement/marketing promotion expenses	80	30
Audit fees		
– Auditors of the Company	143	143
– Other auditors	44	37
Non-audit fees – non-audit related service ⁽¹⁾		
– Auditors of the Company	17	21
– Other auditors/firm	59	28
Depreciation of property, plant and equipment (Note 3.3)	921	1,029
Amortisation of right-of use assets (Note 4(c))	820	958
Directors' fees (Note 25)	300	229
Employee benefits expenses (Note 20)	3,956	4,075
Insurance	230	234
Legal and professional fees	378	331
Property tax	359	400
Short term lease expense	2	2
Upkeep and maintenance expenses	338	513
Plant dismantlement and decommissioning cost	178	–
Reinstatement cost (Note 4(a)(i))	–	298
Liquidation damages (Note 4(a)(i))	–	518
<i>Other expenses</i>		
Foreign exchange loss, net	293	373
Impairment loss on property, plant and equipment	435	–
Property, plant and equipment written off	706	61
Write-back of obsolete inventories (Note 6)	(171)	(202)

(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 2025

20. Employee benefits expenses

	Group	
	2025 \$'000	2024 \$'000
Salaries, wages and other costs	6,729	7,341
Defined contribution plans	454	473
	<u>7,183</u>	<u>7,814</u>

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

	Group	
	2025 \$'000	2024 \$'000
Cost of sales	3,227	3,739
Administrative expenses	3,956	4,075
	<u>7,183</u>	<u>7,814</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	
	2025 \$'000	2024 \$'000
Based on results for the financial year:		
– current income tax	819	1,168
– deferred tax	(245)	(77)
	<u>574</u>	<u>1,091</u>
(Over)/Under provision in prior years:		
– current income tax	39	(56)
– deferred tax	(47)	36
	<u>(8)</u>	<u>(20)</u>
Total income tax expense	<u>566</u>	<u>1,071</u>

Domestic income tax is calculated at 17% (2024: 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% (2024: 24%), Vietnam at 20% (2024: 20%) and China at 25% (2024: 25%).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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% (2024: 17%) to profit before income tax as a result of the following differences:

	Group	
	2025 \$'000	2024 \$'000
Profit before income tax	1,724	3,298
Income tax calculated using applicable tax rate of 17% (2024: 17%)	293	561
Add/(Less):		
Effect of different tax rates of overseas operations	99	168
Effect of income not subject to tax	(6)	(26)
Effect of non-allowable items	231	452
Tax incentive	(43)	(64)
(Over)/Under provision in prior years	(8)	(20)
Total income tax expense	566	1,071

22. Earnings per share

The calculation for earnings per share is based on:

	Group	
	2025 \$'000	2024 \$'000
Profit after income tax attributable to owners of the Company (\$'000)	1,158	2,227
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	2.17	4.18

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Capital expenditure committed but not contracted				
– Artificial intelligence enabled robotic pallet assembly system	–	475	–	475

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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, with the claim submission deadline extended to 29 March 2026.

During the financial year, the Group undertook a strategic review of the project and decided to discontinue the development. The previously capitalised development costs were written off, as disclosed in Note 3.4 to the financial statements, as they no longer met the criteria for capitalisation.

As at 31 December 2025, there are no outstanding capital commitments relating to the artificial intelligence enabled robotic pallet assembly system.

24. Contingent liabilities

As at 31 December 2025, the contingent liabilities of the Company were as follows:

	Company	
	2025 \$'000	2024 \$'000
Banker's guarantee for a subsidiary's customer as security in relation to a sales contract	308	186

The banker's guarantee is secured by the Company's cash deposits. In the prior year, the banker's guarantee was secured by the Company's leasehold properties with a carrying amount of \$194,000, which has since been fully disposed of/derecognised during the financial year.

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 \$308,000 (2024: \$186,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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	
	2025	2024
	\$'000	\$'000
Subsidiaries:		
– Trade sales	1,238	1,533
– Trade purchases	9,174	9,598
– Transport charges	191	145
– Pallet repair income	44	124
– Dividend income	18,974	1,210
– Management fee charged from	120	120
– Service rendered by	111	110
– Sundry income	68	78
– Rental income	96	96

As at 31 December 2025, 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.

Compensation of key management personnel

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

	Group	
	2025	2024
	\$'000	\$'000
Short-term employee benefits	1,000	1,385
Post-employment benefits	73	67
Directors' fees		
– Directors of the Company	300	229
	1,373	1,681
Comprise amounts paid to:		
– Directors of the entities in the Group	807	1,417
– Other key management executives	566	264
	1,373	1,681

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

26. Dividend

	Group and Company	
	2025	2024
	\$'000	\$'000
Dividends paid during the financial year:		
Ordinary dividends paid:		
First and final one-tier tax-exempt dividend paid of \$0.05 (2024: \$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 \$Nil (2024: \$0.13) per ordinary share in respect of the previous financial year	–	6,922
	<u>2,662</u>	<u>9,584</u>

The dividends paid during the current financial year relate to dividends declared in the previous financial year.

Dividends proposed but not recognised as liabilities

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 and a final and special one-tier tax-exempt dividend of \$0.20 per ordinary share amounting to approximately \$10,649,000 to be paid in respect of financial year ended 31 December 2025.

The first and final ordinary and special 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.

27. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker which includes a Interim Executive Chairman and the Chief Executive Officer 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.

During the financial year, the "Technical Wood® and related products" segment was renamed to "Waste Management and Recycling" to better reflect the Group's current operational focus. There is no change to the composition or aggregation of operating segments, and accordingly, comparative figures have not been restated.

Subsequent to the financial year end, the Group ceased the production and sale of woodchips. The Group will continue its wood waste collection and recycling activities.

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

27. Segment information (Continued)

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

	Pallet/ Packaging		Timber Related Products		Waste Management and Recycling		Pallet Rental and Others		Elimination		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue												
Sales to external customers	21,840	21,764	472	619	1,094	1,102	3,677	4,707	–	–	27,083	28,192
Inter-segment sales	9,417	9,921	734	852	244	402	–	1	(10,395)	(11,176)	–	–
Total revenue	31,257	31,685	1,206	1,471	1,338	1,504	3,677	4,708	(10,395)	(11,176)	27,083	28,192
Segment results	18,718	2,886	974	75	(842)	(272)	1,732	2,628	(18,462)	(1,375)	2,120	3,942
Finance costs											(396)	(644)
Profit before income tax											1,724	3,298
Income tax expense											(566)	(1,071)
Profit for the financial year											1,158	2,227

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

27. Segment information (Continued)

27.1 Business segments (Continued)

	Pallet/ Packaging \$'000	Timber Related Products \$'000	Waste Management and Recycling \$'000	Pallet Rental and Others \$'000	Elimination \$'000	Consolidated \$'000
Group						
31 December 2025						
Segment assets	46,913	461	8,664	9,398	(3,562)	61,874
Total assets						61,874
Segment liabilities	4,091	92	5,208	796	(2,307)	7,880
Unallocated liabilities*	–	–	–	–	–	902
Total liabilities						8,782
Other segment information						
Capital expenditures	220	–	9	230	–	459
Depreciation	418	–	436	1,311	(662)	1,503
Amortisation	704	–	508	204	(153)	1,263
Property, plant and equipment written off	465	–	241	–	–	706
Impairment loss on property, plant and equipment	–	–	435	–	–	435
(Gain)/loss on disposal of property, plant and equipment	(242)	–	5	(618)	–	(855)
Interest income	(367)	(21)	(11)	(123)	–	(522)
Heat treatment income	(136)	(7)	–	(135)	–	(278)
Waste collection income	(438)	(23)	–	(41)	–	(502)
Write-back of obsolete inventories	(171)	–	–	–	–	(171)

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

27. Segment information (Continued)

27.1 Business segments (Continued)

	Pallet/ Packaging \$'000	Timber Related Products \$'000	Waste Management and Recycling \$'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
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	37	(2)	430
Depreciation	646	–	460	1505	(757)	1,854
Amortisation	822	–	495	192	(144)	1,365
Property, plant and equipment written off	–	–	–	61	–	61
Gain on disposal of property, plant and equipment	–	–	–	(361)	–	(361)
Interest income	(574)	(33)	(33)	(265)	–	(905)
Heat treatment income	(144)	(8)	–	(231)	–	(383)
Waste collection income	(668)	(42)	–	(28)	–	(738)
Write-back of obsolete inventories	(202)	–	–	–	–	(202)

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

27.2 Geographical information

Revenue from external customers

	Singapore		Malaysia		Others		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue to external customers	23,847	23,940	2,609	3,466	627	786	27,083	28,192

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

Major Customers

For financial year ended 31 December 2025, there is 1 customer (2024: 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 2025

27. Segment information (Continued)

27.2 Geographical information (Continued)

Location of non-current assets

	Singapore		Malaysia		Consolidated	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Non-current assets	9,747	12,212	4,721	4,908	14,468	17,120

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 2025

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	
	2025	2024
	\$'000	\$'000
Financial guarantees provided for facilities (Note 24)	308	186

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 34% (2024: 28%) and 40% (2024: 33%) of the Group's and the Company's total trade receivables respectively, and receivables from subsidiaries which accounts for 7% (2024: 14%) 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					
	Gross	2025	Net	Gross	2024	Net
	\$'000	Loss	\$'000	\$'000	Loss	\$'000
		allowance			allowance	
		\$'000			\$'000	
Current	3,335	(4)	3,331	4,044	(16)	4,028
Past due 1 to 30 days	953	(1)	952	999	(5)	994
Past due 31 to 60 days	385	(1)	384	690	(5)	685
Past due for more than 60 days	103	–	103	609	(218)	391
	4,776	(6)	4,770	6,342	(244)	6,098

	Company					
	Gross	2025	Net	Gross	2024	Net
	\$'000	Loss	\$'000	\$'000	Loss	\$'000
		allowance			allowance	
		\$'000			\$'000	
Current	3,044	(3)	3,041	4,026	(14)	4,012
Past due 1 to 30 days	641	(1)	640	654	(3)	651
Past due 31 to 60 days	261	(1)	260	419	(2)	417
Past due for more than 60 days	96	–	96	290	(28)	262
	4,042	(5)	4,037	5,389	(47)	5,342

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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 wrote-off impaired trade receivables of \$204,000 and \$29,000, respectively, against the allowance for expected credit losses during the current financial year (2024: Nil).

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 (2024: 3 and 2) banks which represent 99% and 99% (2024: 97% and 99%) respectively of the Group's and the Company's bank balances and fixed deposits as at 31 December 2025.

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 2025

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 key currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD"), Malaysian Ringgit ("RM") and United States Dollar ("USD"). 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 SGD, RM and USD 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
2025					
Monetary assets					
SGD	–	1,244	–	1,244	–
RM	1	–	–	1	1
USD	255	–	76	331	21
Monetary liabilities					
SGD	–	217	–	217	–
RM	847	–	–	847	753
USD	14	–	–	14	13
SGD	–	1,027	–	1,027	–
RM	(846)	–	–	(846)	(752)
USD	241	–	76	317	8

Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currency

For The Financial Year Ended 31 December 2025

28.2 Market risks (Continued)

	Group				Company
	Functional currency of individual entities within the Group				
	SGD \$'000	RM \$'000	VND \$'000	Total \$'000	SGD \$'000
2024					
Monetary assets					
SGD	–	2,584	–	2,584	–
RM	58	–	–	58	58
USD	1,292	–	90	1,382	65
Monetary liabilities					
SGD	–	404	–	404	–
RM	560	–	–	560	497
USD	402	456	–	858	250

Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currency

SGD	–	2,180	–	2,180	–
RM	(502)	–	–	(502)	(439)
USD	890	(456)	90	524	(185)

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% (2024: 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 2025

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 Increase/(Decrease) in profit for the year		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
RM				
Strengthens against functional currency	(85)	(50)	(75)	(44)
Weakens against functional currency	85	50	75	44
USD				
Strengthens against functional currency	32	52	1	(19)
Weakens against functional currency	(32)	(52)	(1)	19
SGD				
Strengthens against functional currency	103	218	N/A	N/A
Weakens against functional currency	(103)	(218)	N/A	N/A

(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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. Financial instruments and financial risk (Continued)

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.

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				
2025				
Interest bearing				
– lease liabilities	879	3,154	2,498	6,531
Non-interest bearing				
– trade and other payables*	1,820	–	–	1,820
	2,699	3,154	2,498	8,351
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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

28. Financial instruments and financial risk (Continued)

28.3 Liquidity risk (Continued)

Contractual maturity analysis – non-derivative financial instruments (Continued)

	Not later than 1 year or on demand \$'000	Between 1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Company				
2025				
Interest bearing				
– lease liabilities	160	–	–	160
Non-interest bearing				
– trade and other payables*	2,666	–	–	2,666
	2,826	–	–	2,826
Financial guarantee contracts (Note 24)	308	–	–	308
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

* 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).

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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

29. Capital management policies and objectives (Continued)

The Group and the Company are not subjected to any externally imposed capital requirements for the financial years ended 31 December 2025 and 31 December 2024.

The Group and the Company's overall strategy remains unchanged from 2024.

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. Subsequent events

Subsequent to the financial year end, the Group commenced the relocation of its operations from its existing premises at 27 Sungei Kadut Street 1 to a new facility located at 6 Tuas South Street 10, Singapore 636941. The relocation took effect on 2 March 2026. This relocation forms part of the Group's strategic realignment and consolidation of its production and operational activities to enhance operational efficiency and support future business growth.

The above event is considered a non-adjusting subsequent event and does not have a material impact on the Group's financial position as at 31 December 2025.

32. 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 2025 were authorised for issue by the Board of Directors on 7 April 2026.

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, each Director, or each controlling shareholder, 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 2025 that exceeded the stipulated threshold. During the year, the aggregate amount of interested person transactions conducted, excluding transactions less than \$100,000 was \$474,733 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. \$405,739	0
Gold Leayong Trading ("GLT")	GLT provides transport services to the Group. \$35,405	0
Leayong Trading ("LT")	LT provides transport services to the Group. \$33,589	0
Total	\$474,733	0

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 2025 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 wood 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 raw material costs, 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 pages 66 to 74 – Notes 28 to 29 of the Notes to the Financial Statements for the year ended 31 December 2025.



LHT HOLDINGS LIMITED

CORPORATE GOVERNANCE REPORT 2025



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 2025 (“**FY2025**”) 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. 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 regarding ethics and values. 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;

CORPORATE GOVERNANCE REPORT

- Review and approve annual budgets, major funding proposals, investment and divestment proposals;
- Monitor the performance of the management;
- Set the Company's values and ethical standards, and ensure that the obligation to shareholders and other stakeholders is understood and duly met;
- Consider sustainability issues such as climate, environmental, 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 managing the Group's business affairs and works with the Management team to make objective decisions in the Group's interest.

The Group is guided by a conflict of interest policy when approving any business transaction to ensure there is no unfairness or favouritism toward any business counterpart. 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 in industry conferences and seminars and to attend any training programs relevant to their duties. The training budget is open to every Director and subject to approval by the Interim Executive Chairman. 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 Interim Executive Chairman will make the necessary arrangements to clarify the Directors' 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 containing the relevant information on their 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 they are familiar with the Group's key business and governance practices. On 15 May 2025, 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.

CORPORATE GOVERNANCE REPORT

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.

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 FY2025 are as follows:-

- Director attended the ISCA-SAC Board of Directors Masterclass Programme from 23 May 2025 to 30 November 2025 with:

Audit Committee Masterclass for Directors

E-Learning – Director’s Role in Sustainability

Nominating and Remuneration Committee Masterclass for Directors

Plenary Masterclass for Directors

Board Risk Committee Masterclass for Directors
- Corporate Governance Week by SIAS [Securities Investors Association (Singapore)] from 6 to 11 November 2025 at Grand Copthorne Waterfront Hotel, Grand Ballroom, Level 4, “Creating Sustainable Value, Building Corporate Culture & Governance for long term success.”
- BDO Annual FRS Update Seminar 2025 IFRS 18 Deep Dive on 2 October 2025 at Singapore Marriott Tang Plaza Hotel
- Attended CSIS LISTCOS FORUM at Waterfront Hotel, Grand Copthorne, on 14 October 2025
- Attended virtually IVSC-IVAS (Institute of Valuers and Appraisers, Singapore) – Business Valuation Conference 2025 From Insight to Impact: Bridging Valuation and Corporate Strategy on 27 August 2025
- Corporate Governance Conference 2025 (In Person) – Transformational Directorship: Purpose, Practice, Performance, Progress at Suntec Singapore on 12 September 2025
- Attended SMEICC Conference Series – A Shared Future: Business Reimagined at Suntec Singapore from 03 to 04 September 2025
- Personal Data Protection (PDP) Week 2025 – Data Production In A Changing World on 7 – 10 July 2025, organised by Personal Data Protection Commission Singapore, supported by Infocomm Media Development Authority
- Attended SID Corporate Governance Roundup 2025 at Marina One, West on 16 October 2025
- Attended SID Event on Family Business Group: Are Family Business Boards (Better) Prepared to Deal with Geopolitics on 25 November 2025 at Marina One
- Attended the virtual Tax webinar series: Deepen your understanding of Singapore’s GST system, organised by CPA Australia on Tuesday, 2 September 2025
- Attended ISACA SG Young Professionals’ Symposium 2025 on 26 September 2025, at Singapore Marriott Tang Plaza Hotel

CORPORATE GOVERNANCE REPORT

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, which are disclosed in the Company's annual report. Under these guidelines:

- major funding proposals
- investment and divestment proposals
- 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 own 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 approach to decision-making. 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 FY2025, the Company has held four (4) Board Meetings.

CORPORATE GOVERNANCE REPORT

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 the multiple board representations currently held by the Directors do not impede their respective performance in carrying out their duties as Directors of the Company.

The Directors committed considerable time to Board and Board committee meetings held in FY2025. Some Directors adjusted their schedules to ensure full participation in the board or board committee meetings to deliberate on the Group's business issues. The NC is of the view that the Directors have effectively committed their time to discharging their responsibilities.

A record of the Directors' attendance at the Board and Board Committee meetings, as well as general meetings for FY2025, 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		Mergers and Acquisition 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	No. of Meetings held	No. of Meetings Attended
Yap Mui Kee (Managing Director* and CEO**) * Stepped down on 9 September 2025 ** Stepped down on 23 May 2025	4	3	4	3 [#]	6	1 [#]	6	1 [#]	2	0	1	1
Li Suet Man (Redesignated from Non-Executive Non-Independent Chairman to Interim Executive Chairman with effect from 1 April 2025)	4	4	4	4 [#]	6	5 [#]	6	5 [#]	2	2 [#]	1	1
Lock Wai Han (Non-Executive Lead Independent Director – Stepped down on 29 April 2025)	4	1	4	1	6	0	6	0	2	0	1	1
Theng Siew Lian Lisa (Non-Executive Independent Director)	4	4	4	4 [#]	6	6	6	6	2	2	1	1
Lim Kee Way Irwin (redesignated from Non-Executive Independent Director to Non-Executive Lead Independent Director with effect from 29 April 2025)	4	3	4	3	6	6	6	6	2	2	1	1
Tan Peck Joo (Non-Executive Independent Director)	4	4	4	4	6	6	6	6	2	2	1	1
Dr Kimmis Pun Kim Ming (Non-Executive Independent Director)	4	4	4	4	6	6	6	6	2	2	1	1
Lan Ruilong (appointed as Non-Executive Non-Independent Director on 1 March 2025)	4	3	4	3 [#]	6	1 [#]	6	1 [#]	2	0	1	1
Tan Kim Sing (stepped down as Executive Director on 28 February 2025)	4	1	4	1 [#]	6	0	6	0	2	0	1	0
Billy Neo Kian Wee (stepped down as Executive Director on 28 February 2025)	4	1	4	1 [#]	6	0	6	0	2	0	1	0
Sally Yap Mei Yen** (Alternate Director to Yap Mui Kee – Stepped down on 9 September 2025)	4	4 [#]	4	4 [#]	6	1 [#]	6	1 [#]	2	0	1	1

By invitation.

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

CORPORATE GOVERNANCE REPORT

Provision 1.6

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

Access to information

Management places a high priority on providing the Board with complete, adequate, and timely information on an ongoing basis to assist the Directors in discharging their duties efficiently and effectively. Board members receive management reports on the Group's operations and financial performance, including updates on the Group's financial status, cash flow, and asset performance. The Board will also be updated on current industry trends and developments. As far as possible, Board members will receive the Board papers at least five business days before the meeting, allowing sufficient time to consider and deliberate on the issues to be discussed. 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 Secretaries

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 the Internal Auditors, Deloitte Singapore Assurance Pte Ltd, are invited to attend Board and Board Committee meetings to update the Directors or to provide independent professional advice on specific issues, where necessary.

Directors also have separate and independent access to the Corporate Secretaries through email, telephone, and meetings.

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

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.

CORPORATE GOVERNANCE REPORT

Provision 2.2

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

Provisions 2.3

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

Key information of Directors is set out on pages 92 to 97 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 years of service of each Non-Executive Independent Director. The NC noted that none of the independent directors had served the Company for more than nine years.

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

All newly proposed Non-Executive Independent Directors were voted upon and appointed by the shareholders at the AGM, and may also be appointed by the Board, becoming the newly appointed Independent Directors of the Board. The Independent Directors were assigned to the respective Audit and Risk, Nominating, and Remuneration Committees (ARC, NC, and RC) based on their experience and skill sets, to serve as Lead Independent Director, Chairpersons, and Members of the Board Committees.

Proportion of Non-Executive Independence of Directors

The current Board comprises six Directors, one Interim Executive Chairman, four (4) Non-Executive Independent Directors and one Non-Executive Non-Independent Director, Mr Li Suet Man, redesignated on 1 April 2025, and Mr Lan Ruilong, appointed on 1 March 2025. The Board is composed of independent members 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 set out in the Listing Manual and the Code, as well as 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 regarding 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 four Non-Executive Independent Directors have constructively challenged the Board, helped develop strategy proposals, and reviewed management's performance in meeting their goals and objectives. To facilitate more effective oversight of management, the Non-Executive Independent Directors met four times in FY2025.

The Board's composition complies with the code. The Board has appointed Mr Lim Kee Way, Irwin ("Mr Lim") as the Lead Independent Director of the Company. The shareholders can access Mr Lim if they have concerns that they are unable to, or feel it is inappropriate to, go through the normal channels to the Interim Executive Chairman and the CEO.

CORPORATE GOVERNANCE REPORT

The Board conducts scheduled meetings, and ad-hoc meetings are convened when circumstances require. In FY2025, six (6) NC and six (6) RC meetings were convened. To facilitate the attendance and participation of Directors at Board meetings, the Company's Constitution permits Board meetings to be conducted via telephone conference or other simultaneous communication methods 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 the Board and Board Committee meetings, as well as the AGM, are scheduled six (6) months in advance. To ensure maximum participation, the Corporate Secretaries will consult with every director before fixing the dates for these meetings. The Board meets at least two times each financial year and at other times as appropriate to approve the release of the Group's financial results and to consider and resolve the Group's financial and business matters. The Board and its Committees may also make decisions by written circular resolutions. To facilitate effective management, the day-to-day management of the Group's businesses and affairs is entrusted to the Interim Executive Chairman, CEO 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 itself as to the independence status of all 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 by constructively challenging and developing proposals on the Group's business strategy. The independent directors also help review the performance of the Company's management to ensure it aligns with the agreed-upon 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 time deemed necessary, without the Company's management staff present.

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 of the composition of the Board, which comprises members from diverse backgrounds, 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 Company's existing business operations.

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 (Redesignated on 1 April 2025)	Interim Executive Chairman	–	–	–
Ms Yap Mui Kee (## Stepped down on 9 September 2025 # Stepped down on 23 May 2025)	Managing Director## and CEO#	–	–	–
Mr Lock Wai Han # (Did not seek re-election at FY2024 AGM and stepped down on 29 April 2025)	Ex-Non-Executive Lead Independent Director	Member	–	Member
Ms Theng Siew Lian Lisa	Non-Executive Independent Director	–	Member	Chairman
Mr Lim Kee Way Irwin (Redesignated on 29 April 2025)	Non-Executive Lead 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	Member	Member	Member
Mr Lan Ruilong	Non-Executive Non-Independent Director	–	–	–
Ms Sally Yap Mei Yen (Stepped down on 9 September 2025)	Alternate Director to Ms Yap Mui Kee	–	–	–
Mr Tan Kim Sing (Stepped down on 28 February 2025)	Executive Director	–	–	–
Mr Billy Neo Kian Wee (Stepped down on 28 February 2025)	Executive Director	–	–	–

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 achieve an optimal balance.

All Board appointments are to be determined based on merit, including knowledge, skills, 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 fulfil their duties. A well-balanced Board with directors from diverse backgrounds can provide fresh perspectives to solve business issues, foster growth, create value for the Company and enhance corporate governance.

CORPORATE GOVERNANCE REPORT

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

The Board has adopted a framework to promote diversity, and the NC is responsible for ensuring its effective and practical implementation. 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 diversity across all dimensions, including 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 reviews the composition of the Board, which comprises members of both genders and diverse backgrounds whose core competencies, qualifications, skills, and experiences meet the Group's requirements.

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 for their calibre, experience, and stature, and is expected to bring a valuable range of expertise to contribute to the development of the Group's strategy and its business performance. In recognition of the importance and value of gender diversity in the composition of the Board, the Board has three male and three female directors representing its membership. Mr Li Suet Man has been a member of the Board since 1 November 2019. Besides, it consists of directors aged from more than fifty-nine (59) to sixty-five (65) years, who have served on the Board for tenures ranging from more than one (1) year to six (6) 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 that enable 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 11 of this Annual Report.

Provision 2.5

Non-executive directors and/or independent directors, led by the independent Chairman or another independent director as appropriate, meet regularly without Management present. 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 thrice, without management present, as needed. 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 the exchange of views during or after 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 Independent Directors, led by the Lead Independent Director, meet amongst themselves on 23 February 2025, 8 August 2025 and 14 November 2025, without the presence of other Directors. The lead independent Director provides feedback to the Board and the Chairman of the Board after such meetings, where necessary.

CORPORATE GOVERNANCE REPORT

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 positions of the Chairman and the CEO are held by two separate persons with division of responsibilities between the Board and Management in writing, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and CEO are not related.

During the financial year, Ms Yap Mui Kee served as the CEO of the Company until she stepped down as CEO on 23 May 2025 and subsequently stepped down as the Managing Director on 9 September 2025. Ms Yap Mui Kee and the Chairman were separate individuals and were not related.

During Ms Yap Mui Kee’s time as CEO of the Company, she was responsible for the overall leadership of the Board and regularly engaged with the management staff on pertinent issues. She approved the agendas for the Board Meetings and promoted a culture of open and free discussion amongst the Board. She also ensured that the Board received timely and accurate information from the management staff, and provided valuable insight, guidance and advice on the Group’s corporate governance systems and processes. She led the Management team and had full executive responsibility for the overall management and performance of the Group’s business. She was also responsible for translating the Board’s decisions into executive action and was accountable to the Board for the outcomes.

In connection with the leadership transition, Mr Ong Swee Keong was appointed as CEO Designate with effect from 1 April 2025 and re-designated as CEO with effect from 19 May 2025. The Board separates the role of Interim Executive Chairman, Mr Li Suet Man, CEO, Mr Ong Swee Keong. They 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.

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 Independent Director

Mr Lim Kee Way, Irwin, was redesignated on 29 April 2025 as the Non-Executive Director and the Lead Independent Director of the Company, in place of Mr Lock Wai Han, the Ex-Lead Independent Director, who retired and did not seek re-election at the close of the AGM on 29 April 2025. Mr Lim is responsible for providing leadership when the Chairman is in conflict, especially when the Chairman is not independent. The lead independent director is accessible to shareholders when their concerns require contact beyond the usual channels of communication with the Chairman or Management.

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 to ensure progressive renewal of the Board.

NC Composition, Role and Terms of Reference

The NC comprises 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 Lead 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 Independent Director ("ID") to meet without the management present. For FY 2025, ID met without management present on 7 August 2025 and 14 November 2025.

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

- (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 needs 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 appointment of new directors.
- 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 experience 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 the educational qualifications, track record, age, working experience, capabilities, strong business network, and other relevant factors in appointing the Non-Executive Independent Director and the Non-Executive Non-Independent Director. The NC accepted the stepping down of Ex-Lead Independent Director, Mr Lock Wai Han "Mr Lock". Mr Lock did not seek re-election at the AGM 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.

CORPORATE GOVERNANCE REPORT

Continuous Review of Directors' Independence

Each Independent Director has to make a yearly declaration to confirm their independence. The NC has reviewed the Directors' independence, as mentioned on page 84 of this report. In the opinion of the NC, Mr Lee Kee Way Irwin, Ms Theng Siew Lian Lisa, Ms Tan Peck Joo and Dr Kimmis Pun Kim Ming are independent, among other things, based on the criteria set out in the Listing Manual and the Code, and their respective declarations.

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 Ms Tan Peck Joo and Mr Lim Kee Way Irwin.

The NC has reviewed and recommended that Ms Tan and Mr Lim, who are retiring under Regulation 103 at the forthcoming AGM, submit themselves for re-election as directors. The Board has accepted the NC's recommendations. 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 92 to 97. Information relating to directors seeking re-election as set out in Appendix 7.4.1 of the Listing Rules is set out on pages 189 to 193.

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 2025, 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, or any other material contractual relationship with the Group that could reasonably be perceived to compromise their independence and interfere with the exercise of their independent business judgment in the best interests 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 formally declare their other board representations. 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 FY2025.

The Board believes in conducting succession planning for its Top Management team to ensure continuity of leadership. The NC, the Chairman, 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, 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 and past directorships for the past three years, other major appointments and principal and other commitments in other listed companies are as follows:

Name of Director	Li Suet Man (Redesignated as Interim Executive Chairman on 1 April 2025)
Shareholding in the Company (as at 11 March 2026)	12,098,147 Shares Mr Li is deemed to be interested in 12,098,147 shares held directly through his company, Synectix Pte Ltd
Board Committees Served	None
Date of first appointment as Director	1 November 2019
Date of last re-election as Director	29 April 2025
Past Directorships in other listed companies (within the last 3 years)	None
Length of services as Director	6 years 2 months (as at 31 December 2025)
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

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Name of Director	Yap Mui Kee (Managing Director – Stepped down on 9 September 2025)
Shareholding in the Company (as at 11 March 2026)	None
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 9 months (as at 09 September 2025)
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 (Executive Director – Stepped down on 28 February 2025)
Shareholding in the Company (as at 11 March 2025)	Tan Kim Sing is deemed 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 6 months (as at 28 February 2025)
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 (Executive Director – Stepped down on 28 February 2025)
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	8 years (as at 28 February 2025)
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	None

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Name of Director	Lock Wai Han (Ex-Non-Executive, Lead Independent Director – Stepped down on 29 April 2025)
Shareholding in the Company (as at 11 March 2026)	None
Board Committees Served	Mr Lock Wai Han was the Ex-Lead Independent Director and Member of Audit and Risk Committee and Remuneration Committee. Mr Lock did not seek re-election and retired as a Director of the Company on 29 April 2025 at the close of the AGM. Upon his retirement, he ceased to be a Non-Executive Lead Independent Director and relinquished 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	–
Length of services as Director	12 months (as at 29 April 2025)
Present Directorships in other listed companies	The Hour Glass Limited OKH Global Ltd
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

CORPORATE GOVERNANCE REPORT

Name of Director	Theng Siew Lian Lisa (Non-Executive, Independent Director)
Shareholding in the Company (as at 11 March 2026)	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	–
Length of services as Director	1 year 8 months (as at 31 December 2025)
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

Name of Director	Lim Kee Way Irwin (Non-Executive, Lead Independent Director – Redesignated on 19 April 2025)
Shareholding in the Company (as at 11 March 2026)	None
Board Committees Served	Mr Irwin Lim is the Chairman of the Nominating Committee and a Member of the Audit and Risk Committee and Remuneration Committee
Date of first appointment as Director	29 April 2024
Date of last re-election as Director	Recommended by the 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 2026
Length of services as Director	1 year 8 months (as at 31 December 2025)
Present Directorships in other listed companies	Octopus (APAC) Holdings Limited (formerly known as GS Holdings Limited) Pacific Radiance Limited
Past Directorships in other listed companies (within the last 3 years)	MS Holdings Limited
Other Principal Commitment	Managing Director of Inflexion Venture Private Ltd

CORPORATE GOVERNANCE REPORT

Name of Director	Tan Peck Joo (Non-Executive, Independent Director)
Shareholding in the Company (as at 11 March 2026)	None
Board Committees Served	Ms Tan Peck Joo is the Chairperson of the Audit and Risk Committee, a Member of Remuneration Committee and Nominating Committee
Date of first appointment as Director	29 April 2024
Date of last re-election as Director	Recommended by the 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 2026
Length of services as Director	1 year 8 months (as at 31 December 2025)
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	Dr Kimmis Pun Kim Ming (Non-Executive, Independent Director)
Shareholding in the Company (as at 11 March 2026)	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	29 April 2025
Length of services as Director	13 months (as at 31 December 2025)
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	- FA Family Office (May 2023 – Present) – Managing Director - Wealth Planning Standard Board (2019 – Present) – Chairman - Asia Green Fund Management (July 2025 – now) – Managing Director

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Name of Director	Lan Ruilong (Non-Executive, Non-Independent Director)
Shareholding in the Company (as at 11 March 2026)	9,671,205 shares
Board Committees Served	None
Date of first appointment as Director	1 March 2025
Date of last re-election as Director	29 April 2025
Length of services as Director	10 months (as at 31 December 2025)
Present Directorships in other listed companies	None
Past Directorships in other listed companies (within the last 3 years)	General Manager, Investment & Production Department of H&R Century Union Corp
Other Principal Commitment	Founder and CEO of Andaco Education Technology Group Pte Ltd

Name of Alternate Director	Sally Yap Mei Yen (Alternate Director to Yap Mui Kee – Stepped down on 9 September 2025)
Shareholding in the Company (as at 11 March 2026)	151,500 Shares
Board Committees Served	Joint 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	27 years 1 month (as at 9 September 2025)
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 multiple board representations by the Directors would not hinder their ability to carry out their duties as directors of the Company.

The NC has adopted internal guidelines to address the competing time commitments of Directors who serve on multiple boards, ensuring they 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 by the Directors benefit the Group, as the Directors bring experience and knowledge gained from such board representations at other companies. The Company did not provide the maximum number of board appointments to listed companies for Executive Directors or key management personnel.

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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 Ex-Managing Director & 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. She stepped down on 9 September 2025, mainly due to the stepping down of the Appointor, Director, and Managing Director, Ms Yap Mui Kee. As per the Company's constitution, **Regulation 108(3)**, an Alternate Director shall ipso facto cease to be an Alternate Director if her appointor ceases, for any reason, to be a Director, other than by retiring and being re-elected at the same meeting.

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 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 FY2025, and the results show the Board's overall effectiveness and that of its Committees. Each director's contribution to the Board's effectiveness is consistently good.

In addition, the NC and the Board ensure that the appointed directors possess core competencies, including business experience and expertise in accounting, auditing, tax, finance, law, and industry knowledge.

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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 FY 2025 review, members completed confidential evaluation questionnaires on 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 it and its committees operate effectively without external consultant assistance for FY 2025.

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 to enhance effectiveness.

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.

Chief Executive Officer (CEO) Evaluation

The CEO is evaluated by the RC and NC, with results reviewed by the Board. The assessment focuses on the procedural establishment of leadership, 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 based on 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 to align with the Group's long-term goals, and do not necessarily reflect individual performance. In FY 2025, 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 are better indicators of the Board's performance.

CORPORATE GOVERNANCE REPORT

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 of substantial shareholders, the CEO, and/or Directors (if any). Its primary function is to develop formal and transparent policies on remuneration matters for the Company.

Remuneration Committee and Terms of Reference

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

Ms Theng Siew Lian Lisa, Chairperson	(Non-Executive Independent Director)
Mr Lim Kee Way Irwin	(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, corporate governance, asset management, and financial investments and is also knowledgeable in executive compensation. During FY2025, the RC held two scheduled meetings, which Ms Lisa Theng, Mr Lim, 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.

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- (3) to ensure that the remuneration package of employees related to the Executive Directors and controlling shareholders of the Group is 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 to the entire Board for endorsement. The RC should cover all aspects of remuneration, including but not limited to directors' 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.

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 103, **Provision 8.1**, under the caption, Remuneration Report, for the details of the 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.

CORPORATE GOVERNANCE REPORT

The Board has considered and approved the RC's proposal regarding the Non-Executive Directors' fees for FY2025. 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.

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 them.

CORPORATE GOVERNANCE REPORT

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 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 remuneration packages align with industry standards and reflect the directors' and executives' skills, experience, and responsibilities.

The consultants assess compensation data from comparable organisations 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 evaluated the existing compensation structure, including its fixed and variable components, and proposed adjustments, where necessary, to better align 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 FY2025. The remuneration for the Executive Directors is set out in their service agreements with the Company.

As part of its review, the RC ensures that the Directors and key management personnel are adequately remunerated without excessive remuneration. 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.

The Interim Executive Chairman 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 from the 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 single 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. The Company engaged the external Remuneration Consultant to assess and benchmark the fees and remuneration packages paid to the Non-Executive Chairman, the Independent Directors, and the Company's Executive team.

CORPORATE GOVERNANCE REPORT

The remuneration of the Executive Directors is governed by a 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. Ms Yap Mui Kee stepped down as the CEO on 23 May 2025. She also stepped down as Managing Director and Director on 9 September 2025. These will continue for three (3) years unless terminated by either party with at least 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 Directors voted on the approval of their service agreements, which were approved by the RC and the Board.

As set out in the table on pages 105 and 107, **Provision 8.1(a)**, the performance-related elements of remuneration formed a significant proportion of the Managing Director and CEO package. The Executive Directors do not receive directors' fees. The performance-based component was aligned with the Executive Directors' interests and those of the Shareholders to establish a direct link 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 to the Financial Statements of AR 2025, on page 61. The amount of fees paid to each Independent director and Non-Executive Non-Independent Director was determined by their contributions and other factors, such as the frequency of meetings held and the duties or responsibilities assumed, including serving 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 any salary, bonus, or 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 interim executive chairman, four independent directors and a non-executive non-independent director on pages 105 and 106 of AR 2025, and the disclosure in the table on the next page of this report, provided sufficient transparency into their remuneration packages and disclosed the exact remuneration of the Director required under **Provision 8.1(a)**.

The Company believes that the disclosures adopted in AR 2025 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.

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 106 of AR 2025, together with the disclosure in the table on the next page of this report, provide sufficient transparency into their remuneration packages and the exact remuneration amounts of the Director required under **Provision 8.1(a)**.

CORPORATE GOVERNANCE REPORT

The Company believes that the disclosures adopted in AR 2025 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.

Report to Shareholders on Remuneration and Disclosure of Directors' Remuneration

Name & Designation	FY2025			FY2024		
	Above S\$250,000 and below \$500,000	Amount (\$)	%	Above S\$250,000 and below \$500,000	Amount (\$)	%
Yap Mui Kee (Managing Director – Stepped down on 09 September 2025)	Salary	131,522	83.0	Salary	278,966	74.4
	Fee*	–	–	Fee	–	–
	Bonus	15,924	10.0	Bonus	76,918	20.5
	Other Benefits	11,064	7.0	Other Benefits	19,032	5.1
Tan Kim Sing (Executive Director – Stepped down on 28 February 2025)	Salary	(24,736)	n.m.	Salary	236,650	74.0
	Fee*	–	–	Fee	–	–
	Bonus	(5,000)	n.m.	Bonus	69,749	21.8
	Other Benefits	4,754	n.m.	Other Benefits	13,574	4.2
Billy Neo Kian Wee (Executive Director – Stepped down on 28 February 2025)	Salary	169,036	88.0	Salary	185,340	75.2
	Fee*	–	–	Fee	–	–
	Bonus	13,554	7.1	Bonus	43,998	17.9
	Other Benefits	9,417	4.9	Other Benefits	17,074	6.9

n.m. – not meaningful

Name & Designation	FY2025			FY2024		
	Below S\$250,000	Amount (\$)	%	Below S\$250,000	Amount (\$)	%
Li Suet Man (Interim Executive Chairman – Redesignated on 01 April 2025)	Salary	–	–	Salary	–	–
	Fee*	55,000	100	Fee	46,667	100
	Bonus	–	–	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–
Lim Kee Way Irwin (Non-Executive Lead Independent Director – Redesignated on 29 April 2025)	Salary	–	–	Salary	–	–
	Fee*	54,500	100	Fee	36,333	100
	Bonus	–	–	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–

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Name & Designation	FY2025			FY2024		
	Below S\$250,000	Amount (\$)	%	Below S\$250,000	Amount (\$)	%
Theng Siew Lian Lisa (Non-Executive Independent Director)	Salary	–	–	Salary	–	–
	Fee*	44,500	100	Fee	29,667	100
	Bonus	–	–	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–
Tan Peck Joo (Non-Executive Independent Director)	Salary	–	–	Salary	–	–
	Fee*	56,500	100	Fee	37,667	100
	Bonus	–	–	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–
Lock Wai Han (Ex-Non-Executive Lead Independent Director – Stepped down 29 April 2025)	Salary	–	–	Salary	–	–
	Fee*	17,000	100	Fee	34,000	100
	Bonus	–	–	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–
Dr Kimmis Pun Kim Ming (Non-Executive Independent Director)	Salary	–	–	Salary	–	–
	Fee*	50,000	100	Fee	4,167	100
	Bonus	–	–	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–
Lan Ruilong (Non-executive Non-Independent Director Appointed on 1 March 2025)	Salary	–	–	Salary	–	–
	Fee*	22,500	100	Fee	–	–
	Bonus	–	–	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–
Sally Yap Mei Yen (Alternate Director## to Yap Mui Kee – Stepped down on 9 September 2025@@)	Salary	149,163	82.5	Salary	193,143	78.3
	Fee*	–	–	Fee	–	–
	Bonus	31,536	17.5	Bonus	53,625	21.7
	Other Benefits	–	–	Other Benefits	–	–

* Fees are subject to the approval of the Shareholders at the AGM for FY2025.

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 107.

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) in bands of \$250,000 for FY2025. As disclosed, their remuneration was determined by the RC, having regard to their performance and market trend.

Name and Designation	FY2025			FY2024		
	Below S\$250,000	Amount (\$)	%	Below S\$250,000	Amount (\$)	%
Vincent Tan Khar Kheng (Administration and Financial Controller)	Salary	222,083	80.6	Salary	207,590	78.5
	Bonus	53,391	19.4	Bonus	56,902	21.5
	Other Benefits	–	–	Other Benefits	–	–
Ong Swee Keong (Chief Executive Officer Designate -Appointed on 1 April 2025 Chief Executive Officer Redesignated on 19 May 2025)	Salary	234,755	80.7	Salary	–	–
	Bonus	56,173	19.3	Bonus	–	–
	Other Benefits	–	–	Other Benefits	–	–

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 FY2025 is as follows:–

Name and Designation	Relationship	FY2025			FY2024		
		Below S\$250,000	Amount (\$)	%	Below S\$250,000	Amount (\$)	%
Yap Mei Lan (Senior Sales Manager)	Sister of Yap Mui Kee, (Managing Director, Substantial Shareholder-Stepped down on 9 September 2025)	Salary	175,060	82.5	Salary	194,419	78.3
		Bonus	36,856	17.5	Bonus	50,965	21.7
		Other Benefits	–	–	Other Benefits	–	–
Yeo Wen Torng (ECR-RFID Project Manager – Retired on 31 December 2025)	Spouse of Yap Mui Kee, (Managing Director, Substantial Shareholder – Stepped down on 9 September 2025)	Salary	105,438	83.2	Salary	125,066	79.0
		Bonus	21,226	16.8	Bonus	33,213	21.0
		Other Benefits	–	–	Other Benefits	–	–
Tan Hwei Hsia (Accounts Manager)	Daughter of Tan Kim Sing (Executive Director, Substantial Shareholder-Stepped down on 28 February 2025)	Salary	92,073	92.0	Salary	99,871	85.7
		Bonus	8,019	8.0	Bonus	16,543	14.3
		Other Benefits	–	–	Other Benefits	–	–

CORPORATE GOVERNANCE REPORT

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 105 and 106 shows the breakdown of the Directors' remuneration and fees for FY2025. Shareholders' approval will be sought at the AGM to pay 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 to Risk Management to identify, measure, prioritise, and respond to risks that challenge its objectives, initiatives, and day-to-day operations.

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

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

CORPORATE GOVERNANCE REPORT

Audit and Risk Committee

The Board, ARC, and management assume responsibility for the risk management function. Management regularly reviews the Group's business and operational activities to identify significant risks and appropriate measures to control and mitigate them. 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, Deloitte Singapore Assurance Pte Ltd, to conduct internal audit ("IA") reviews in accordance with 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 FY2025, the Company's internal audit function was outsourced to Deloitte Singapore Assurance Pte Ltd. The internal auditors report directly to the ARC and have full access to the Company's and Group's documents, records, property, and personnel.

The ARC is satisfied with the internal audit services provided by Mr Andy Wee, Engagement Director and his engagement team of Deloitte Singapore Assurance Pte Ltd ("**Deloitte**"). The internal auditors have adequate resources to perform their functions effectively and are staffed by suitably qualified and experienced professionals.

Mr Andy Wee, the Engagement Director, is a fellow of the Association of Chartered Certified Accountants (United Kingdom) and holds a Certification in Risk Management Assurance from the Institute of Internal Auditors.

He has the experience to manage and take charge of a portfolio of clients comprising listed companies, multinationals, and local enterprises. Andy's diversified portfolio ranges from internal audit assignments and business process review to reviewing clients' business risk management processes and internal control structures, and identifying business and related risks.

He is supported by team members with strong experience delivering internal audit services.

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

The Board is satisfied that the Company has worked closely with the Group's internal and external auditors to implement the recommended measures and procedures and has striven 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 2025 to address the risks that the Group considers relevant and material to its operations.

CORPORATE GOVERNANCE REPORT

However, to meet the evolving needs of the Group's business environment, continuous improvements will be required as the Group grows. The Board has received assurance from the Interim Executive Chairman, CEO, the Financial Controller, the Joint Corporate Secretary and KMPs that:

- the financial records of the Group have been adequately maintained, and the financial statements for FY2025 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 Interim Executive Chairman, the CEO, the Financial Controller ("FC"), and Sally Yap Mei Yen (Joint Corporate Secretary) assured the Board on the integrity of the Group's financial statements on 23 February 2026 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
- (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 2025 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 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 signed undertakings from all its directors and executive officers based on the latest revised form of Appendix 7.7 of the SGX-ST Listing Manual.

CORPORATE GOVERNANCE REPORT

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.**

Roles, Responsibilities and Authorities of the Audit and Risk Committee

The ARC comprises three members, including the Chairperson of the ARC, all of whom are Non-Executive Independent Directors. The Chairperson of the ARC is Ms Tan Peck Joo. Mr Lim Kee Way, Irwin, 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, relevant experience in accounting and finance. The Board considers the current members of the ARC appropriately qualified to discharge their responsibilities. In FY2025, the ARC met four times. Details of the members’ attendance at ARC meetings in FY2025 are provided on page 82 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

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- 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 coordination 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.
- j) to report to the Board its findings from time to time on matters arising and requiring the 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 Group's internal audit function for FY 2025 was outsourced to Deloitte Singapore Assurance 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 audit findings are submitted to the ARC for review and deliberation at 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, of the effectiveness of the Company's material internal controls. Any material non-compliance or failures in internal controls, along with recommendations for improvement, 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.

CORPORATE GOVERNANCE REPORT

The ARC meets with the external and internal auditors, in each case without the presence of management, at least twice to review the overall scope and results of the external and internal audits, and management provides assistance to the external auditors. The ARC met with the external auditors without management present on 20 February 2025 and 7 August 2025. The ARC has sufficient resources 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 2025, Note 19, page 57 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 the Company's external auditors at the forthcoming AGM.

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 accounts and its Singapore-incorporated subsidiaries and Rule 716(1) on the appointment of different auditing firms for its foreign-incorporated subsidiaries.

Whistleblowing Policy and Procedure

To encourage a strong work ethic and facilitate the eradication of internal improprieties, unethical acts, malpractice, fraud, corruption, and/or criminal activity 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 financial reporting or other areas. The procedures include the submission, assessment, and investigation of incidents; the retention of records; and the 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 whistleblowing incidents for FY2025.

The Company's whistleblowing policy allows employees to raise concerns and reassures them that, as far as is reasonably practicable, they 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, it and the Board have access to 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 regarding 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 are 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 to the extent reasonably practicable.

CORPORATE GOVERNANCE REPORT

The Company treats all information received confidentially and, where requested, as far as reasonably practicable, protects all whistleblowers' identities 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 periodically to assess the effectiveness of the processes in place and to ensure the policy is updated to reflect changes in legal and regulatory requirements. The last review was on 14 November 2025 and on 23 February 2026.

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 three Directors, all of whom are non-executive and independent:

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

During FY2025, the ARC held four scheduled meetings.

The expertise of ARC Members

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

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, strengthening 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 risk 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, making any recommendations, and/or participating in discussing matters in which they are interested.

CORPORATE GOVERNANCE REPORT

Review of interested person transactions

The ARC has reviewed the Group's interested person transactions for FY2025 and reported its findings to the Board. Please refer to page 75 of the annual report for further details on the interested person transactions of the Group for FY2025.

The ARC reviews all 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 their presence and participation are 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 FY2025 and agreed with the auditors' proposed significant areas of focus and assumptions that impact the financial statements. In its review of the Group's financial statements for FY2025, the external auditors discussed with Management the accounting principles applied, their judgment regarding items that could affect the integrity of the financial statements, and the clarity of key disclosures. The ARC also reviewed and addressed, amongst other matters, the key audit matters as reported by the external auditors for FY2025. The key audit matters can be found on page 22 of this Annual Report.

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

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 and external and internal auditors on changes to accounting standards, SGX-ST rules, and other codes and regulations that 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, as well as their remuneration and terms of engagement. 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 them 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 FY2025, the Company's internal audit function was outsourced to Deloitte Singapore Assurance Pte Ltd. The internal auditor reports primarily to the ARC and has full access to the documents, records, properties, and personnel of the Company and the Group.

CORPORATE GOVERNANCE REPORT

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 could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud, or other irregularities. The annual audits conducted by the internal auditors assess 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.

The internal audit work carried out in FY2025 was guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards), set out in 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 adequacy of the Group's internal controls, including financial, operational, compliance, management information system, and risk management controls.

The ARC reviews the adequacy of the Group's internal audit function 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 to meet the current scope of the Group's business operations.

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 FY2025, the Group's internal and external auditors were invited to attend the ARC meetings and make presentations as appropriate. The ARC met with the Group's internal auditors without the presence of Management on 20 February 2025 and 22 May 2025. The ARC met with the Group's external auditors without the presence of Management on 20 February 2025 and 7 August 2025.

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.

CORPORATE GOVERNANCE REPORT

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 Company's Constitution allows members to appoint no more than two proxies to attend and vote on their behalf. As the authentication of shareholders' identity information and other related security issues 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, and NC, are in attendance at the Company's AGM to address shareholders' questions relating to the work of these Committees.

The management, the Corporate Secretary, the external auditors, BDO LLP, and legal advisors (if necessary) are also invited to attend the general meeting. The procedures for general meetings provide shareholders with the opportunity to ask questions about each resolution tabled for approval and encourage open communication between shareholders and the Director regarding 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 a poll.

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

To facilitate shareholders' effective participation in general meetings, the Company holds its meetings at a location 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 of encouraging shareholders to participate in the question-and-answer session during general meetings. The Company's Constitution allows shareholders to appoint not more than two proxies to attend the AGM and vote on their behalf. Shareholders who hold shares through nominees may attend general meetings as proxies without being subject to 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, to the extent possible; if not, the appropriate reasons therefor are provided. 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 empowers CPF and SRS investors to attend and vote at the Company's general meetings as their CPF and SRS agent banks' proxies.

CORPORATE GOVERNANCE REPORT

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 82 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 to appoint not more than two proxies to attend and vote on their behalf. As the authentication of shareholders' identity information and other related security issues remain concerns, the Company has decided, for the time being, not to implement voting in absentia by mail, email, or fax.

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 Secretaries and mainly include 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 at 112 Robinson Road #04-02, 112 Robinson, Singapore 068902, 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 that guides the form, frequency, and amount of dividends declared each year. The policy required the Board to take into consideration the Group's profit growth, cash position, positive cash flow from operations, projected capital requirements for business growth, and other factors the Board may deem appropriate when submitting its dividend proposal.

The declarations and/or payments 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 would 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 and a special dividend of S\$0.20 per ordinary share for the financial year ended 31 December 2025, the payment of which is subject to shareholders' approval at the forthcoming AGM on 29 April 2026.

CORPORATE GOVERNANCE REPORT

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 timely announcements released to 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. The Annual Report is available to the shareholders at least 14 days before each AGM by normal post and on the Company's website.

Soliciting and Understanding Views of Shareholders

To promote a better understanding of shareholders' views, the Board actively encourages their participation 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 their concerns.

All resolutions at AGMs are put to a 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 it 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 Interim Executive Chairman, CEO, Financial Controller, and Corporate Secretaries 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 by which shareholders may contact the Company with 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 Company's Constitution 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.

CORPORATE GOVERNANCE REPORT

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

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.

In addition to telephone calls from shareholders, they can also email 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 Shareholders to contact the Company with queries or to contribute their views.

Regular Dialogue with Shareholders

General meetings have been, and remain, the principal forum for dialogue with shareholders. The Company also communicates regularly with its shareholders. 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 are entitled 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 explanation of the proposed resolution. The proxy form is sent with the AGM/EGM notice to all shareholders.

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

The management, Corporate Secretaries, external auditors, BDO LLP and legal advisors (if necessary) are also invited to attend the general meeting. The procedures for general meetings provide shareholders with the opportunity to ask questions relating to each resolution tabled for approval, and open communication is encouraged between shareholders and the Director regarding 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 right to vote at the meeting. For greater transparency, the Company has conducted a poll on all resolutions passed at the last AGM and EGM. The Company will continue to put all resolutions to a 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 tabled resolution and the respective percentages, will be announced to SGX-ST via SGXNet on the same day following 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.

CORPORATE GOVERNANCE REPORT

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 identify the environmental, social, and governance (ESG) issues 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 staff, 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 131 to 132 of this Annual Report for further details.

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 and continuing 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 from dealing in the Company's securities on short-term consideration.



LHT HOLDINGS LIMITED

BEING PART OF THE SUSTAINABLE EFFORT



SUSTAINABILITY REPORT 2025

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SUSTAINABILITY REPORT

1. BOARD STATEMENT

Dear Stakeholders,

This Sustainability Report outlines LHT Holdings Limited's environmental, social and governance (**ESG**) approach and performance for the financial year ended FY2025. The Board views sustainability as integral to long-term resilience – particularly for a business that relies on wood-based materials, and is subject to evolving expectations around traceability, legality and responsible resource use.

FY2026 will mark a period of transition for the Group as we realign our operating footprint and refine our production strategy. Following the expiry of our lease at Sungei Kadut in March 2026, a portion of our pallet production activities in Singapore will be consolidated at our Tuas facility and, primarily, relocated to our facilities in Malaysia. In addition, the woodchips production business is scheduled to cease in February 2026. Consequently, general horticultural wood waste collection in Singapore will be discontinued, although the collection of used pallets for recycling will continue. These operational changes have been carefully considered in the setting and revision of selected sustainability targets for FY2026.

Throughout this transition, the Board remains focused on ensuring that our sustainability commitments remain aligned with operational realities. This includes upholding responsible sourcing practices, strengthening waste minimisation through reuse and recycling initiatives, and maintaining robust safety and governance standards as operations are reconfigured across locations.

From an **environmental** perspective, our approach continues to emphasise resource efficiency and responsible material use. We utilise engineered wood products such as Laminated Veneer Lumber, where appropriate, to improve material consistency and reduce waste, while maintaining the structural performance required for industrial packaging applications. While wood waste management has historically been an important aspect of our Singapore operations, our near-term priority is to manage the planned cessation of woodchips production in a responsible and transparent manner, including clear communication on what will change, what will continue, and how performance will be monitored during and after the transition.

On **social** matters, we remain guided by a practical commitment to workplace safety, competence and operational readiness. Our operating environment involves inherent risks, particularly in the handling of wood products and the operation of heavy equipment. The Board expects management to sustain a strong safety culture through effective hazard identification, training, and preventive controls – especially as teams, workflows and operating sites evolve. Safety is embedded as a baseline expectation that requires continuous attention and discipline.

In terms of **governance**, the Board continues to emphasise ethical conduct, transparency, and accountability. We maintain policies and mechanisms, including whistleblowing channels and anti-corruption measures, to safeguard stakeholder trust and reinforce integrity in decision-making. As the Group navigates a period of change, robust governance remains essential to ensuring that operational transitions do not dilute our standards and that oversight remains effective across locations and business lines.

Looking ahead, we will continue to strengthen the quality and relevance of our sustainability reporting. While this report focuses primarily on our Singapore operations, we are progressively building readiness to reflect a broader regional operating model which may include our operations in Malaysia in future disclosures. This reflects our commitment to providing stakeholders with a fair and balanced representation of the Group's sustainability impacts and performance as our footprint evolves.

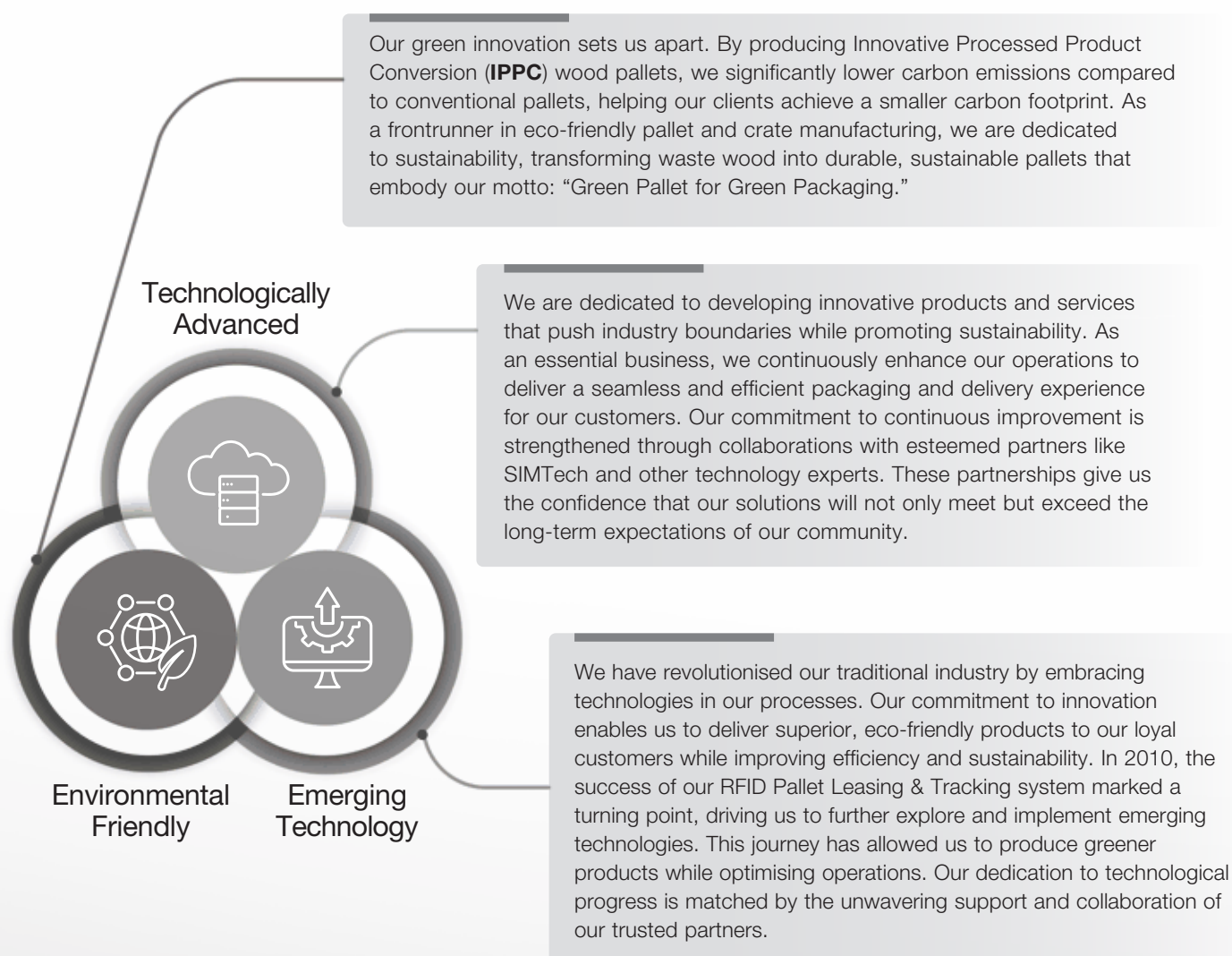
We thank our employees, customers, business partners, and shareholders for their continued support. We welcome feedback on this report and on our sustainability approach as we navigate this period of change, with a focus on responsible execution and long-term resilience.

SUSTAINABILITY REPORT

2. OUR BUSINESS

LHT Holdings Limited (**LHT** or the **Company**), together with its subsidiaries (the **Group**), is a leading Singapore-based manufacturer of wooden pallets, boxes and crates, recognised for its focus on quality and environmentally responsible production. Established in 1977 and headquartered in Singapore, the Group has progressively expanded its operational footprint across strategic regional markets, including Malaysia and Vietnam. LHT has been listed on the Mainboard of the Singapore Exchange Limited (**SGX**) since 26 July 1999, underscoring its long-standing presence and standing within the industry.

Since its inception, the Group has remained committed to supplying reliable and high-quality packaging solutions, underpinned by a strong emphasis on environmental sustainability. LHT provides an integrated range of services encompassing product design, manufacturing, industrial moving, packaging and packing and pallet rental services. This end-to-end service model enables the Group to deliver efficient, customised solutions while offering customers convenience, reliability and operational assurance. The key attributes that differentiate LHT within the industry include:



SUSTAINABILITY REPORT

3. ABOUT THE REPORT

Scope of the Report

This Sustainability Report focuses on LHT's non-financial performance, with an emphasis on sustainability-related practices, outcomes and management approaches. The reporting period covers the financial year from 1 January 2025 to 31 December 2025, unless otherwise stated. Where relevant and available, comparative historical data for FY2023 and FY2024 has been included to provide additional context and trend analysis.

The report is intended to address key sustainability matters arising from the Group's principal business activities in Singapore. These activities include industrial packaging, heat treatment, pallet design and testing, pallet rental and waste disposal. The selection of business operations within the scope of this report is determined based on the level of control exercised by the Group over these activities.

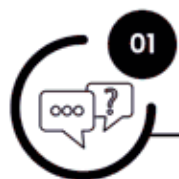
In previous Sustainability Reports, the Group included disclosures on water consumption as part of its broader environmental reporting. As water consumption has not been identified as a material topic for the Group's operations, these disclosures have been omitted from this report to ensure alignment with the Group's material ESG priorities. The Group will continue to review its disclosures to ensure they remain relevant, focused and reflective of the sustainability matters most significant to its business and stakeholders.

As part of the Group's longer-term strategy to optimise operations and expand the utilisation of its facilities in Malaysia to benefit from more competitive labour costs, LHT intends to progressively include its Malaysian subsidiaries within the scope of future Sustainability Reports.

A detailed list of entities covered in this report can be found in **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 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:

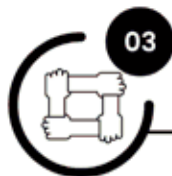


01 To identify LHT's stakeholders and explain how it has responded to their reasonable expectations and interests.



02

To present LHT's performance in the wider context of sustainability.



03

To reflect LHT's significant economic, environmental and social impacts or substantively influence the assessments and decisions of stakeholders.



04

Provide thorough coverage of material topics, reflecting significant economic, environmental and social impacts for stakeholders to assess LHT's annual performance.

For the GRI content index, please refer to **Appendix D**.

Furthermore, this Report has been prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (**TCFD**). In line with SGX-ST Practice Note 7.6 Sustainability Reporting Guide, the Group has adopted a phased approach to strengthening its climate-related disclosures, which includes progressively working towards alignment with the requirements of IFRS S2 Climate-related Disclosures. This approach enables the Group to focus on areas most relevant to our operations and business activities, while enhancing governance frameworks, reporting processes, and data collection capabilities to support compliance over time. For the TCFD recommendations content index, please refer to **Appendix E**.

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

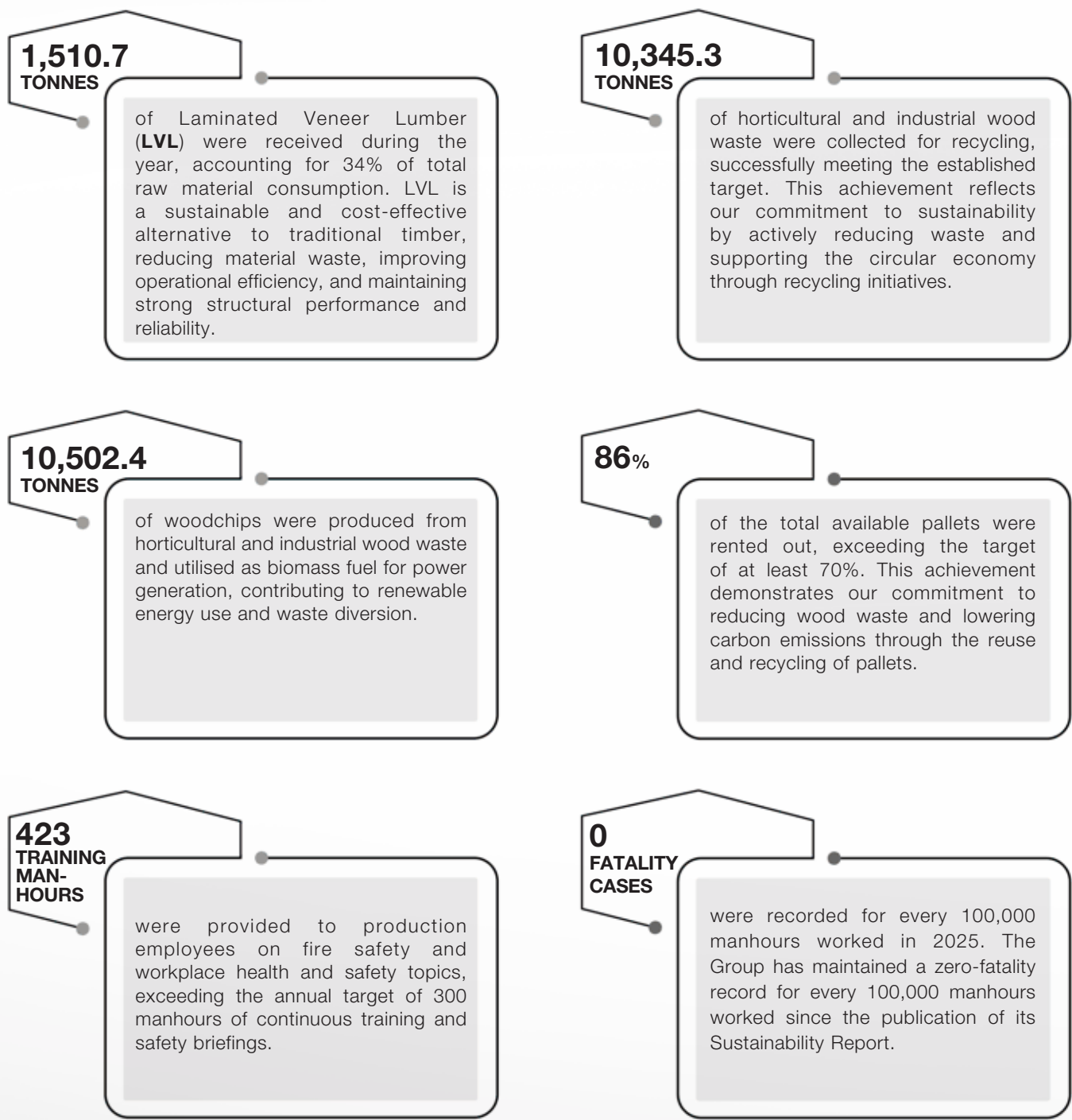
The electronic version of this report can be accessed on the Company's website (www.lht.com.sg) under the section "Investor Relations".

We welcome your views and feedback on our sustainability practices and reporting. For any enquiry related to this report, please contact:

LHT Holdings Limited
6 Tuas South Street 10
Singapore 636941
Tel.: (65) 6269 7890
E-mail: sr@lht.com.sg

SUSTAINABILITY REPORT

4. KEY SUSTAINABILITY HIGHLIGHTS



SUSTAINABILITY REPORT

Memberships

Memberships

- Waste Management & Recycling Association of Singapore (**WMRAS**)
- Singapore Timber Association
- Singapore Manufacturing Federation (**SMF**)
- Singapore Business Federation (**SBF**)

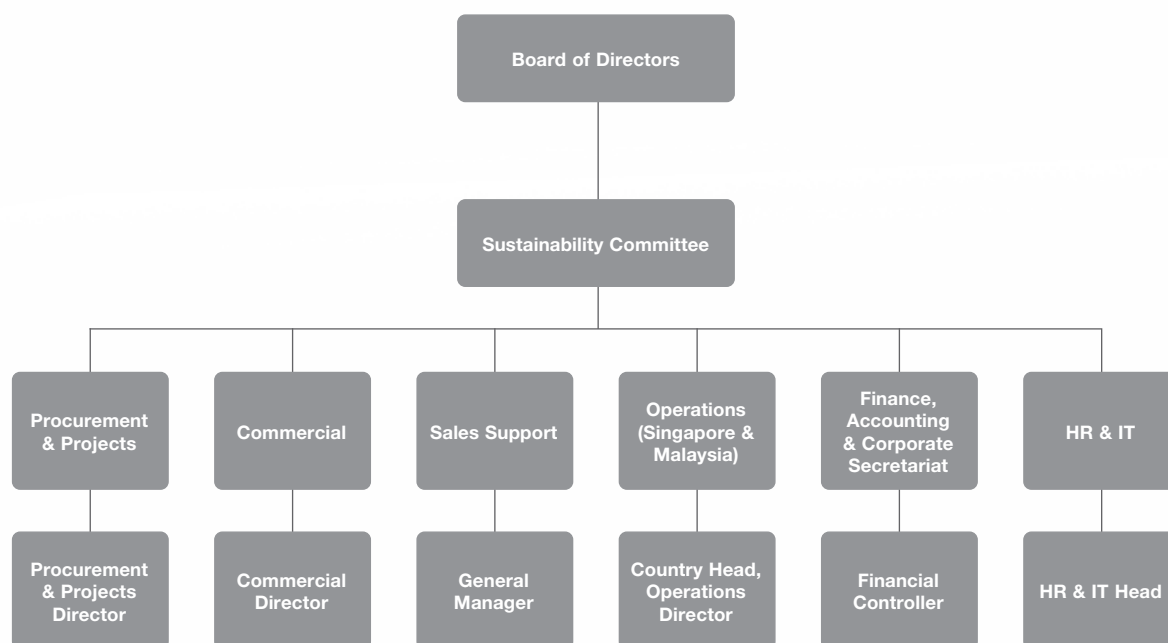
Awards

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	WorldStar 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

SUSTAINABILITY REPORT

5. SUSTAINABILITY STRATEGY

Sustainability Organisation Structure



Sustainability remains a core pillar of LHT's long-term growth strategy and is fundamental to the value we create for our stakeholders, including our people, the environment and society. This focus continues to influence our financial performance and strategic decision-making. Oversight of ESG matters rests with the Board of Directors (the **Board**), which provides direction and accountability for the Group's sustainability agenda. Following refinements to the Sustainability Committee (**SC**) structure, governance arrangements have been strengthened to support more effective coordination and execution, while maintaining our commitment to high sustainability standards.

The SC is responsible for shaping the Group's sustainability strategies, policies and initiatives, working closely with department heads to ensure effective implementation across operations. The Committee also monitors sustainability performance and reports progress regularly to management and the Board, supporting transparency and informed oversight of ESG priorities.

LHT places strong emphasis on responsible governance and ethical conduct as the foundation of a sustainable organisation. Material ESG considerations are incorporated into the Group's strategic objectives and internal policies to

ensure risks and opportunities are managed in a balanced and responsible manner. The Group operates in accordance with applicable legal and regulatory requirements across its markets, supported by established grievance mechanisms and clear ethical standards. These expectations are articulated through a Code of Conduct that applies to both employees and relevant parties across the value chain.

To further reinforce a culture of integrity and transparency, LHT maintains a whistleblowing framework that enables concerns relating to misconduct or unethical behaviour to be raised in confidence and without fear of retaliation. Governance and ethics-related policies are reviewed periodically to ensure they remain robust and aligned with evolving expectations.

Sustainability considerations are integrated into LHT's business activities, from product development to service delivery. The Group adheres to stringent environmental and safety standards, while fair labour practices are upheld across operations. This approach supports the consistent delivery of reliable, high-quality products and services, strengthens long-term customer relationships, and reflects LHT's continued commitment to responsible and sustainable business practices.

SUSTAINABILITY REPORT

Stakeholder Engagement

Stakeholders	Engagement Channels	Frequency	Value Created
 Employees	- Employee appraisals - Informal one-to-one sessions - Managers' and seniors' open-door policy	- Semi-annually - Ad-hoc - Ad-hoc	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	- Hotline - Email queries - Customer visits - Face-to-face meetings - Telephone follow-ups - Annual review and feedback sessions	- Ad-hoc - Ad-hoc - Ongoing - Ad-hoc - Ad-hoc - Annually	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	- Day-to-day communications - Face-to-face meetings - Annual review and feedback sessions - Email queries - Supplier audits - Telephone follow-ups	- Ongoing - Ad-hoc - Ongoing - Ad-hoc - Ad-hoc - Ad-hoc	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	- Group Annual Report - Annual General Meeting - Extraordinary General Meeting - Group Results Announcement on a half-yearly basis - Informal discussion	- Annually - Annually - Ad-hoc - Semi-annually - Ad-hoc	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	- Face-to-face meetings - Regular inspections/ visits by various agencies - Monthly/yearly reporting - Regular audits	- Ad-hoc - Ad-hoc - Ongoing - Ongoing	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.

LHT regards stakeholder engagement as a key enabler of its sustainability efforts and long-term value creation. Our employees, customers, suppliers, investors, government bodies and regulators play an important role in shaping the Group's strategy and operations. Through ongoing engagement across various communication channels, LHT maintains open dialogue, shares sustainability priorities

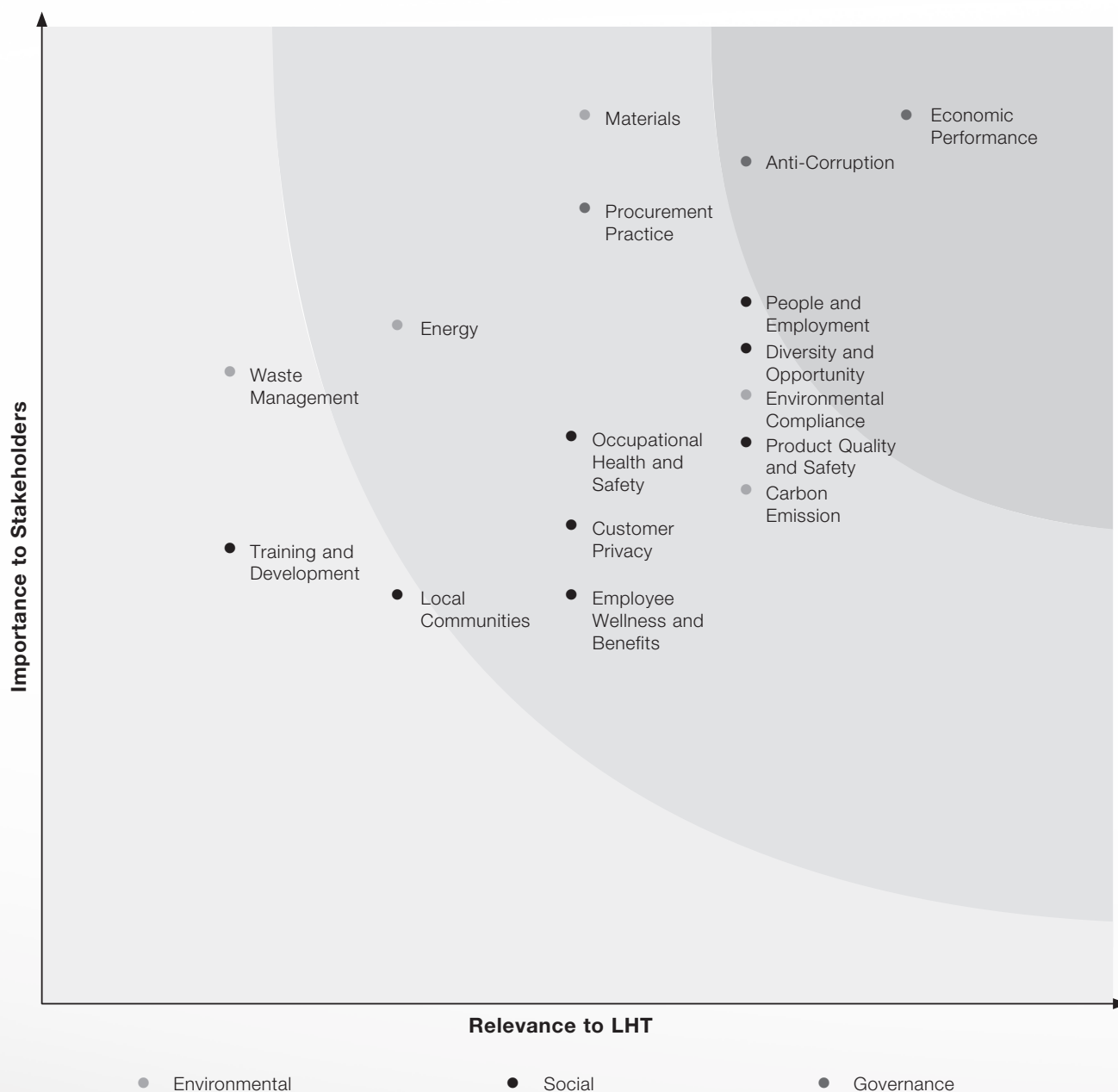
and incorporates stakeholder feedback into decision-making. This collaborative approach strengthens mutual understanding, supports the effective management of economic, environmental and social considerations, and reinforces LHT's commitment to responsible business practices and positive contributions to the communities in which it operates.

SUSTAINABILITY REPORT

Materiality Assessment

LHT conducts periodic materiality reviews to identify ESG factors that are most relevant to its business activities and stakeholders. This process considers both the impact of ESG matters on the Group's operations and performance, as well as their importance to stakeholders. The assessment also examines how the Group's activities influence these ESG factors.

The evaluation draws on the knowledge and insights of personnel closely involved in relevant operational areas. Based on this review, the material ESG factors identified in the previous materiality assessment remain relevant in FY2025.



SUSTAINABILITY REPORT

Material Topics and Disclosure Mapping

The material topics identified through the Group's materiality assessment are disclosed across various sections of this report. While certain section headings reflect programme or initiative titles, the table below maps each material topic to its corresponding disclosure section to provide clarity and ensure consistency with the materiality assessment.

Material Topics	Corresponding Disclosure Section	Location
Materials	Timber Ties to Tomorrow	Protecting Our Earth
Carbon Emissions	GHG Emissions Management	Protecting Our Earth
Energy	Energy Efficiency	Protecting Our Earth
Waste Management	Waste Management	Protecting Our Earth
Environmental Compliance	Protecting the Environment through Strict Compliance	Protecting Our Earth
Occupational Health and Safety	Occupational Health and Safety	Empowering Communities
People and Employment	People and Employment	Empowering Communities
Diversity and Opportunity	Diversity and Equal Opportunity in the Workforce	Empowering Communities
Training and Development	Training and Education	Empowering Communities
Employee Wellness and Benefits	Employee Wellness and Benefits	Empowering Communities
Local Communities	Local Communities	Empowering Communities
Customer Privacy	Customer Privacy	Empowering Communities
Product Quality and Safety	Product Quality and Safety	Empowering Communities
Economic Performance	Economic Performance	Ethical Operations and Responsible Practices
Procurement Practice	Procurement Practice	Ethical Operations and Responsible Practices
Anti-corruption	Anti-corruption	Ethical Operations and Responsible Practices

SUSTAINABILITY REPORT

Supporting United Nations Sustainable Development Goals (UN SDGs)

To enhance the effectiveness of our sustainability initiatives, we regularly review the commitments underpinning each strategic focus area. Our sustainability framework is aligned with the UN SDGs, ensuring that our objectives support broader global sustainability priorities. These commitments are integrated into our sustainability programme to address environmental, social and economic challenges, while creating long-term value for the Group and its stakeholders. Through this approach, we remain focused on delivering positive impact and contributing to global sustainability efforts.

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 and Safety section.
 4 QUALITY EDUCATION	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.
 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 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.

SUSTAINABILITY REPORT

6. SUSTAINABILITY APPROACHES



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 and energy efficiency.

Please refer to **Section 8** for more details.



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.



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.



Sustainability Pillars

Our sustainability approach is guided by three core pillars that underpin the Group's ESG initiatives. Material topics are organised within these pillars to provide stakeholders with a clear and structured view of our sustainability priorities. As the Group's sustainability efforts progress, the ESG framework will continue to evolve to reflect changing expectations and business needs.

How we measure our performance

Our sustainability strategy is integrated across the Group's operations, with dedicated teams overseeing specific focus areas under the direction of departmental heads. Performance is assessed through two complementary approaches: monitoring results against defined metrics and evaluating progress against established commitments. Together, these methods provide a balanced view of both quantitative performance and qualitative progress.

Metrics and targets

Key performance indicators (**KPIs**) have been established for each material topic identified through the Group's materiality assessment. Metrics and targets are reviewed periodically and may be updated or expanded to ensure continued alignment with strategic priorities.

At present, the Group's quantitative targets are primarily set on a short-term basis. Given the ongoing transition of production activities and the evolving operational footprint across Singapore and Malaysia, management considers it premature to establish medium – or long-term targets until greater operational stability is achieved. The Group will reassess the appropriateness of longer-term targets once the operational optimisation for the Group is substantially completed and performance baselines are more stable.

As the Group transitions a significant portion of production activities to Malaysia, certain intensity-based metrics presented in this report may not fully reflect overall Group-wide performance. While this report focuses on Singapore operations where the Group exercises direct operational control, we are progressively preparing to expand reporting boundaries to better reflect the Group's evolving regional footprint.

SUSTAINABILITY REPORT

Commitments

To support the effective delivery of our sustainability programme, key commitments have been defined for each focus area. Progress against these commitments is reflected using the symbols presented in the table below:

Symbol	Meaning
	New commitment this year
	Not started
	In progress
	Complete
	Ongoing commitment: no end date

Regular monitoring and periodic reviews are undertaken to maintain oversight of the sustainability programme and ensure alignment with the Group's strategic objectives.

7. SUSTAINABILITY PERFORMANCE

Progress Against Targets

FY2026 marks a significant transformation phase for the Group, driven by changes to its operational footprint and production strategy. As a result, selected sustainability targets for FY2026 have been revised to reflect these operational changes, while the Group remains committed to advancing sustainability initiatives across its regional operations.

The table presented below provides a comprehensive overview of the Group's progress against its ESG targets, including performance achieved in FY2025 and several revised targets for FY2026.

Use of LVL as Raw Material	FY2025 target	FY2025 performance	Progress	FY2026 target
	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured and received for pallet production.	The Group received 1,510.7 tonnes of LVL, accounting for 34% of total raw material received. During the year, a higher proportion of pallet production activities was relocated to Malaysia, resulting in increased direct shipments of LVL to that location. As such, the LVL utilisation ratio recorded in Singapore may not be fully representative of overall Group-wide performance.		The Group will maintain the LVL usage target at 40%, reflecting its continued commitment to resource efficiency and the reduction of material wastage in pallet manufacturing.

SUSTAINABILITY REPORT

GHG Emissions Management	FY2025 target	FY2025 performance	Progress	FY2026 target
	To reduce total emissions intensity by 1% against the FY2023 baseline.	Total emissions intensity increased to 0.0055 tCO ₂ e per pallet, (FY2023: 0.0039; FY2024: 0.0049). Although overall emissions declined during the year, the reduction was not proportionate to the decrease in pallet production in Singapore, resulting in higher emissions intensity per pallet. This indicates that energy consumption and operational emissions did not decrease at the same rate as output. As such, the target was not achieved during the reporting period.		As FY2025 was a year with much operational changes, the 1% reduction target was not met in FY2025. The Group has therefore revised its FY2026 target to maintain total emissions intensity at FY2025 levels (0.0055 tCO ₂ e per pallet). The Group will continue implementing initiatives to improve operational efficiency and strengthen emissions management in support of its longer-term sustainability objectives.
Energy Efficiency	FY2025 target	FY2025 performance	Progress	FY2026 target
	To consume less than 176,000 ℓ of diesel.	The Group recorded diesel consumption of 152,135 ℓ.		The Group will maintain its target to consume less than 176,000 ℓ of diesel.
	To consume less than 1,600,000 kWh of electricity.	The Group recorded electricity consumption of 981,777 kWh.		The Group will maintain its target to consume less than 1,600,000 kWh of electricity.
Collection of horticulture wood waste and industrial wood waste	FY2025 target	FY2025 performance	Progress	FY2026 target
	To collect 8,400 tonnes of horticulture and industrial wood waste.	The Group collected 10,345.3 tonnes of horticultural and industrial wood waste, exceeding the FY2025 target. This performance reflects our continued commitment to sustainable waste management practices and effective resource recovery.		Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchip production in February 2026, waste wood collection activities in FY2026 will be limited to collections undertaken in January and February 2026. In view of this, the Group has set a revised FY2026 target to collect 1,000 tonnes of horticultural and industrial wood waste.

SUSTAINABILITY REPORT

Production of woodchips	FY2025 target	FY2025 performance	Progress	FY2026 target
	To produce 8,400 tonnes of woodchips.	The Group produced 10,502.4 tonnes of woodchips during the year, exceeding the FY2025 target.		Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchips production in February 2026, production activities in FY2026 will be limited to January and February 2026 only. In view of this, the Group has set a revised FY2026 target to produce 1,000 tonnes of woodchips.
Reusing pallets as rental pallets	FY2025 target	FY2025 performance	Progress	FY2026 target
	To rent out at least 70% of pallets available for rental.	The Group rented out 86% of total available pallets during the year, exceeding the FY2025 target. This reflects our continued efforts to minimise wood wastage and reduce carbon footprint through the reuse and recycling of pallets for rental purposes.		The Group will continue to promote pallet reuse as part of its carbon reduction efforts. The FY2026 target will remain unchanged at 70%.
Protecting the Environment through strict compliance	FY2025 target	FY2025 performance	Progress	FY2026 target
	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.	No fines related to non-compliance were recorded.		As regulatory expectations and sustainability standards continue to evolve, LHT remains focused on strengthening its compliance framework and operational controls. The Group will maintain its target of achieving zero fines for non-compliance with environmental regulations, anti-competitive laws, and health and safety requirements.

SUSTAINABILITY REPORT

Hosting educational plant tours to promote environmental awareness	FY2025 target	FY2025 performance	Progress	FY2026 target
	To host promotional and educational plant tours, including a plant visit or study mission for delegates, to promote environmental awareness and highlight the Group's progressive and responsible environmental practices.	No plant tours were conducted during the year. With the majority of production activities relocated to Malaysia and the planned cessation of woodchips production from waste wood collections after February 2026, the Group did not receive visitors during FY2025.	–	The Group will permanently discontinue this target from FY2026 onwards following the operational changes.
Workplace injury rate	FY2025 target	FY2025 performance	Progress	FY2026 target
	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	The Group recorded an injury rate of 1.57 per 100,000 manhours worked during FY2025, successfully remaining below the target threshold.		In line with the Group's continued strong emphasis on workplace safety, the FY2026 target to maintain an injury rate not exceeding 2.00 per 100,000 manhours worked will be upheld.
Workplace fatalities case	FY2025 target	FY2025 performance	Progress	FY2026 target
	To maintain zero fatality cases.	The Group maintained zero workplace fatality cases during the year, consistent with its safety objectives since the publication of its Sustainability Report.		The Group will continue to prioritise workplace safety, with the FY2026 target of maintaining zero workplace fatality cases remaining unchanged.
Training and briefing manhours for production employees	FY2025 target	FY2025 performance	Progress	FY2026 target
	To provide 300 training and briefing manhours on fire safety, workplace health and safety topics.	A total of 423 training and briefing manhours were provided to production employees during the year, exceeding the FY2025 target. The training and briefing focused on fire safety and workplace health and safety, reinforcing the Group's commitment to maintaining a safe working environment.		With most production activities relocated to Malaysia and the cessation of woodchips production from waste wood collections after February 2026, the Group has revised its FY2026 target to 50 training and briefing manhours.

SUSTAINABILITY REPORT

Safekeeping of information is vital to ensure customer assurance and trust	FY2025 target	FY2025 performance	Progress	FY2026 target
	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.		Protecting customer data remains a key governance priority for the Group. Accordingly, the Group will maintain its target of zero cases of substantiated concerns related to breaches of customer privacy.
Ensuring Personal Data and Privacy Protection	FY2025 target	FY2025 performance	Progress	FY2026 target
	To maintain zero cases of major breaches.	The Group recorded zero cases of major breaches.		Maintaining a strong data governance framework remains a priority for the Group. The Group will maintain its target of zero cases of major breaches.
Anti-corruption	FY2025 target	FY2025 performance	Progress	FY2026 target
	To maintain zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.		Upholding ethical conduct and compliance remains a core governance priority for the Group. The Group will maintain its target of zero corruption or bribery cases.
Operating Business Ethically and with Integrity	FY2025 target	FY2025 performance	Progress	FY2026 target
	To maintain zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.		The Group remains committed to conducting its business with integrity and accountability. The Group will maintain its target of zero incidents of fraud and bribery.
Whistleblowing	FY2025 target	FY2025 performance	Progress	FY2026 target
	To maintain zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.		The Group continues to promote a transparent reporting culture supported by a formal whistleblowing framework. The Group will maintain its target of zero whistleblowing incidents.

SUSTAINABILITY REPORT

8. PROTECTING OUR EARTH

Task Force on Climate-related Financial Disclosures

The Group continues to align its climate-related disclosures with the recommendations of the TCFD. Our reporting approach reflects ongoing efforts to enhance transparency and ensure climate-related considerations are appropriately addressed within the Group's sustainability framework. We remain focused on engaging relevant stakeholders to better understand climate-related challenges and their broader implications. By embedding sustainable practices across our operations, the Group seeks to strengthen resilience to climate-related risks while contributing to positive environmental and social outcomes.

Our approach to climate change is centred on the proactive management of climate-related risks, alongside the identification of opportunities that support environmentally responsible operations. This report includes a dedicated section outlining the Group's approach to managing climate risks and highlights climate-related opportunities arising from our sustainability initiatives. Through continued collaboration with stakeholders, the Group aims to mitigate the impacts of climate change on both the environment and society, while supporting sustainable business practices.

Governance

In FY2025, the Group continued to strengthen its climate governance framework, building on measures implemented in prior years. Efforts during the year are mainly clarifying roles and responsibilities, and enhancing internal capabilities. The Board recognises climate-related risks and opportunities as integral to the Group's operations and oversight processes, reflecting the integration of climate considerations into governance and decision-making.

Strategy

Climate change presents both risks and longer-term strategic opportunities for the Group. The climate-related risks and opportunities previously identified continue to remain relevant in FY2025, and climate considerations remain embedded within the Group's ESG strategy, informing the management of environmental impacts and strategic planning.

For assessment and planning purposes, climate-related matters are considered across defined time horizons: **short-term (0 to 3 years)**, **medium-term (3 to 5 years)**, and **long-term (5 to 30 years)**. These time horizons are intended to broadly reflect the Group's operational planning cycles, capital investment considerations, and the longer-term nature of climate-related physical and transition risks.

SUSTAINABILITY REPORT



Climate-related Risks

In FY2025, the key risks previously identified in Singapore continue to remain relevant across the short-, medium- and long-term horizons. We have maintained our focus on monitoring these risks and assessing their potential implications for the Group's operations and performance, together with the effectiveness of existing and planned mitigation measures. The table below summarises these risks, their impacts on the Group, and the corresponding strategies or actions in place or under consideration.

Risks	Why This Is Important	Implications For Us	Mitigation Measures
Evolving Regulations	Immediate impacts of changes in environmental regulations or policies, including the disclosure requirements. There is increased enforcement of the regulation of the obligations of operators who place timber and timber on the market. Category: Policy and Legal Significance: High Timeline: Short Term	Increasing compliance costs are incurred to meet new regulatory requirements.	- Engaging managers and senior management in ESG-related affairs. Implementing a structured escalation process for addressing any ESG-related concerns. - Engaging the outsourced 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	Risks associated with escalating energy prices impacting operational expenses. Category: Policy and Legal Significance: Medium Timeline: Short Term	Increase in operational costs due to surge in electricity price.	- 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	As awareness about environmental issues grows, consumers are increasingly making choices based on sustainability. Increasing stakeholder scrutiny on material sustainability may influence customer preferences. Category: Market Significance: Medium Timeline: Long Term	- 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.	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

Risks	Why This Is Important	Implications For Us	Mitigation Measures
Deforestation Concerns	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. Category: Reputation Significance: Low Timeline: Long Term	Reduced revenue due to loss of customers as a result of reputational damage.	- The Group's Procurement Policy is to give priority to supplies from sustainable sources. - 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 – Resource Depletion	Depletion of natural forest resources to meet the market demand. Category: Deforestation Significance: Low Timeline: Medium Term	Reduced production output and revenue due to disruption to production.	- Engaging suppliers from more countries, increasing the geographical 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 – Extreme Weather	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. <u>Damage to the Facility</u> Extreme weather events can result in damage to the Group's assets, including factory buildings and production equipment. <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 workforces. Category: Extreme Weather Event Significance: Low Timeline: Short Term	- Reduced production output and revenue due to disruption to production - Cost of repair and replacement of assets - Rise in medical costs and insurance expenses.	- 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. - Enhancing forecasting capabilities when sourcing of raw materials to better manage risks against supply chain disruptions, demand fluctuations, or unforeseen challenges, ensures that the Group can continue operations smoothly.

SUSTAINABILITY REPORT



Climate-related Opportunities

Climate change is expected to drive increasing demand for environmentally sustainable products and services. The Group recognises the opportunities to invest in, develop or enhance its offerings in support of climate action, while also identifying potential improvements to operational policies that could contribute to a reduced emissions footprint. The table below sets out examples of climate-related opportunities, together with their respective time horizons and the significance of their potential impacts.

Opportunities	Why This Is Important	Implications for the Group	Mitigation Measures
Product Lifecycle Impact in terms of pest-free, weight and durability	Develop and promote sustainable pallet solutions, incorporating innovative materials and environmentally friendly design. Category: Products and Services Significance: Medium Timeline: Short Term	Capture market share in the growing sustainable packaging sector, positioning as an industry leader in green pallet solutions.	Utilising LVL and sustainable wood, eg. engineered wood as raw materials in the construction of IPPC pallets. These materials enhance productivity by streamlining the wooden pallet manufacturing processes.
Green Technology Adoption	Incorporate advanced green technologies in manufacturing processes to improve efficiency and reduce environmental impact. Renewable Energy Integration (Heat Treatment) Explore the integration of renewable energy sources into heat treatment processes to reduce the carbon footprint. Category: Resource Efficiency Significance: Medium Timeline: Medium Term	Capital investments in technology development have an impact on cashflow.	Utilising LVL and engineered wood as raw materials in the construction of IPPC pallets.

SUSTAINABILITY REPORT

Risk Management

Identifying and assessing climate-related risks

LHT's enterprise risk management framework provides a structured approach to managing climate-related risks across the full risk lifecycle, from identification and assessment to mitigation and ongoing monitoring. This framework is applied across key business functions, including strategy, risk management, business continuity and investment activities, supporting a consistent and integrated approach to climate risk management. Relevant metrics used to monitor these risks are outlined in the Metrics and Targets section.

In assessing climate-related risks and opportunities, the Group considers publicly available climate research and regulatory guidance relevant to its operating environment. Impact assessments take into account potential financial, operational, reputational and compliance implications, and risks are evaluated based on likelihood and severity within the Group's enterprise risk management framework.

The assessment of climate-related risks and opportunities incorporates qualitative analysis of the Group's sustainability performance, including greenhouse gas (**GHG**) emissions and energy efficiency. It also considers the exposure of revenue streams and assets to the transition towards a low-carbon economy, potential asset impairment, vulnerability of operations and assets to extreme weather events and temperature changes, as well as the current and anticipated costs associated with managing identified risks.

Managing climate-related risks

Management is responsible for overseeing climate-related risks and ensuring that environmental risk thresholds and response measures remain aligned with the Group's risk appetite and environmental objectives. Identified climate-related risks are addressed through established governance processes, which may include management-level discussions, escalation to the Board where appropriate, and the implementation of corrective actions. This approach ensures that climate-related risks are managed consistently within the Group's overall risk management framework.

Integration of climate-related risks into the organisation's overall risk management

For each identified climate-related risk and opportunity, action plans are developed to address near-term challenges while strengthening long-term resilience. Progress against sustainability objectives is supported by ongoing monitoring mechanisms that enable performance tracking, impact measurement and timely adjustments to strategies as conditions evolve.

The Group remains committed to enhancing its climate risk management practices through the use of internationally recognised research and scenario analysis methodologies. This supports the continued relevance and effectiveness of climate risk assessments and reinforces LHT's proactive approach to managing climate-related risks in support of sustainable business practices.

SUSTAINABILITY REPORT

Timber Ties to Tomorrow

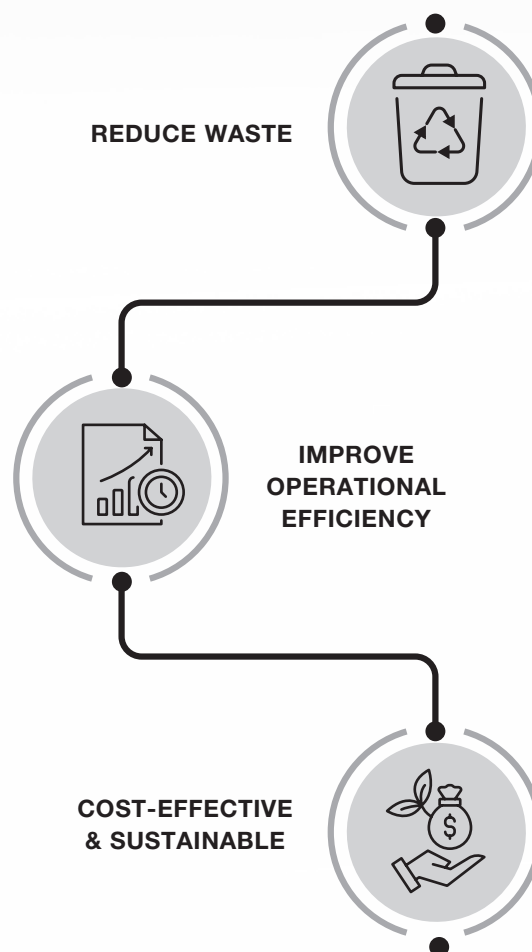
Use of Laminated Veneer Lumber as Raw Material

LHT is committed to reducing the environmental and climate-related impacts associated with deforestation by managing material use responsibly across its operations. In view of Singapore's limited natural resources, the Group places strong emphasis on the recycling and reuse of materials. As part of this approach, LHT has adopted LVL as a key raw material in the production of wooden pallets and cases, supporting efforts to reduce deforestation and land degradation.

LVL is an engineered wood product manufactured by bonding thin layers of wood veneers under controlled conditions. It offers a high strength-to-weight ratio and consistent quality, making it suitable for a wide range of industrial applications. The use of LVL helps reduce material waste, improve operational efficiency and provide a more cost-effective and sustainable alternative to conventional solid timber, while maintaining the structural integrity and performance required for LHT's products.

The ongoing use of LVL reflects LHT's commitment to responsible resource management and sustainable production practices. By incorporating engineered timber into its manufacturing processes, the Group supports efficient use of forest resources while continuing to deliver durable and reliable products to its customers.

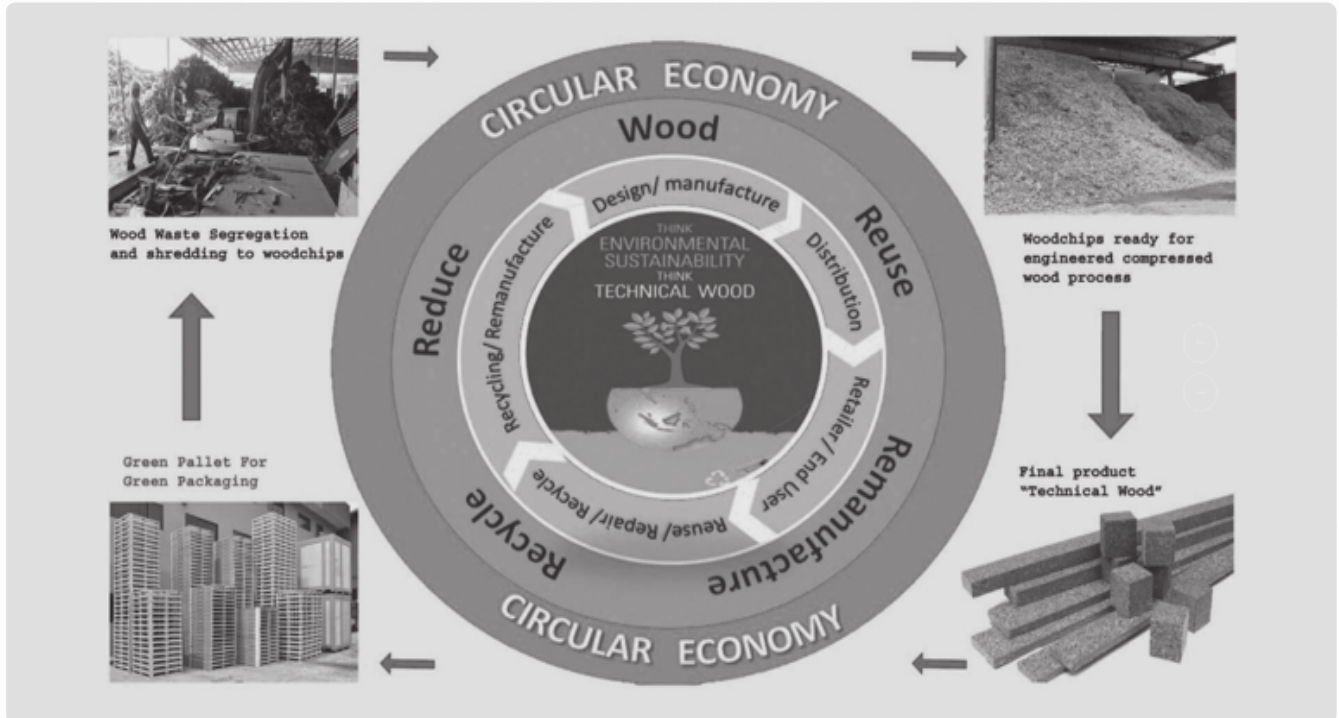
In FY2025, the proportion of LVL received relative to total raw materials declined compared to the previous year. This reflects changes in production scale and material requirements within Singapore operations following the relocation of certain pallet production activities to Malaysia. During the year, LVL receipts in Singapore decreased more significantly than total raw materials received, resulting in a lower reported proportion of LVL relative to overall material intake. The shift in operational activities therefore affected the material mix within Singapore, leading to the reduction in the reported ratio.



	FY2022 	FY2023 	FY2024 	FY2025 	FY2026
 Target	To achieve a minimum of 60% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 50% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured for pallet production.
 Performance	LVL accounted for 59% of total raw materials purchased for pallet production.	LVL accounted for 59% of total raw materials purchased for pallet production.	LVL accounted for 55% of total raw materials purchased for pallet production.	LVL accounted for 34% of total raw materials purchased for pallet production.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

Green Pallets for Green Packaging



LHT integrates environmental considerations into the design and manufacture of its pallets to reduce the overall environmental footprint of its products and operations. As a leading pallet manufacturer in Singapore, the Group focuses on developing pallet solutions that result in lower carbon emissions when compared to conventional wooden pallets.

The Group's sustainability approach is supported by a circular business model that guides ongoing product improvement and resource optimisation. Renewable and recyclable materials are prioritised where feasible, enabling LHT to reduce reliance on conventional timber while maintaining product performance and durability.

LHT is an approved wood waste collection centre under the National Environment Agency and manages wood waste through recovery and reuse processes. Collected wood waste is processed into by-products such as woodchips, which are used as biomass fuel for power generation. These practices are embedded across the Group's value chain through the application of the **Reduce, Reuse and Recycle (3R)** principles, supporting emissions reduction and reinforcing LHT's commitment to sustainable and responsible operations.

Following the cessation of the Group's lease at Sungei Kadut in March 2026, woodchips production will be discontinued in February 2026.

SUSTAINABILITY REPORT

GHG Emissions Management

Metrics

The Group uses a defined set of metrics and targets to assess and monitor climate-related risks and opportunities. These metrics support the setting of clear decarbonisation objectives across both operational activities and production processes. In Singapore, climate-related metrics are tailored to align with the Group's business strategies and environmental risk management approach.

In line with recognised industry practices, the Group applies the GHG Protocol as the primary framework for measuring and managing carbon emissions. The GHG Protocol aligns with the GRI Standards and provides a consistent and widely accepted basis for emissions tracking and informed decision-making.

Since 2021, LHT has implemented measurable performance indicators and targets to track progress against sustainability objectives. These metrics are monitored by relevant governance committees to support accountability and oversight. To further reinforce environmental risk management, selected sustainability objectives are embedded within incentive structures, linking performance outcomes to remuneration. This approach promotes responsible behaviour, strengthens accountability, and supports the consistent integration of sustainability considerations across the organisation.



Scope 1

The Group's Scope 1 emissions are derived from fuel consumption across its operations in Singapore. In FY2025, total fuel consumption amounted to 1,521.3 megawatt-hours (**MWh**), resulting in Scope 1 emissions of 410.8 tonnes of carbon dioxide equivalent (**tCO₂e**).



Scope 2

Scope 2 emissions arise from electricity purchased from the grid. In FY2025, total electricity consumption was 981.8 MWh, resulting in Scope 2 emissions of 409.4 tCO₂e.



Scope 3

The Group's Scope 3 emissions cover both upstream and downstream activities across the value chain. As these emissions rely largely on data from external parties, the Group continues to assess the availability, completeness and reliability of relevant information. In FY2025, efforts remained focused on identifying material Scope 3 categories and evaluating the feasibility of collecting consistent and timely data.

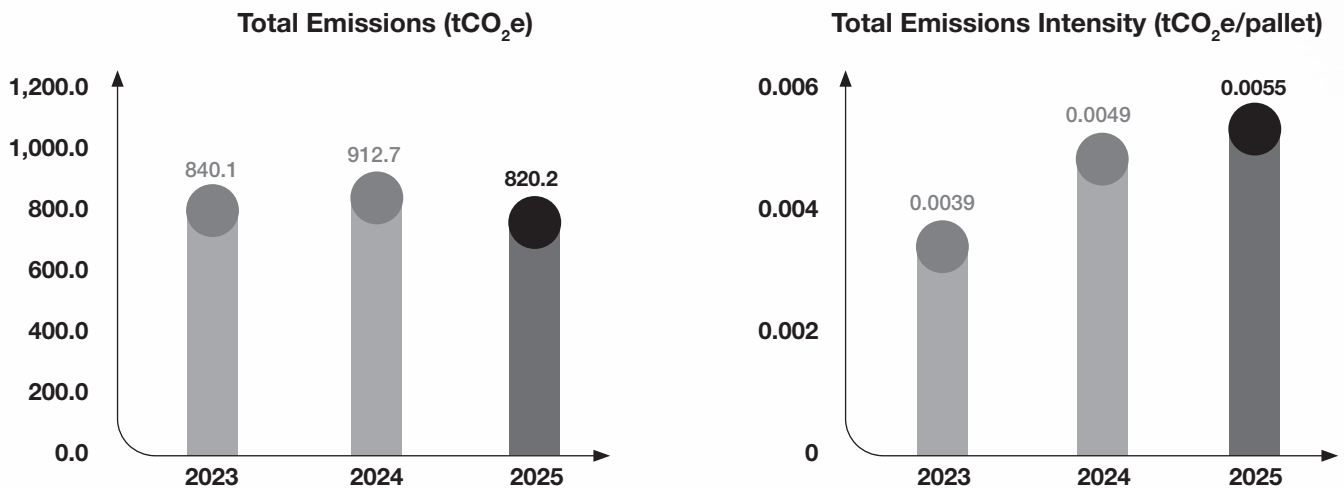
SUSTAINABILITY REPORT

Total Intensity

As disclosed in last year's report, preparations for the new facility at 6 Tuas South Street 10, managed by LHT Ecotech Resources Pte Ltd, began in FY2024. As the facility is still undergoing renovation and repair works and is not yet operational, utilities consumption during this preparatory phase has been excluded from the scope of this report, as it is not attributable to production activities. The facility's utilities consumption will be included in future reporting once operations commence.

In FY2025, total Scope 1 and Scope 2 emissions amounted to 820.2 tCO₂e, representing a 10% reduction from 912.7 tCO₂e in FY2024. Carbon emissions intensity increased 12% to 0.0055 tCO₂e per pallet produced, compared to 0.0049 tCO₂e/pallet in the previous year. While total emissions declined due to the relocation of a greater proportion of production to Malaysia, carbon emissions intensity per pallet increased as emissions did not decrease in direct proportion to the reduction in production output in Singapore. This was mainly due to the presence of fixed and baseline energy consumption (e.g. facility utilities and essential operational systems) that remained relatively stable despite lower production volumes. As a result, per-pallet emissions intensity increased during the year.

Looking ahead, the Group remains committed to implementing energy-efficient initiatives and sustainable operational practices in FY2026 to support effective emissions management and the gradual reduction of its overall carbon footprint over time.



Targets

In FY2025, total emissions intensity increased to 0.0055 tCO₂e per pallet, compared against the FY2023 baseline of 0.0039 tCO₂e per pallet. Although overall emissions declined during the year, the reduction was not proportionate to the decrease in pallet production in Singapore, resulting in higher emissions intensity per pallet. This indicates that energy consumption and operational emissions did not decrease at the same rate as output. As such, the target was not achieved during the reporting period.

In view of the significant operational changes undertaken in FY2025, the Group has revised its FY2026 target to maintain emissions intensity at 0.0055 tCO₂e per pallet. The Group will continue to implement operational and behavioural initiatives aimed at improving energy efficiency and strengthening emissions management performance, with a view to pursuing reductions once operational stability is achieved.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	No target was set.	No target was set.	To reduce total emissions intensity by 1% against the FY2023 baseline.	To reduce total emissions intensity by 1% against the FY2023 baseline.	To maintain total emissions intensity at (0.0055 tCO ₂ e/pallet).
 Performance	Total emissions intensity was maintained at 0.0053 tCO ₂ e/pallet.	Total emissions intensity was maintained at 0.0039 tCO ₂ e/pallet.	Total emissions intensity increased to 0.0049 tCO ₂ e/pallet.	Total emissions intensity increased to 0.0055 tCO ₂ e/pallet.	Performance will be disclosed in the FY2026 Sustainability Report.

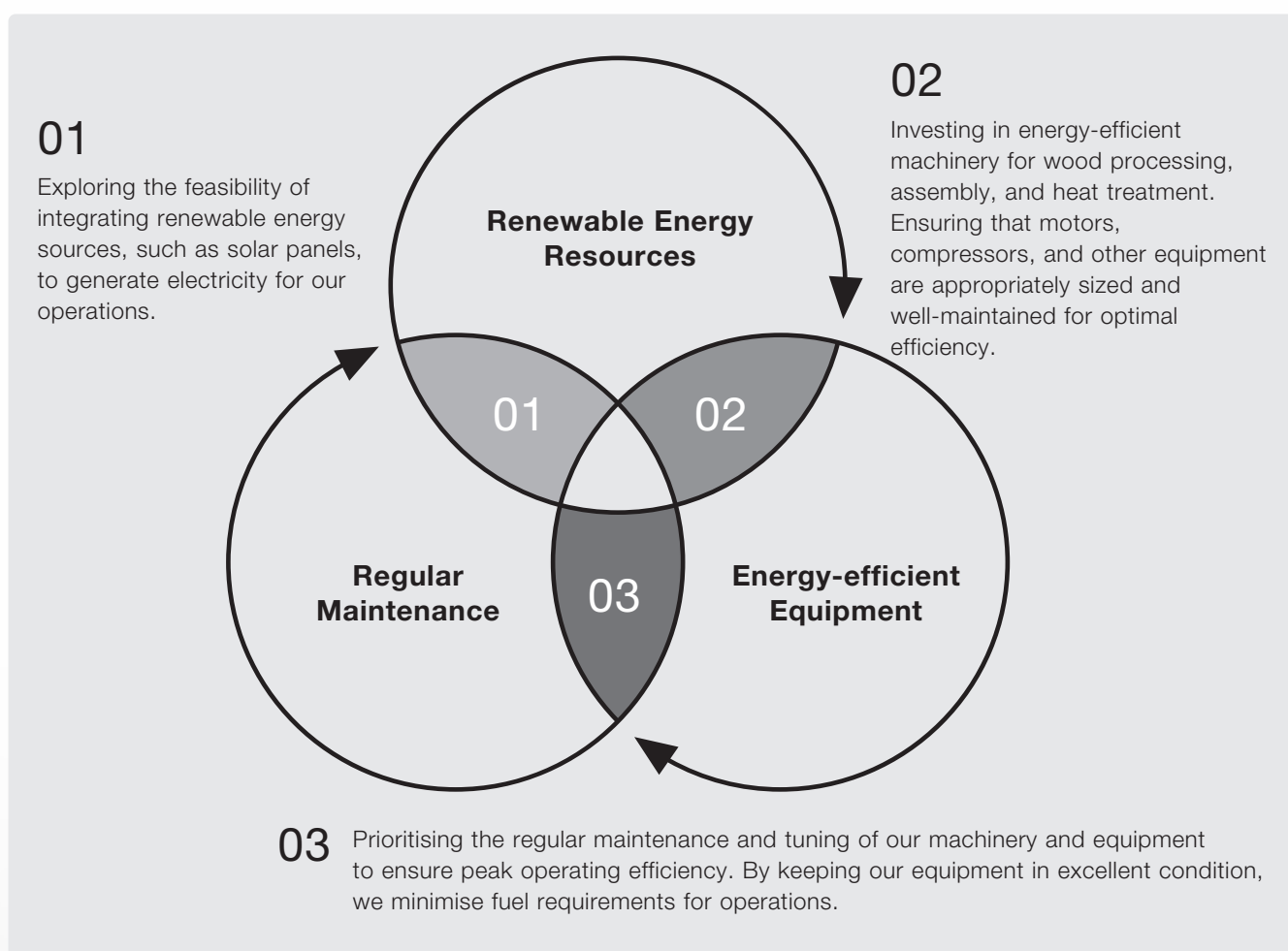
SUSTAINABILITY REPORT

Energy Efficiency

Total energy consumption is derived primarily from diesel and electricity usage, accounting for 61% and 39% respectively. In FY2025, the Group consumed 152,135 litres (ℓ) of diesel and 981,777 kilowatt-hours (kWh) of electricity.

As a Singapore-based manufacturer of wooden pallets, boxes, crates and woodchips, the Group's operations are inherently energy-intensive, with production activities dependent on both electricity and diesel to support manufacturing and logistics processes. Recognising the environmental and cost implications associated with energy consumption, the Group continues to place emphasis on improving energy efficiency to manage its carbon footprint and exposure to fuel-related cost fluctuations. These efforts are aligned with broader environmental objectives while supporting operational cost discipline.

Our energy-efficiency initiatives include the following strategies:



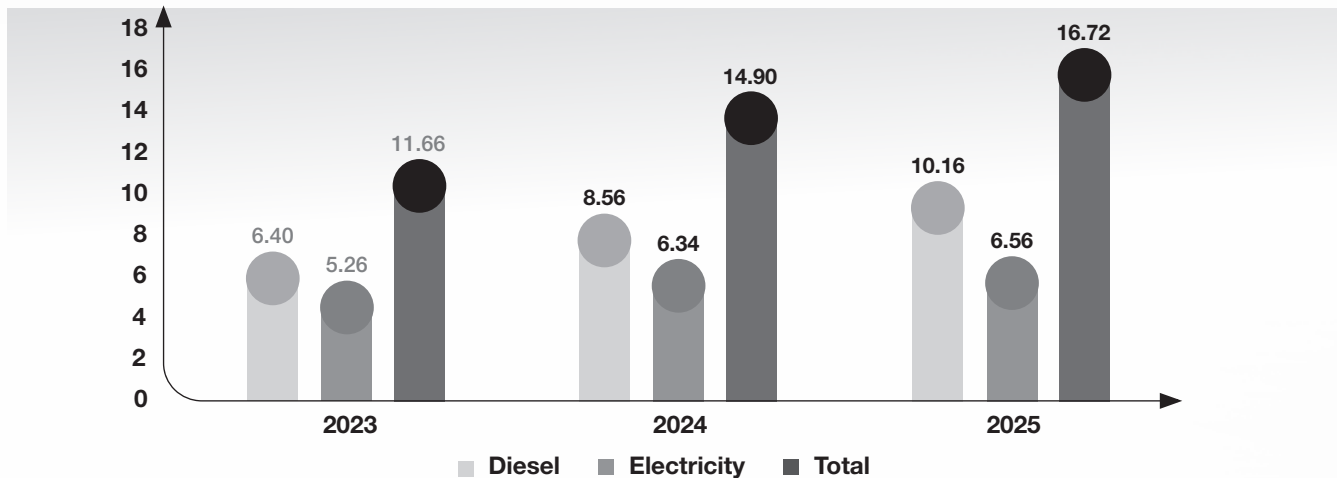
Total energy consumption in FY2025 amounted to 2,503.1 MWh, with an energy intensity of 16.72 kWh per pallet produced. This represents a reduction in total energy consumption from 2,744.4 MWh in FY2024. However, energy intensity increased from 14.90 kWh per pallet in FY2024 to 16.72 kWh per pallet in FY2025.

The decrease in total energy consumption was primarily attributable to the relocation of a greater proportion of production to our plants in Malaysia. However, the reduction in energy use in Singapore was not proportional to the decline in production output. This was mainly due to fixed and baseline energy consumption (e.g. facility utilities and essential operational systems) that remained relatively stable despite lower production volumes. Consequently, energy intensity per pallet increased during the year.

For consistency in year-on-year comparisons, energy consumption associated with the preparation and renovation of the property at 6 Tuas South Street 10 has been excluded from this report, as operations have not yet commenced.

SUSTAINABILITY REPORT

Energy Consumption Intensity (kWh/pallet)



Diesel plays a critical role in supporting LHT's operations, including the use of forklifts, specialised machinery, and the Group's fleet of delivery lorries and trucks. While diesel remains necessary for operational continuity, the Group actively manages fuel consumption to minimise its environmental impact. This is guided by our broader commitment to maintaining a clean and sustainable operating environment, supported by the adoption of more responsible and efficient operating practices where practicable.

Electricity is similarly integral to LHT's day-to-day activities, powering production machinery, lighting across work areas, and other essential operational processes. In line with our sustainability objectives, the Group places strong emphasis on optimising electricity usage through prudent energy management practices. These efforts contribute to environmental conservation while supporting the long-term sustainability of our operations.

Looking ahead, the Group plans to enhance its energy management approach by shifting from absolute fuel and electricity consumption targets to intensity-based metrics measured against production volumes. As a larger proportion of production activities gradually transitions to Malaysia, these operations will be incorporated into future sustainability reporting in stages. While overall energy consumption is expected to increase as operations expand, intensity-based tracking will provide a more meaningful assessment of energy efficiency, enabling clearer performance monitoring and reinforcing the Group's commitment to responsible resource management.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	No target was set.	To consume less than 176,000 ℓ of diesel.	To consume less than 176,000 ℓ of diesel.	To consume less than 176,000 ℓ of diesel.	To consume less than 176,000 ℓ of diesel.
 Performance	The Group recorded diesel consumption of 176,662 ℓ.	The Group recorded diesel consumption of 137,061 ℓ.	The Group recorded diesel consumption of 157,642 ℓ.	The Group recorded diesel consumption of 152,135 ℓ.	Performance will be disclosed in the FY2026 Sustainability Report.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	No target was set.	To consume less than 2,600,000 kWh of electricity.	To consume less than 1,600,000 kWh of electricity,	To consume less than 1,600,000 kWh of electricity.	To consume less than 1,600,000 kWh of electricity.
 Performance	Electricity consumption totalled 2,433,531 kWh.	Electricity consumption totalled 1,126,999 kWh.	Electricity consumption totalled 1,168,029 kWh.	Electricity consumption totalled 981,777 kWh.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

Waste Management

Managing horticultural and industrial wood waste and woodchips

The Group manages horticultural and industrial wood waste as part of its broader commitment to reducing environmental impact and promoting resource efficiency. Horticultural wood waste is collected from activities such as post-forest clearings and the pruning of roadside trees and shrubs, while industrial wood waste is sourced from external companies, including used pallets and crates discarded after goods unloading. These materials are managed through controlled processes to ensure responsible disposal, recycling, or environmentally sound incineration where recycling is not feasible.

In line with the Group's sustainability objectives, suitable horticultural and industrial wood waste is repurposed into woodchips for use as biomass fuel. This approach supports waste diversion from landfill, reduces environmental pollution, and contributes to cleaner energy generation. Through the recovery and reuse of wood-based materials, the Group seeks to maximise resource value while minimising the generation of hazardous waste.

Collection and recycling of the horticultural and industrial wood waste

In FY2025, the Group collected a total of 10,345.3 tonnes of horticultural and industrial wood waste for recycling. This reflects the Group's continued focus on waste minimisation and effective waste management practices. Performance during the year was driven by operational demand and the availability of recoverable wood waste from both internal and external sources.

Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchip production in February 2026, waste wood collection activities in FY2026 will be limited to collections undertaken in January and February 2026. In view of this, the Group has set a revised FY2026 target to collect 1,000 tonnes of horticultural and industrial wood waste.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To collect 12,000 tonnes of horticulture and industrial wood waste.	To collect 12,000 tonnes of horticulture and industrial wood waste.	To collect 8,400 tonnes of horticulture and industrial wood waste.	To collect 8,400 tonnes of horticulture and industrial wood waste.	To collect 1,000 tonnes of horticulture and industrial wood waste.
 Performance	The Group collected 13,166.3 tonnes of horticulture and industrial wood waste.	The Group collected 9,813.1 tonnes of horticulture and industrial wood waste.	The Group collected 11,665.3 tonnes of horticulture and industrial wood waste.	The Group collected 10,345.3 tonnes of horticultural and industrial wood waste	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

Production of Woodchips

The Group produces woodchips by processing horticultural and industrial wood waste, supporting the recovery of materials and their use as biomass fuel for power generation. This process forms part of the Group's waste management strategy, contributing to resource efficiency and the reduction of environmental impact.

During the reporting period, total woodchip production amounted to 10,502.4 tonnes, meeting the production target established. This outcome reflects stable operational performance and the continued availability of suitable wood waste for processing.

Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchips production in February 2026, production activities in FY2026 will be limited to January and February 2026 only. In view of this, the Group has set a revised FY2026 target to produce 1,000 tonnes of woodchips.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To produce 12,000 tonnes of woodchips.	To produce 12,000 tonnes of woodchips.	To produce 8,400 tonnes of woodchips.	To produce 8,400 tonnes of woodchips.	To produce 1,000 tonnes of woodchips.
 Performance	The Group produced 12,019.9 tonnes of woodchips.	The Group produced 8,946.4 tonnes of woodchips.	The Group produced 10,893.5 tonnes of woodchips.	The Group produced 10,502.4 tonnes of woodchips.	Performance will be disclosed in the FY2026 Sustainability Report.

Rental Pallets

LHT operates a dedicated pallet rental division that supports resource efficiency and circular use of materials. By extending the lifespan of pallets through repeated use, the rental model reduces reliance on single-use pallets and minimises waste generation. This approach contributes to lower material consumption and supports the Group's broader waste reduction and sustainability objectives.

In FY2025, 86% of available rental pallets were deployed, exceeding the internal utilisation target of 70%. This level of utilisation reflects strong demand for rental pallets and effective asset management. Looking ahead to FY2026, the Group will continue to target a 70% rental rate, maintaining a balanced approach between operational efficiency, asset availability, and environmental performance.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.
 Performance	The Group rented out 86% of total available pallets.	The Group rented out 89% of total available pallets.	The Group rented out 90% of total available pallets.	The Group rented out 86% of total available pallets.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

Protecting the Environment through Strict Compliance

Since 2001, the Group has maintained a consistent focus on responsible operations and environmental protection, guided by compliance with ISO 14001 standards. Our policies and operational practices are regularly reviewed to ensure continued alignment with ISO 9001 and BizSafe requirements, supporting a structured approach to risk management, quality control, and environmental performance.

Environmental protection is embedded into our day-to-day operations. One key initiative is the recycling of used wooden industrial packaging materials into woodchips, which supports resource efficiency and reduces waste sent for disposal. These practices are governed by the Group's Environment, Health and Safety (**EHS**) Policy, which sets clear expectations for environmental responsibility across the organisation.

To translate policy into action, EHS performance indicators are established and reviewed annually, taking into account regulatory developments, operational changes, and emerging environmental risks. Feedback from internal and external stakeholders also informs continuous improvements to our sustainability practices. Oversight is provided by the ISO 14001 and Fire, Health and Safety Committees, which monitor compliance, address gaps, and drive enhancements in safety and environmental management.

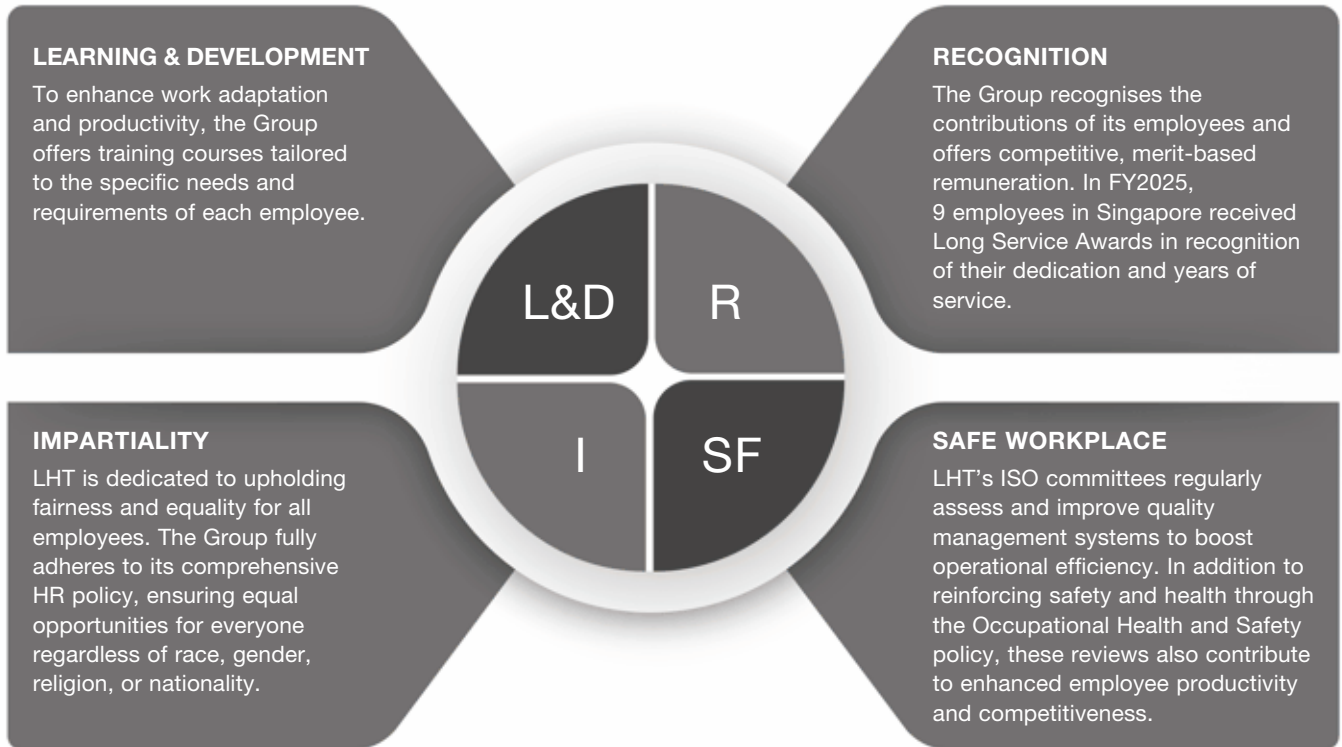
As regulatory expectations and sustainability standards continue to evolve, LHT remains focused on strengthening its compliance framework and operational controls. In FY2025, the Group recorded zero fines or penalties related to environmental or safety non-compliance, reflecting the effectiveness of our governance structure and our commitment to operating responsibly and in accordance with applicable regulations.

	FY2022 	FY2023 	FY2024 	FY2025 	FY2026
 Target	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.	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.	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.	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.	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	Two minor fines related to non-compliance were recorded.	One minor fine related to non-compliance was recorded.	No fines related to non-compliance were recorded.	No fines related to non-compliance were recorded.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

9. EMPOWERING COMMUNITIES

Social Performance



At LHT, our people are central to how the business operates and grows. We see employee development and well-being as long-term investments that support both operational stability and sustainable performance.

The Group is committed to maintaining a workplace that is safe, inclusive and fair. Diversity and equal opportunity are embedded across our employment practices, and we aim to ensure consistency and equity from hiring through to compensation. Any form of discrimination is not accepted.

Workplace safety and employee health remain key priorities. LHT applies structured safety management practices across its operations and monitors work-related incidents to identify risks and strengthen preventive controls. Through ongoing review and improvement, we seek to provide a work environment that supports employee safety and overall well-being.

Occupational Health and Safety

Safeguarding employees' health and safety

LHT is committed to providing a safe and healthy working environment for its employees and visitors. The Group maintains strict occupational health and safety standards across its operations, which are embedded into daily work practices to minimise operational and legal risks. Effective health and safety management is regarded as a core enabler of workforce productivity, operational stability, and long-term business continuity.

SUSTAINABILITY REPORT

The table below sets out LHT's health and safety performance for FY2025 and the two preceding financial years:

	FY2023	FY2024	FY2025
Total production manhours	224,101	202,243	190,676
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	2	3	3
Work-related injury rate (per 100,000 manhours worked)	0.89	1.48	1.57
Work-related injury rate (per 1,000,000 manhours worked)	8.92	14.83	15.73
Lost days due to work-related injuries	5	8	35
Lost days due to work-related injuries rate (per 100,000 manhours worked)	2.23	3.96	18.36
Lost days due to work-related injuries rate (per 1,000,000 manhours worked)	22.31	39.56	183.56

In FY2025, the Group recorded three work-related injury incidents, while no work-related fatalities were reported. Although the number of incidents remained the same as the previous year, total production manhours decreased during the reporting period. As a result, the workplace injury rate increased to 1.57 per 100,000 manhours worked (FY2024: 1.48). Notwithstanding that, the rate remained below the Group's target threshold of 2.00.

Lost days arising from work-related injuries increased from 8 days in FY2024 to 35 days in FY2025. The increase was driven by the nature and severity of the individual incidents recorded during the year, including a pneumatic hose recoil injury, a bin closure injury, and a minor electric shock incident. While none of these incidents resulted in permanent injury, the recovery periods required were longer than those observed in the previous year.

The Group treats all workplace injuries seriously. Immediate investigations were conducted following each incident to identify root causes and strengthen preventive controls. Actions taken included reinforcing safe equipment handling procedures, reviewing bin operation practices, enhancing supervision during disposal activities, conducting inspections of electrical panels to address potential leakage risks, and delivering targeted safety refresher briefings to production employees.

SUSTAINABILITY REPORT

Management acknowledges that the increase in lost days and injury rates highlights the need for continued improvement in hazard identification and control effectiveness. LHT remains committed to strengthening its safety management framework to reduce both the likelihood and impact of future incidents.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.
 Performance	The Group recorded an injury rate of 1.16 per 100,000 manhours worked.	The Group recorded an injury rate of 0.89 per 100,000 manhours worked.	The Group recorded an injury rate of 1.48 per 100,000 manhours worked.	The Group recorded an injury rate of 1.57 per 100,000 manhours worked.	Performance will be disclosed in the FY2026 Sustainability Report.

Routine Briefings, Training and Inspections

To manage workplace health and safety risks, LHT conducts regular safety briefings to reinforce compliance with internal policies and standard operating procedures. These briefings also reference relevant external requirements and contractor safety obligations where applicable. Fire & safety committee members attend monthly safety briefings covering key areas such as workplace safety, fire prevention, and basic first aid.

Routine inspections, including fire safety checks and fire drills, are carried out at LHT's premises to identify potential hazards, ensure corrective actions are taken in a timely manner, and to enhance operational preparedness. These practices form part of the Group's ongoing efforts to maintain a safe working environment.

People and Employment

Employees are LHT's asset

LHT relies on its employees to deliver day-to-day operations and execute the Group's business strategies. Their experience, skills, and commitment are essential to maintaining operational continuity and supporting long-term growth. The Group focuses on creating a stable and supportive work environment where employees can perform their roles effectively.

Employee well-being is addressed through a balanced approach that considers workplace safety, fair employment practices, and reasonable working conditions. LHT promotes equal opportunity across all stages of employment, including recruitment, development, and remuneration. Hiring decisions are based on role requirements, skills, and experience, without discrimination on the basis of race, gender, age, or nationality.

Human resource policies and remuneration frameworks are reviewed periodically by senior management to ensure alignment with business needs and prevailing market conditions. As business conditions continue to normalise post-pandemic, LHT remains focused on workforce retention and maintaining a consistent and engaged employee base.

SUSTAINABILITY REPORT

Training and Education

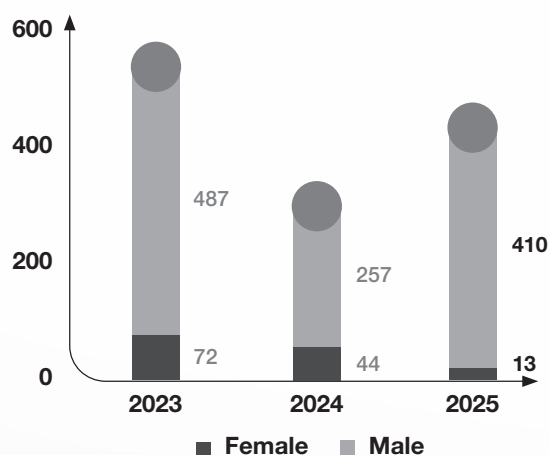
Empowering the workforce through career enhancement and skill development

LHT supports the ongoing development of its employees by providing training that strengthens technical skills, job performance and leadership capabilities. Employee development is viewed as a practical investment in operational effectiveness, workforce capability, and long-term business sustainability.

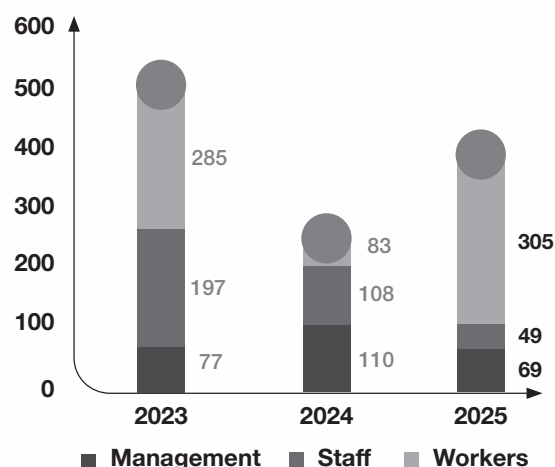
Training programmes are designed to meet operational needs, regulatory requirements, and ISO standards. Training needs are reviewed periodically, and structured plans are developed to cover areas such as workplace health and safety, governance, and role-specific competencies. This ensures employees remain adequately equipped to perform their duties effectively and in compliance with applicable standards.

Workplace health and safety training remains a key focus. The Group conducts monthly fire, health, and safety meetings and provides safety briefings and on-the-job training, including forklift certification and forklift refresher courses for relevant production employees. Additional training is arranged where necessary to support operational readiness, to address identified gaps or to respond to changes in industry and regulatory requirements. A total of 423 training and briefing manhours were provided to production and other employees during the year, exceeding the FY2025 target. With most production activities relocated to Malaysia and the cessation of woodchips production from waste wood collections after February 2026, the Group has revised its FY2026 target to 50 training manhours.

Training and Briefing Manhours by Gender



Training and Briefing Manhours by Employment Categories



	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To provide 100 training manhours on fire safety, workplace health and safety topics.	To provide 300 training manhours on fire safety, workplace health and safety topics.	To provide 300 training manhours on fire safety, workplace health and safety topics.	To provide 300 training manhours on fire safety, workplace health and safety topics.	To provide 50 training manhours on fire safety, workplace health and safety topics.
 Performance	A total of 554 training manhours were provided.	A total of 559 training manhours were provided.	A total of 301 training manhours were provided.	A total of 423 training manhours were provided.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

Diversity and Equal Opportunity in the Workforce

We cultivate a multi-diversified work environment to inculcate social harmony

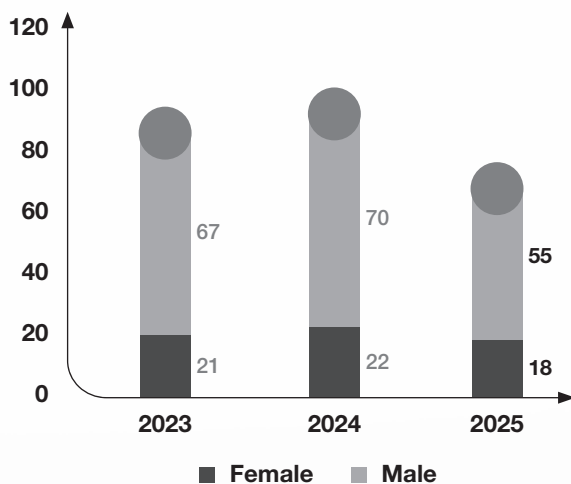
LHT is committed to providing a fair and inclusive workplace where employees are treated with respect and given equal opportunities regardless of gender, age, or background. The Group maintains a zero-tolerance approach to discrimination and seeks to embed diversity and inclusion across all levels of the organisation.

We recognise that diversity contributes to stronger decision-making, operational resilience, and long-term business performance. By fostering an inclusive working environment, LHT aims to attract, retain, and engage employees with a broad range of skills, experience, and perspectives.

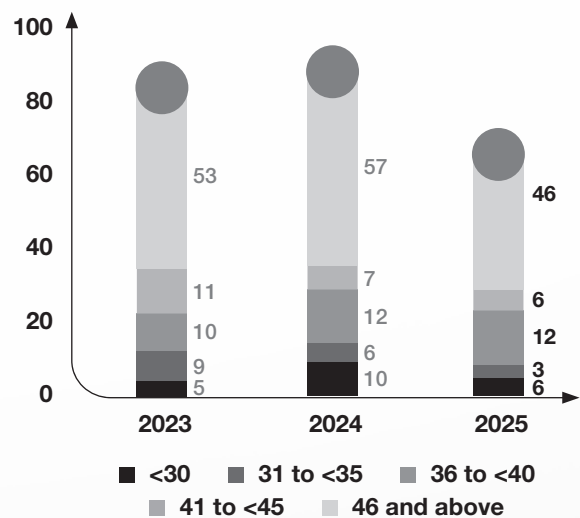
Gender diversity within the workforce reflects the structural characteristics of the wood and manufacturing industry, where roles such as production and warehouse operations typically have lower female representation. While this remains a practical constraint, the Group acknowledges opportunities for improvement and continues to support inclusive employment practices across all functions.

The Group's age profile reflects a balanced workforce with an emphasis on experience and continuity. Employees aged 46 and above represent the largest proportion of the workforce at 63%, providing operational stability and industry expertise. Younger employees under 30 and those aged 31 to 35 account for 12%, supporting talent development and succession planning. Employees aged 36 to 40 (17%) and 41 to 45 (8%) form a core mid-career segment, facilitating knowledge transfer and collaboration across experience levels.

Number of employees by gender



Number of employees by age group



LHT seeks to broaden its hiring practices over time to better reflect workforce diversity, while maintaining a merit-based approach to recruitment and progression. Employment decisions, including remuneration, are based on individual performance, skills, and role requirements. The Group remains committed to fair employment practices and to fostering a workplace culture built on respect, equity, and equal opportunity.

SUSTAINABILITY REPORT

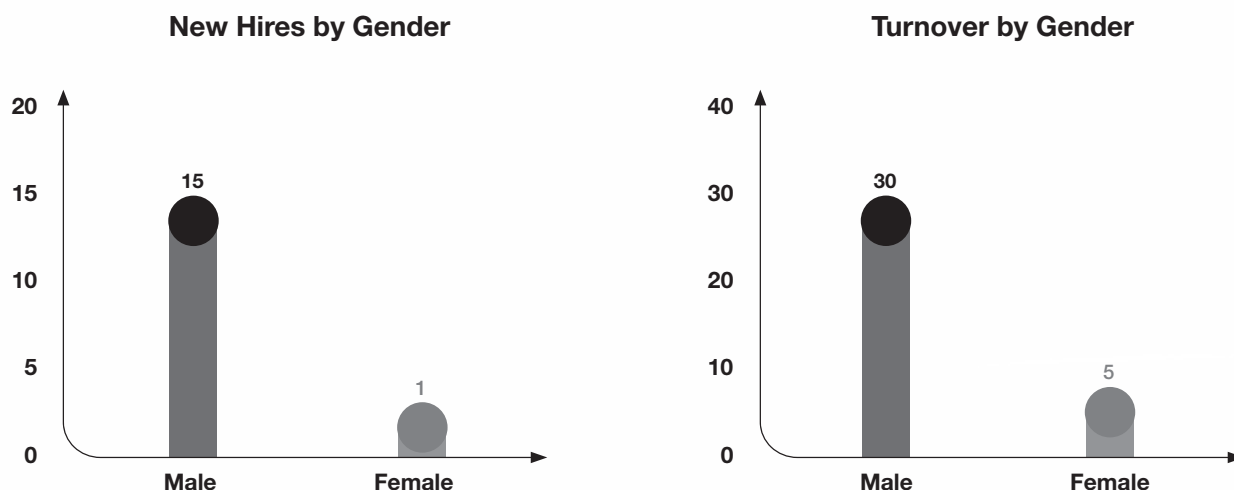
Attraction and Retention

The Group's recruitment decisions are based on candidates' qualifications, relevant experience, and suitability for the role. We are committed to inclusive hiring practices and uphold non-discrimination principles across gender, age, and ethnicity, ensuring a fair and consistent recruitment process for all applicants.

In FY2025, the Group hired 16 new employees, comprising 1 female and 15 male hires. These additions supported ongoing operational and business needs while maintaining a merit-based and equitable hiring approach.

During the year, 35 employees exited the Group as part of normal workforce movements. Employee turnover is a natural aspect of workforce dynamics, and where feedback is available, the Group reviews insights from departing employees to identify opportunities to enhance workplace practices and the overall employee experience. Of the employees who exited during the year, 14% were female and 86% were male.

The charts below illustrate employee hiring and turnover trends in FY2025:



Employee Wellness and Benefits

A well-cared-for employee is paramount to a happy and stable work environment

Employee well-being is a key priority and an essential part of how we sustain a motivated and capable workforce. We recognise that when employees feel supported, they are better able to perform, grow, and contribute to the organisation's long-term success. To support this, we offer a comprehensive benefits package that goes beyond statutory requirements and reflects our commitment to caring for our people.

Our benefits extend beyond core medical and dental coverage to include childcare leave, meal allowances, and transport allowances. These provisions are intended to support employees in managing everyday responsibilities, enabling them to maintain balance between work and personal commitments.

We also provide leave entitlements to support employees during important life events. Marriage, maternity, and paternity leave allow employees the time and space to focus on family milestones, while compassionate leave ensures they receive understanding and support during challenging periods. These measures reflect LHT's belief in creating a workplace that is not only productive, but also considerate and humane.

By investing in employee welfare and creating a supportive work environment, LHT aims to strengthen engagement, foster loyalty, and retain talent over the long term. Our approach to employee benefits reflects our values and reinforces our commitment to building a workplace where employees feel respected, supported, and motivated to do their best work.

SUSTAINABILITY REPORT

Local Communities

Engaging Our Local Communities through the 3R Programme

LHT actively supports community engagement by participating in outreach and educational initiatives that promote environmental responsibility. A key focus of these efforts is our 3R programme, through which we encourage responsible practices such as reducing waste, reusing materials, and recycling resources.

Working alongside government agencies, corporate partners, and educational institutions, LHT supports initiatives that raise awareness of sustainable waste management, particularly the recycling of wood waste. Throughout the year, we take part in community events and awareness programmes aimed at fostering practical understanding of the 3R principles and encouraging more sustainable behaviours. These activities reflect our ongoing commitment to environmental stewardship and responsible business practices.

Customer Privacy

Safekeeping of information is vital to ensure customer assurance and trust

Protecting data and customer information is a core responsibility. This commitment is supported by our Data Protection and Security Policy, which establishes controls and safeguards to reduce the risk of unauthorised access or data breaches. The policy applies to both customer and employee information, ensuring consistent standards of privacy and protection across the organisation.

As a business-to-business organisation, LHT recognises the importance of maintaining strong data protection practices, given the nature and sensitivity of information entrusted to us by our clients. Robust data security measures are therefore integral to maintaining trust and supporting long-term business relationships.

During the year, the Group recorded zero substantiated incidents relating to breaches of customer privacy. This outcome reflects the effectiveness of our data protection framework and reinforces our ongoing commitment to maintaining high standards of confidentiality, security, and responsible data management.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	No target was set.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.
 Performance	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

Ensuring Personal Data and Privacy Protection

LHT treats personal data protection as a key responsibility and safeguards all personal information through a dedicated Personal Data Protection Policy. This policy provides clear guidance to employees, supports ongoing awareness, and helps ensure compliance with applicable personal data protection laws and regulations.

To remain aligned with evolving requirements issued by the Personal Data Protection Commission (**PDPC**), LHT regularly reviews and updates its policies. In line with the Personal Data Protection Act (**PDPA**), employees are equipped with the necessary knowledge of regulatory requirements, standards, and industry practices through targeted training conducted in accordance with PDPC guidelines.

In FY2025, LHT recorded no incidents involving personal data breaches or losses. This outcome demonstrates the effectiveness of the Company’s data protection framework and its continued commitment to safeguarding personal information.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.
 Performance	The Group recorded zero cases of major breaches.	The Group recorded zero cases of major breaches.	The Group recorded zero cases of major breaches.	The Group recorded zero cases of major breaches.	Performance will be disclosed in the FY2026 Sustainability Report.

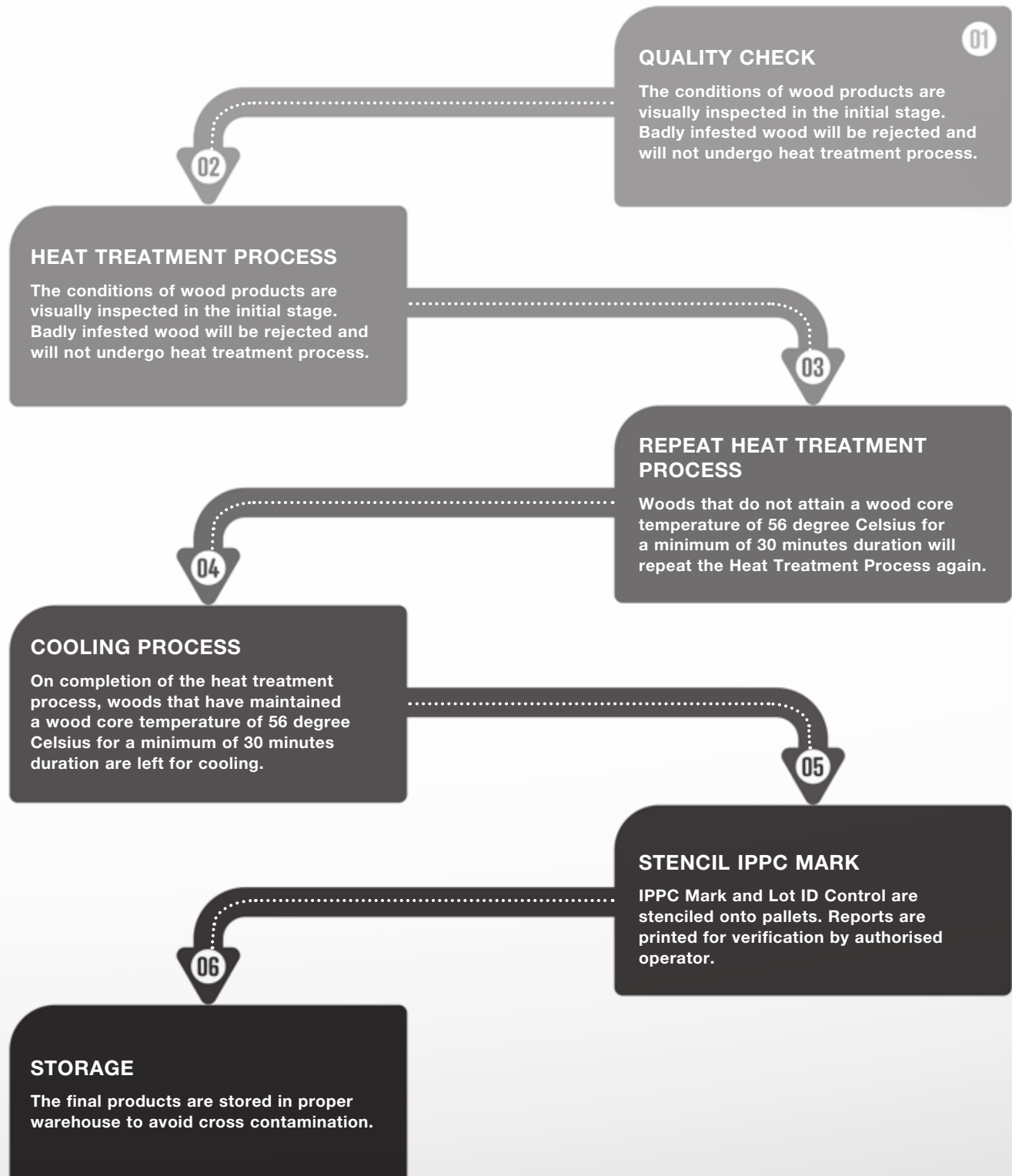
LHT regularly reviews its data governance framework to strengthen the security measures in place for protecting personal data. Through continuous process improvements and proactive initiatives, we seek to reinforce the trust that stakeholders place in LHT to safeguard their personal information.

SUSTAINABILITY REPORT

Product Quality and Safety

Heat treatment – Conforming to ISPM 15 Standard

In line with the standards set by the IPPC, including the ISPM 15 requirements, LHT has implemented measures to ensure compliance with the standards. Our facilities are equipped with heat treatment systems that effectively manage and control pests in wood materials, supporting both regulatory compliance and responsible environmental practices.



SUSTAINABILITY REPORT

ECR Pallet Rental Scheme

In 2009, LHT partnered with A*STAR's Singapore Institute of Manufacturing Technology (**SIMTech**) to develop a shared-use pallet system based on a leasing and tracking model. This collaboration led to the introduction of a pallet leasing solution that enables customers to lease pallets from LHT, thus delivering operational efficiencies and cost benefits for both the Group and its clients.

As part of the ECR pallet rental scheme, LHT incorporated Radio Frequency Identification (**RFID**) technology into each pallet to improve visibility and control across the supply chain. RFID tagging allows pallets to be tracked more accurately, enhancing asset utilisation, inventory management, and logistics planning.

The rental model removes the need for customers to invest in large upfront pallet purchases. Instead, customers can lease pallets on a monthly basis, with flexibility to scale usage up or down in line with operational requirements and seasonal demand. This approach supports cost optimisation while promoting more efficient use of shared resources.

Socially Responsible Procurement

LHT incorporates sustainability considerations into its procurement approach with the aim of supporting responsible business practices over the long term. Environmental, social, and ethical factors are taken into account across the supply chain, including the evaluation of new packaging technologies where these are feasible from a cost and operational perspective. This approach reflects an awareness of increasing stakeholder expectations around responsible sourcing and supply chain management.

The Group sources materials from several regions, including New Zealand, China, Vietnam, and Malaysia, while local sourcing includes horticulture and wood waste used in woodchip production. Sustainability considerations are applied throughout the sourcing process to ensure that supply chain activities remain consistent with LHT's broader sustainability objectives.

Sustainable procurement at LHT is supported through self-regulatory practices and supplier oversight, with an emphasis on compliance and ethical conduct. These practices are designed to align supply chain operations with applicable ISO standards and to promote responsible sourcing across the Group's operations.

SUSTAINABILITY REPORT

10. ETHICAL OPERATIONS AND RESPONSIBLE PRACTICES

Economic Performance

LHT's objective is to strengthen its position as a manufacturer of wooden pallets, boxes, cases and crates, and also as a lessor of wooden pallets while maintaining sustainable and financially sound operations. The Group focuses on expanding its customer base in a disciplined manner to support long-term business continuity.

As part of its growth strategy, LHT continues to assess opportunities to extend its market presence where demand for quality and environmentally responsible packaging solutions remains stable. The Group's operations are centred on delivering products that meet customer requirements for quality, reliability and environmental considerations, supported by consistent service and delivery performance.

LHT remains committed to maintaining appropriate standards of corporate governance, which the Group considers essential for supporting sustainable growth and protecting 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 2025:

- Operating and Financial Review (pages 13-15)
- Financial Summary (pages 16-17)
- Financial Statements (pages 19-74)

Procurement Practice

LHT adopts a sustainable procurement approach that balances environmental considerations with sound financial and operational decision-making. The Group supports a business model that integrates sustainability into procurement processes and selectively adopts new packaging technologies where these are commercially viable and operationally appropriate.

As stakeholder expectations around environmental and social responsibility continue to evolve, LHT places emphasis on regulatory compliance and ethical supply chain practices. This includes aligning procurement and sourcing activities with sustainability objectives and relevant ISO standards.

LHT operates a global supply chain, with primary raw materials sourced from New Zealand, China, Vietnam and Malaysia. Horticultural waste and wood waste used for woodchip production are sourced locally.

Sustainability considerations are embedded within the Group's operating culture and guide its approach to supplier management and internal controls. LHT recognises the increasing importance of environmental and social safeguards and seeks to ensure that supply chain activities, from sourcing to delivery, are aligned with its sustainability management principles.

SUSTAINABILITY REPORT

Anti-corruption

LHT has an anti-bribery and anti-corruption policy to support the conduct of business in a lawful, ethical and responsible manner. The policy requires all employees to comply with the Prevention of Corruption Act (Chapter 241 of Singapore) and applies across all levels of the organisation, including permanent, contract and temporary staff.

The Group adopts a structured risk management approach to identify, assess, prioritise and address risks that may affect its objectives, initiatives and day-to-day operations. Risk assessment exercises are carried out to evaluate key risks across the Group, with risk exposure assessed based on both likelihood and potential impact.

This approach supports LHT's broader governance framework and reinforces its commitment to ethical conduct and compliance with anti-bribery and anti-corruption requirements.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.
 Performance	The Group recorded zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.	Performance will be disclosed in the FY2026 Sustainability Report.

Operating Business Ethically and with Integrity

LHT upholds integrity and accountability as fundamental principles guiding its business conduct and employee behaviour. Recognising that corruption poses material risks to both operations and reputation, the Group enforces a zero-tolerance approach towards all forms of corrupt practices, including fraud and bribery. Employees are regularly informed of their responsibilities through the Code of Conduct and business ethics guidelines, which outline expected standards of behaviour and are communicated across the organisation.

LHT's Whistleblowing Policy provides clear and confidential channels for raising concerns, including suspected misconduct or corruption. All reports are escalated to the ARC Chairman, NC Chairman and appointed Internal Auditor and subjected to appropriate review and investigation. Together, these measures support responsible business practices and reinforce a culture of ethical conduct, transparency and accountability across the Group.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.
 Performance	The Group recorded zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

Whistleblowing

LHT has put in place a formal whistleblowing framework to support the timely identification, assessment and investigation of suspected misconduct, including bribery, fraud and other unethical practices. This framework forms an integral part of the Group's broader anti-corruption and governance approach, strengthening oversight in areas such as financial reporting and internal controls.

The whistleblowing procedures provide employees with confidential and anonymous channels to report concerns. Submissions are required to be made either in writing or verbally via a phone call, with sufficient details to allow proper assessment and investigation. All reports are handled with care, securely retained, and whistleblowers are protected against retaliation, reinforcing a safe environment for raising concerns.

A whistleblower who is an employee of the Group, can either choose to report via first level channel to his/her immediate Supervisor, Manager, Head of Finance or the CEO, or if he/she so chooses, may also report (like a member of the public) via email to a dedicated email account which will automatically re-direct all such reports to the ARC (Audit & Risk Committee) Chairperson, the RC (Remuneration Committee) Chairperson, Lead Independent Director and the appointed Internal Auditor.

The reporting channels are structured to ensure independence, confidentiality, and appropriate oversight. Full whistleblowing procedures are available on the Company's intranet and are communicated to employees as part of their onboarding process.

All information received is treated with strict confidentiality, and the identity of the whistleblower is safeguarded unless disclosure is required by law. In FY2025, no whistleblowing cases were reported, reflecting the Group's strong ethical culture and ongoing commitment to transparency, integrity and responsible business conduct.

	FY2022	FY2023	FY2024	FY2025	FY2026
 Target	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.
 Performance	The Group recorded zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

APPENDIX A: LIST OF ENTITIES INCLUDED IN THIS REPORT

Name	Principal Activities	Location	Coverage
LHT Holdings Ltd	Manufacturing and trading of wooden pallets, boxes, crates, and other timber-related products	Singapore	All core metrics included
Kim Hiap Lee Company (Pte.) Limited	Timber merchandising, sawmilling, and pallet rental services	Singapore	All core metrics included
LHT Marketing Pte Ltd	Timber merchandising and commission agency services	Singapore	All core metrics included
LHT Ecotech Resources Pte Ltd¹	Manufacturing of woodchips; wood waste recycling and recovery	Singapore	All core metrics included

¹ The facility located at No. 6 Tuas South Street 10, Singapore 636941 under LHT Ecotech Resources Pte Ltd was under renovation and not operational during FY2025. Accordingly, no operational, environmental, or utilities data for this site is included in this report.



SUSTAINABILITY REPORT

APPENDIX B: SUSTAINABILITY SCORECARD

Environmental

Performance indicators	Units	FY2023	FY2024	FY2025
Energy consumption				
Diesel consumption	'000 ℓ	137.1	157.6	152.1
Diesel consumption	MWh	1,370.6	1,576.4	1,521.4
Electricity consumption	MWh	1,127.0	1,168.0	981.8
Total energy consumption	MWh	2,497.6	2,744.4	2,503.2
Energy consumption intensity				
Diesel consumption intensity	kWh/pallet	6.40	8.56	10.16
Electricity consumption intensity	kWh/pallet	5.26	6.34	6.56
Total energy consumption intensity	kWh/pallet	11.66	14.90	16.72
Carbon emissions				
Scope 1 emissions	tCO ₂ e	370.1	425.6	410.8
Scope 2 emissions	tCO ₂ e	470.0	487.1	409.4
Total carbon emissions	tCO ₂ e	840.1	912.7	820.2
Carbon emissions intensity				
Scope 1 emissions intensity	tCO ₂ e/pallet	0.0017	0.0023	0.0027
Scope 2 emissions intensity	tCO ₂ e/pallet	0.0022	0.0026	0.0028
Total carbon emissions intensity	tCO ₂ e/pallet	0.0039	0.0049	0.0055

SUSTAINABILITY REPORT

Social

Performance indicators	Units	FY2023	FY2024	FY2025
Proportion of LVL received				
LVL board	Tonnes	2,721.2	3,570.5	1,510.7
Pinewood	Tonnes	1,586.7	2,175.2	2,506.6
Plywood	Tonnes	339.4	475.7	380.5
Densified wood block	Tonnes	0.0	236.3	64.6
Total tonnes received	Tonnes	4,647.3	6,457.7	4,462.4
LVL over other raw materials	%	59	55	34
Wood waste collected and woodchips produced				
Waste wood collected	Tonnes	9,813.1	11,665.3	10,345.3
Total woodchips produced	Tonnes	8,946.4	10,893.5	10,502.4
Ratio of woodchips produced to waste wood collected	%	91	93	102 ²
Rental pallets				
Percentage of pallets rented out	%	89	90	86
Visitor plant tours				
Plant tour count	Number	1	0	0
Workforce Composition by Gender				
Male	Number (%)	67 (76%)	70 (76%)	55 (75%)
Female	Number (%)	21 (24%)	22 (24%)	18 (25%)
Total employees	Number (%)	88 (100%)	92 (100%)	73 (100%)
Workforce Composition by Age Group				
< 30	Number (%)	5 (6%)	10 (11%)	6 (8%)
31 to < 35	Number (%)	9 (10%)	6 (6%)	3 (4%)
36 to < 40	Number (%)	10 (11%)	12 (13%)	12 (17%)
41 to < 45	Number (%)	11 (13%)	7 (8%)	6 (8%)
46 and above	Number (%)	53 (60%)	57 (62%)	46 (63%)
Workforce Composition by Nationality and Ethnicity				
Singaporean	Number (%)	50 (57%)	51 (56%)	29 (40%)
Malaysian	Number (%)	25 (28%)	25 (27%)	30 (41%)
Chinese	Number (%)	13 (15%)	16 (17%)	14 (19%)
Indian	Number (%)	0 (0%)	0 (0%)	0 (0%)

² The ratio may exceed 100% due to timing differences between collection and processing. Waste wood collected in one reporting period may only be processed into woodchips in a subsequent reporting period, resulting in higher production volumes relative to current-period collection.

SUSTAINABILITY REPORT

Performance indicators	Units	FY2023	FY2024	FY2025
Workforce Composition by Disability Status				
Employees without disabilities	Number (%)	88 (100%)	92 (100%)	73 (100%)
Employees with disabilities	Number (%)	0 (0%)	0 (0%)	0 (0%)
Workforce Composition by Employee Category				
Executives	Number (%)	5 (6%)	5 (5%)	5 (7%)
Management	Number (%)	19 (22%)	20 (22%)	20 (27%)
Staff	Number (%)	16 (18%)	21 (23%)	17 (23%)
Workers	Number (%)	48 (54%)	46 (50%)	31 (43%)
Gender Composition of Executives and Management				
Male	Number (%)	18 (75%)	19 (76%)	20 (77%)
Female	Number (%)	6 (25%)	6 (24%)	6 (23%)
New hires by Gender				
Male	Number (%)	4 (100%)	8 (89%)	15 (94%)
Female	Number (%)	0 (0%)	1 (11%)	1 (6%)
Total new hires	Number (%)	4 (100%)	9 (100%)	16 (100%)
New hires by Age Group				
< 30	Number (%)	1 (25%)	5 (56%)	7 (44%)
31 to < 35	Number (%)	0 (0%)	2 (22%)	0 (0%)
36 to < 40	Number (%)	0 (0%)	0 (0%)	1 (6%)
41 to < 45	Number (%)	2 (50%)	0 (0%)	0 (0%)
46 and above	Number (%)	1 (25%)	2 (22%)	8 (50%)
Employee Turnover by Gender				
Male	Number (%)	20 (80%)	5 (100%)	30 (86%)
Female	Number (%)	5 (20%)	0 (0%)	5 (14%)
Total resigned employees	Number (%)	25 (100%)	5 (100%)	35 (100%)
Employee Turnover by Age Group				
< 30	Number (%)	3 (12%)	0 (0%)	10 (28%)
31 to < 35	Number (%)	3 (12%)	2 (40%)	1 (3%)
36 to < 40	Number (%)	5 (20%)	1 (20%)	2 (6%)
41 to < 45	Number (%)	5 (20%)	0 (0%)	1 (3%)
46 and above	Number (%)	9 (36%)	2 (40%)	21 (60%)

SUSTAINABILITY REPORT

Performance indicators	Units	FY2023	FY2024	FY2025
Training				
Total training manhours	Manhours	559	301	423
Workplace Safety				
Total manhours worked	Manhours	224,101	202,243	190,676
Total work-related injury cases	Cases	2	3	3
Work-related injury cases per 100,000 manhours worked	Cases/100,000 manhours worked	0.89	1.48	1.57
Work-related injury cases per 1,000,000 manhours worked	Cases/1,000,000 manhours worked	8.92	14.83	15.73
Total lost days resulting from injury cases	Days	5	8	35
Lost day rate per 100,000 manhours worked	Days/100,000 manhours worked	2.23	3.96	18.36
Lost day rate per 1,000,000 manhours worked	Days/1,000,000 manhours worked	22.31	39.56	183.56
Total high-consequence work-related injury cases	Cases	0	0	0
Fatal injury cases per 100,000 manhours worked	Cases/100,000 manhours worked	0	0	0

Governance

Performance indicators	Units	FY2023	FY2024	FY2025
Number of environmental non-compliance cases	Cases	1	0	0

SUSTAINABILITY REPORT

APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

This section details key definitions, methodologies and data boundaries applied to the 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 arising from climate change can be event-driven (acute), such as extreme weather events including cyclones, droughts, floods, and fires. They can also result from longer-term shifts (chronic) in precipitation and temperature, and increased variability in weather patterns, for example, sea-level rise.

Climate-related Transitional Risks

Transitional risks relate to the shift towards a lower-carbon global economy. Common examples include policy and legal changes, technological developments, market responses, and reputational considerations.

Climate-related Opportunities

Climate-related opportunities refer to potential positive impacts arising from climate change. Actions to mitigate or adapt to climate change can create opportunities, including improved resource efficiency and cost savings, adoption of low-emission energy sources, development of new products and services, and strengthened resilience across the supply chain.

Materials

LVL usage ratio is calculated as the total volume of Laminated Veneer Lumber (**LVL**) received in tonnes divided by the total raw materials received in tonnes during the reporting period. Total raw materials include LVL board, pinewood, plywood and densified wood block. This metric relates to materials received for Singapore operations only.

Woodchips production ratio is calculated as the total volume of woodchips produced during the reporting period divided by the total volume of waste wood collected during the reporting period. The ratio is expressed as a percentage and relates to Singapore operations only.

Rental pallet utilisation is calculated as the total number of pallets rented out (in pieces) divided by the total number of pallets available for rental (in pieces) during the reporting period. This metric relates to rental pallet operations in Singapore only.

Carbon Emissions

Scope 1: For this reporting period, Scope 1 emissions are generated from the direct consumption of fuels for the Group's Singapore operations. Fuel consumption is collected in litres (**ℓ**) and converted to kilowatt-hours (**kWh**) by multiplying litres consumed by a factor of 10. The resulting energy consumption in kWh is then converted to megawatt-hours (**MWh**) by dividing by 1,000. The emission factor used for calculating carbon emission 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: For this reporting period, Scope 2 emissions arise from the generation of purchased or acquired electricity consumed in Singapore operations. Scope 2 emissions are calculated using the location-based method. The Grid Emission Factor (**GEF**) used for calculating carbon emissions is obtained from Singapore Energy Market Authority (**EMA**). Carbon emissions are expressed in **tCO₂e**.

SUSTAINABILITY REPORT

Carbon Emissions Intensity

Carbon emissions intensity is calculated as the total Scope 1 and Scope 2 carbon emissions (in tCO₂e) divided by the pallet production volume of the Company. For this reporting period, pallet production volume refers to pallets manufactured in Singapore. Production activities in Malaysia are excluded from the calculation. Carbon emissions intensity is expressed in tCO₂e per pallet produced (tCO₂e/pallet).

Energy Consumption

Energy consumption represents the total energy used, including fuels and electricity consumed by the Company. Energy consumption is expressed in MWh. Any percentage breakdown between diesel and electricity is calculated based on energy equivalence in MWh per pallet produced (MWh/pallet).

Energy Intensity

Energy intensity is calculated as total energy consumption divided by the pallet production volume of the Company. Total energy consumption (in MWh) is converted to kWh before calculating intensity. Energy intensity is expressed in kWh per pallet produced (kWh/pallet).

Social

Employee

Employees are defined as individuals who are in an employment relationship with the Group in its Singapore operations.

New Hires and Turnover (rates)

New hires are defined as new employees who have joined the Group in Singapore during the financial year.

Turnover is defined as all employees who have left the Group in Singapore 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 employees in the respective age groups 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 female/(male) employees 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 in its Singapore operations.

Work-related injuries are defined as injuries sustained during work that require a medical certificate (**MC**) of one day or more.

Ill health indicates damage to health and includes diseases, illnesses and disorders.

Total production manhours refer to the cumulative manhours worked by production employees during the reporting period in Singapore.

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.

SUSTAINABILITY REPORT

Fatalities 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.

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.

Lost Day Rate

Lost day rate is the total number of MC days resulting from work-related injury cases per hundred thousand and per million manhours worked, relative to the total production manhours worked during the reporting period.

Training

Training manhours disclosed in this report relate to production and operational employees only and include fire safety and workplace health and safety training and briefings conducted during the reporting period in Singapore.

SUSTAINABILITY REPORT

APPENDIX D: GRI CONTENT INDEX

GRI Standards Content Index

The GRI Content Index references the Group's Sustainability Report 2025 ("SR") and the Annual Report 2025 ("AR").

Statement of use	LHT Holdings Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	2-1	Organisational details	SR Our Business
	2-2	Entities included in the organisation's sustainability reporting	SR Appendix A: List of entities included in this 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 About the Report
	2-7	Employees	SR Empowering Communities
	2-8	Workers who are not employees	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 of impacts	AR Corporate Governance
	2-13	Delegation of responsibility for managing impacts	AR Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	AR Corporate Governance
	2-15	Conflicts of interest	AR Corporate Governance
	2-16	Communication of critical concerns	SR About the Report
	2-17	Collective knowledge of the highest governance body	AR Corporate Governance

SUSTAINABILITY REPORT

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	Process to determine 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 Protecting Our Earth • SR Empowering Communities • SR Ethical Operations and Responsible Practices
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	SR Sustainability Strategy
	2-26	Mechanisms for seeking advice and raising concerns	SR Sustainability Strategy
	2-27	Compliance with laws and regulations	SR Ethical Operations 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	Not Applicable
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR Materiality Assessment
	3-2	List of material topics	SR Materiality Assessment
	3-3	Management of material topics	• SR Protecting Our Earth • SR Empowering Communities • SR Ethical Operations and Responsible Practices
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	SR Ethical Operations and Responsible Practices
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	SR Protecting Our Earth
	302-3	Energy intensity	

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE		LOCATION
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR Protecting Our Earth
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	SR Protecting Our Earth
	306-2	Management of significant waste-related impacts	
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	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	
	403-10	Work-related ill health	

SUSTAINABILITY REPORT

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	
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 substantiated complaints were received.

SUSTAINABILITY REPORT

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 Protecting Our Earth
	Describe management's role in assessing and managing climate-related risks and opportunities	SR Protecting 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 Protecting Our Earth
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	SR Protecting 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 Protecting Our Earth
	Describe the organisation's processes for managing climate-related risks	SR Protecting Our Earth
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	SR Protecting 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 Protecting 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 Protecting Our Earth

STATISTICS OF SHAREHOLDINGS

As at 31 March 2026

SHAREHOLDERS' INFORMATION AS AT 31 MARCH 2026

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 31 MARCH 2026

as recorded in the Register of Substantial Shareholders

Name of Substantial Shareholders	Number of Shares		Deemed Interest	
	Direct Interest	%		%
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	3.24	12,098,147 ^(a)	22.72
Capital Management Partners Fund – Cornerstone Fund	9,824,132	18.45	—	—
Lan Ruilong	9,671,205	18.16	—	—

Notes:

(a) Li Suet Man and Li Ear are each deemed interested in the 12,098,147 shares of Synectix Pte Ltd.

STATISTICS OF SHAREHOLDINGS AS AT 31 MARCH 2026

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	103	2.74	4,956	0.01
100 – 1,000	2,684	71.42	855,658	1.61
1,001 – 10,000	819	21.80	2,543,290	4.79
10,001 – 1,000,000	147	3.91	8,558,862	15.74
1,000,001 and above	5	0.13	41,281,231	77.85
	3,758	100.00	53,244,997	100.00

STATISTICS OF SHAREHOLDINGS

As at 31 March 2026

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Phillip Securities Pte Ltd	19,636,073	36.88
2.	DBS Nominees Pte Ltd	10,136,844	19.04
3.	CGS International Securities Singapore Pte Ltd	5,325,250	10.00
4.	Teo Beng Choo	5,097,625	9.57
5.	Moomoo Financial Singapore Pte. Ltd.	1,085,439	2.04
6.	Chadwick Jonathan	1,000,000	1.88
7.	Billy Neo Kian Wee (Billy Liang Jianwei)	856,000	1.61
8.	Morph Investments Ltd	642,000	1.21
9.	Lim Kwee Poh	400,000	0.75
10.	Teo Ting Yue	350,000	0.66
11.	Seah Chong Teck	293,250	0.55
12.	Ng Boon Guat	250,000	0.47
13.	Leong Hwei Min	250,000	0.47
14.	Lai Weng Kay	216,000	0.41
15.	Chan Jin Ming (Zeng Jingming)	185,000	0.35
16.	Yap Mei Yen Sally	151,500	0.28
17.	Goh Tat Kean	146,900	0.27
18.	Koh Tee Kia	130,500	0.25
19.	Tan Hwei Sze	110,000	0.21
20.	United Overseas Bank Nominees Pte Ltd	105,050	0.20
Total		46,367,431	87.08

Free Float

Based on information available to the Company as at 31 March 2026, approximately 25.53% of the issued ordinary shares of the Company were held in the hands of the 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 (“**AGM**”) of LHT Holdings Limited (“the **Company**”) will be convened and held at 6 Tuas South Street 10, Singapore 636941 on Wednesday, 29 April 2026 at 3.30 p.m. to transact the following businesses:

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 2025, together with the Independent Auditor’s Report thereon. | Resolution 1 |
| 2. | To declare a first and final one-tier tax exempt dividend of S\$0.05 per ordinary share in respect of the financial year ended 31 December 2025. | Resolution 2 |
| 3. | To declare a final and special one-tier tax exempt dividend of S\$0.20 per ordinary share for the financial year ended 31 December 2025. | Resolution 3 |
| 4. | To re-elect Ms Tan Peck Joo, who is retiring pursuant to Regulation 103 of the Company’s Constitution, and who was, being eligible, offered herself for re-election as a Director. | Resolution 4 |
| | [See Explanatory Note (i)] | |
| 5. | To re-elect Mr Lim Kee Way Irwin, who is retiring pursuant to Regulation 103 of the Company’s Constitution, and who was, being eligible, offered himself for re-election as a Director. | Resolution 5 |
| | [See Explanatory Note (ii)] | |
| 6. | To approve the payment of Directors’ fees of S\$295,000 for the financial year ending 31 December 2026, to be paid quarterly in arrears (2025: S\$300,000). | Resolution 6 |
| 7. | To re-appoint Messrs BDO LLP as the Company’s Auditor and to authorise the Directors to fix their remuneration. | Resolution 7 |
| 8. | 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 as Ordinary Resolutions, with or without modifications:-

- | | | |
|-----|---|---------------------|
| 9. | AUTHORITY TO ISSUE SHARES | Resolution 8 |
| | That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “ Companies Act ”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “ SGX-ST ”), the Directors of the Company be authorised and empowered to: | |
| (a) | (i) issue shares in the capital of the Company (“ 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 (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, | |

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (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 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) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;and adjustments in accordance with sub-paragraphs 2(a) and 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 passing of this Resolution; and
- (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 a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law or the Constitution to be held, whichever is earlier.

[See Explanatory Note (iii)]

NOTICE OF ANNUAL GENERAL MEETING

10. PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

Resolution 9

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, approval be and is hereby given for the adoption of the Share Buy-Back Mandate; and the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) on-market purchases (each a **"Market Purchase"**) on the SGX-ST; and/or
 - (ii) off-market purchases (each an **"Off-Market Purchase"**) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

provided always such purchases and acquisitions shall be carried out in accordance with all other laws and regulations, including but not limited to, the Company's Constitution, the provisions of the Companies Act, the Listing Rules and the Singapore Code on Take-overs and Mergers, as may for the time being be applicable;

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall be dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
 - (i) the conclusion of the next AGM or the date by which such AGM is required by the Constitution of the Company or the applicable laws of Singapore to be held;
 - (ii) the date on which the buy-back of the shares is carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by Shareholders in a general meeting;

- (d) for purposes of this Resolution:

"Prescribed Limit" means ten per cent (10%) of the issued ordinary share capital of the Company as at the date of passing of this Resolution (excluding treasury shares and subsidiary holdings) unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares or subsidiary holdings that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held, or is required by the Constitution of the Company or the applicable laws in Singapore to be held, the date on which the buy-back of the Shares are carried out to the full extent mandated, or the date the said mandate is revoked or varied by Shareholders in a general meeting, whichever is the earlier;

NOTICE OF ANNUAL GENERAL MEETING

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price, where:

“**Average Closing Price**” means in the case of Market Purchase on SGX-ST, the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded on the SGX-ST, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase and deemed to be adjusted for any corporate action, in accordance with the Listing Manual, that occurs during the relevant five (5)-day period and the day on which the purchases are made;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**market day**” means a day on which the SGX-ST is open for trading in securities; and

- (e) the Directors and each of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any such documents), as they or he or she may consider desirable, expedient or necessary or in the interests of the Company in connection with or for the purposes of giving full effect to the transactions contemplated and/or authorised pursuant to the Share Buy-Back Mandate and/or this Resolution.

[See Explanatory Note (iv)]

On Behalf of the Board

Li Suet Man
Interim Executive Chairman

Singapore, 10 April 2026

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Ms Tan Peck Joo will, upon re-election as a Director of the Company, remain as the Non-Executive Independent Director of the Company. Detailed information of Ms Tan Peck Joo 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) Mr Lim Kee Way Irwin will, upon re-election as a Director of the Company, remain a Non-Executive Lead Independent Director of the Company. Detailed information of Mr Lim Kee Way Irwin 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) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50%) of the total number of issued shares in the capital of the Company of which up to twenty per cent (20%) may be issued other than on a pro-rata basis to Shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding Treasury Shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding Treasury Shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, share options or share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (iv) The Ordinary Resolution 9 proposed in item 10 above, if passed, will authorise and empower the Directors of the Company to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) Shares of the Company on the terms of the Share Buy-Back Mandate as set out in the Circular. Such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is or is required by law to be held, whichever is the earlier.

The rationale for, the authority and limitation on, the source of funds to be used and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2025 are set out in greater detail in the Circular.

HOLDING OF THE ANNUAL GENERAL MEETING

1. PROXY AND VOTING AT THE AGM

- 1.1. (a) A Shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such Shareholder's proxy form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat the proxy form as invalid.
- (b) A Shareholder who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder's proxy form appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

- 1.2. A proxy need not be a member of the Company.

- 1.3. The proxy form appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy to vote on the Shareholder's behalf at the AGM, duly executed, must be submitted in hard copy form or electronically via email:

- (a) if submitted by post, to be deposited at 6 Tuas South Street 10, Singapore 636941; or
- (b) if submitted electronically, be submitted via email to the Company, at ir@lht.com.sg,

in either case, by **26 April 2026, 3:30 p.m.**, being no less than seventy-two (72) hours before the time appointed for the holding of the AGM (or at any adjournment thereof) and in default the proxy form shall be treated as invalid.

The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

- 1.4. Supplementary Retirement Scheme ("SRS") investors:

- (a) may vote at the AGM if they are appointed as proxies by their SRS Operators, and should contact their SRS Operators if they have any queries regarding their appointment as proxies; or
- (b) may appoint the Chairman of the AGM as proxy, in which case they should approach their SRS Operators to submit their votes by **20 April 2026, 3:30 p.m.**

- 1.5. The Annual Report, the Share Buy-Back Mandate Circular, this notice of AGM, and the proxy form may be accessed from the SGX-ST website at (www.sgx.com) and on the Company's website at (www.lht.com.sg).

Please note that only printed copies of this notice of AGM, proxy form and request form (on how to request for a copy of the Annual Report and the Share Buy-Back Mandate Circular) will be despatched to Shareholders.

NOTICE OF ANNUAL GENERAL MEETING

2. QUESTIONS

2.1. Submission of questions in advance of the AGM

Members can submit their questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner:

- (a) by post to the registered office of the Company at 6 Tuas South Street 10, Singapore 636941; or
- (b) by email to the Company at ir@lht.com.sg,

by 22 April 2026, 3:30 p.m.. Shareholders who submit questions in advance of the AGM should identify themselves by stating (i) his/her/its full name; (ii) NRIC/Passport No. (if the Shareholder is an individual) or the Company Registration No. (if the Shareholder is a corporation); and (iii) the manner in which he/she/it holds his/her/its Shares in the Company for verification purposes.

The Company will endeavour to respond to substantial and relevant questions from members submitted in advance and received by the Company via the SGX-ST website at (www.sgx.com) and the Company's website at (www.lht.com.sg) no later than 48 hours before the deadline for submission of the proxy forms. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters.

2.2. Asking questions at the AGM

Members and (where applicable) their duly appointed proxies will be able to ask questions related to the resolutions to be tabled for approval at the AGM, live at the AGM itself.

The Company will endeavour to respond to and address substantial and relevant questions as far as reasonably practicable during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

3. PERSONAL DATA

3.1. Personal Data Privacy

"Personal data" in this notice has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore ("PDPA"), which includes your name, address and NRIC/Passport number. By submitting (a) details for the registration to observe or participate in the proceeding of the AGM, (b) an instrument appointing a proxy or proxies to attend, speak and vote at the AGM and/or any adjournment thereof, or (c) any questions prior to the AGM in accordance with this notice of AGM, 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 the appointment of the proxy(ies) for the AGM (including any adjournment thereof), processing the registration for purpose of granting access to members (or their appointed proxy(ies)) to observe and participate in the proceedings of the AGM, addressing relevant and substantial questions from members received before the AGM and if necessary, following-up with the relevant members in relation to such questions, and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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 "Use of Data 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 Use of Data 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.

Photographic, sound and/or video recordings at the AGM (including any adjournment thereof) may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

4. NOTICE OF RECORD DATE 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 08 May 2026 for the preparation of dividend warrants for the first and final one-tier tax exempt dividend of S\$0.05 per ordinary share and a special one-tier tax exempt dividend of S\$0.20 per ordinary share ("the Dividend") for the financial year ended 31 December 2025. 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 07 May 2026 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 07 May 2026 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 2026, will be paid on 15 May 2026.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lim Kee Way Irwin, and Ms Tan Peck Joo are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2026 (“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 LIM KEE WAY IRWIN	MS TAN PECK JOO
Date of Appointment	29 April 2024	29 April 2024
Date of last re-appointment	–	–
Age	60	64
Country of principal residence	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 accepted and considered the recommendation of the Nominating Committee on the appointment of Mr Lim as a Non-Executive Lead Independent Director and having considered his qualification, work experience and skill set.	The Board of Directors of the Company has accepted and considered the recommendation of the Nominating Committee on the appointment of Ms Tan as a Non-Executive Independent Director and having considered her qualification, work experience and skill set.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Non-Executive Lead Independent Director Chairman of Nominating Committee, Member of Audit and Risk Committee and Remuneration Committee.	Non-Executive Independent Director Chairwoman of Audit and Risk Committee, Member of Nominating Committee and Remuneration Committee.
Professional qualifications	1. Master of Science in Management from Imperial College, University of London. 2. Bachelor of Science in Industrial Engineering from Columbia University, New York 3. Member of Singapore Institute of Directors 4. Member of the EDB Society	1. Bachelor of Accountancy from National University of Singapore 2. Chartered Accountant of Institute of Singapore Chartered Accountant 3. Certified Internal Auditor of The Institute of Internal Auditors, USA 4. Shanghai Stock Exchange Qualification for Independent Directorship 5. Chartered Institute of Marketing, United Kingdom

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Working experience and occupation(s) during the past 10 years	1. 2024 to 2025 Chief Investment Officer of Capital Asia Investments 2. 2022 to 2024 Chief Financial Officer of Novo Tellus Alpha Acquisition 3. 2015 to 2023 Operation Partner and Chief Financial Officer of Novo Tellus Private Equity 4. 2007 to Present Managing Director of Inflexion Venture Private Ltd	1. 2020 to 31 March 2025 Member of Board of Common Town Pte Ltd 2. 2018 to 2020 Chief of Mergers and Acquisitions, MindChamps Holdings & MindChamps Ltd 3. 2017 to 2018 Executive Chairman of Siloam Hospital Lippo Village & Rumah Sakit Umum Siloam, Head of Audit of Siloam Hospital Group 4. 2010 to 2017 Chief Financial Officer and Deputy Chief Executive Officer of MNC Media Investment Ltd 5. 2011 to 2017 Independent Director of China-Singapore Suzhou Industrial Park Development Group Co., China
Shareholding interest in the listed issuer and its subsidiaries	None	None
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.	None	None
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Novoflex Pte Ltd Smartflex Technology Pte Ltd Smartflex Innovation Pte Ltd MS Holdings Limited	Member of Board of CommonTown Pte Ltd (Nominee Director of A*STAR)
Present	Inflexion Ventures Private Ltd	Nil

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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
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
c) Whether there is any unsatisfied judgement against him?	No	No
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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
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 of 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
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
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
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or 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 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 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?	No	No
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

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 Wednesday, 29 April 2026 at 3.30 p.m. (the **"AGM"** or **"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 3.30 p.m. on 20 April 2026, 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	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing whom, the Chairman of the Meeting as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the AGM of the Company to be held on Wednesday, 29 April 2026 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, against or to abstain from voting in respect of the ordinary resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, my/our proxy/proxies may vote or abstain from voting at his/her discretion. Where the Chairman of the AGM is appointed as proxy and in the absence of specific directions as to voting, the appointment of the Chairman of the Meeting as my/our proxy* for that resolution will be treated as invalid.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the boxes provided below. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

No.	Resolutions relating to:	For	Against	Abstain
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 2025, together with the Independent Auditor's Report thereon.			
2	To declare a first and final one-tier tax exempt dividend of S\$0.05 per ordinary share in respect of the financial year ended 31 December 2025.			
3	To declare a final and special one-tier tax exempt dividend of S\$0.20 per ordinary share for the financial year ended 31 December 2025.			
4	To re-elect Ms Tan Peck Joo, who is retiring pursuant to Regulation 103 of the Company's Constitution, and who was, being eligible, offered herself for re-election as a Director.			
5	To re-elect Mr Lim Kee Way Irwin, who is retiring pursuant to Regulation 103 of the Company's Constitution, and who was, being eligible, offered himself for re-election as a Director.			
6	To approve the payment of Directors' fees of S\$295,000 for the financial year ending 31 December 2026, to be paid quarterly in arrears (2025: S\$300,000).			
7	To re-appoint Messrs BDO LLP as the Company's Auditor and to authorise the Directors to fix their remuneration.			
Special Business				
8	To authorise the Directors to allot and issue new shares			
9	To approve the proposed adoption of the Share Buy-Back Mandate			

* Delete whichever not applicable.

Dated this _____ day of _____ 2026

Signature of Shareholder(s)/and,
Common Seal of Corporate Member

Total Number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

Affix
Postage
Stamp

The Company Secretary
LHT HOLDINGS LIMITED
6 Tuas South Street 10
Singapore 636941

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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 entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as proxy 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.

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5. The proxy form appointing the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as the proxy to vote on the Shareholder's behalf at the AGM, duly executed, must be submitted in hard copy form or electronically via email:
 - (a) If submitted by post, to be lodged at 6 Tuas South Street 10, Singapore 636941; or
 - (b) If submitted electronically, be submitted via email to the Company, at ir@lht.com.sg,in either case, by 26 April 2026, 3.30 p.m., being no less than seventy-two (72) hours before the time appointed for the holding of the Meeting, (or at any adjournment thereof) and in default the proxy form shall be treated as invalid.
A Shareholder who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.
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.

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 10 April 2026.





LHT HOLDINGS LIMITED

(COMPANY REGISTRATION NUMBER: 198003094E)

6 Tuas South Street 10, Singapore 636941

☎ (65) 6269 7890

💻 <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>

✉ enquiry@lht.com.sg