



LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

Lincotrade & Associates Holdings Limited

(Company Registration Number: 200413128G)

Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

*This announcement has been reviewed by the Company's sponsor, RHB Bank Berhad (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr. Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, at 90 Cecil Street, #03-00 RHB Bank Building Singapore 069531, Telephone: +65 6320 0627*

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Lincotrade & Associates Holdings Limited

Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		
		Unaudited 6 months from 1 Jul 2024 to 31 Dec 2024 S\$'000	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000	Increase/ (Decrease) %
Revenue	4	33,685	42,726	(21.2%)
Cost of sales	6	(29,573)	(38,190)	(22.6%)
Gross profit		4,112	4,536	(9.3%)
Interest income		90	84	7.1%
Other income and gains	7	50	72	(30.6%)
Administrative expenses		(1,623)	(1,531)	6.0%
Finance costs	8	(154)	(36)	327.8%
Other expenses		(1,443)	(957)	50.8%
Other losses	7	(67)	-	N.M.
Profit before tax		965	2,168	(55.5%)
Income tax expense	10	(186)	(381)	(51.2%)
Profit for the period		779	1,787	(56.4%)
Other Comprehensive Income / (Loss):				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		7	(2)	N.M.
Other comprehensive income / (loss) for the period		7	(2)	N.M.
Total Comprehensive Income for the period		786	1,785	(56.0%)
Profits / (Loss) Attributable to:				
- Owners of the Company, net of tax		717	1,791	(60.0%)
- Non-controlling interests, net of tax		62	(4)	N.M.
		779	1,787	(56.4%)
Other Comprehensive Income / (Loss) Attributable to:				
- Owners of the Company, net of tax		722	1,790	(60.0%)
- Non-controlling interests, net of tax		64	(5)	N.M.
		786	1,785	(56.0%)
Earnings per share	11	Singapore Cents	Singapore Cents	
Basic		0.42	1.04	(59.6%)
Diluted		0.42	1.04	(59.6%)

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B. Condensed Interim Statements of Financial Position

		Group		Company	
		Unaudited 31 December 2024 S\$'000	Audited 30 June 2024 S\$'000	Unaudited 31 December 2024 S\$'000	Audited 30 June 2024 S\$'000
	Note				
ASSETS					
Non-current assets :					
Property, plant and equipment	13	10,431	10,852	1	2
Right-of-use assets	14	8	39	-	-
Trade receivables, non-current	15	3,262	4,613	-	-
Investment in subsidiaries	16	-	-	25,386	25,340
Total non-current assets		13,701	15,504	25,387	25,342
Current assets :					
Inventories		234	156	-	-
Contract assets		4,406	2,371	-	-
Other non-financial assets		1,368	915	13	16
Trade and other receivables, current	15	8,385	9,332	1,175	355
Cash and cash equivalents		13,559	11,527	80	286
Total current assets		27,952	24,301	1,268	657
Total assets		41,653	39,805	26,655	25,999
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company :					
Share capital	19	13,050	13,050	33,614	33,614
Accumulated losses		(2,477)	(2,644)	(7,181)	(7,851)
Foreign currency reserves		3	(2)	-	-
Equity attributable to owners of the Company		10,576	10,404	26,433	25,763
Non-controlling interest		206	113	-	-
Total equity		10,782	10,517	26,433	25,763
Non-current liabilities :					
Lease liabilities, non-current		52	70	-	-
Other financial liabilities, non-current	18	6,581	6,978	-	-
Deferred tax liabilities		28	28	-	-
Total non-current liabilities		6,661	7,076	-	-
Current liabilities :					
Income tax provision		606	696	17	31
Trade and other payables	17	13,971	11,088	205	205
Lease liabilities, current		52	90	-	-
Other financial liabilities, current	18	9,581	10,338	-	-
Total current liabilities		24,210	22,212	222	236
Total liabilities		30,871	29,288	222	236
Total liabilities and equity		41,653	39,805	26,655	25,999

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Condensed Interim Financial Statements for the 6-month period ended 31 December 2024
C. Condensed Interim Statements of Changes in Equity

	Total equity	Non- controlling interests	Total attributable to owners of the Company	Share capital	Foreign currency reserves	Accumulated losses
Group (\$'000)						
Current period						
Balance at 1 July 2024	10,517	113	10,404	13,050	(2)	(2,644)
Dividend paid	(550)	-	(550)	-	-	(550)
Total comprehensive income for the period	786	64	722	-	5	717
	<u>10,753</u>	<u>177</u>	<u>10,576</u>	<u>13,050</u>	<u>3</u>	<u>(2,477)</u>
Changes in ownership interests in subsidiary						
Capital contribution in subsidiary by non-controlling interests	29	29	-	-	-	-
Total changes in ownership interests in subsidiary	<u>29</u>	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2024	<u>10,782</u>	<u>206</u>	<u>10,576</u>	<u>13,050</u>	<u>3</u>	<u>(2,477)</u>
Previous period						
Balance at 1 July 2023	8,767	-	8,767	13,050	-	(4,283)
Total comprehensive income / (loss) for the period	1,785	(5)	1,790	-	(1)	1,791
	<u>10,552</u>	<u>(5)</u>	<u>10,557</u>	<u>13,050</u>	<u>(1)</u>	<u>(2,492)</u>
Changes in ownership interests in subsidiary						
Capital contribution in subsidiary by non-controlling interests	59	59	-	-	-	-
Total changes in ownership interests in subsidiary	<u>59</u>	<u>59</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2023	<u>10,611</u>	<u>54</u>	<u>10,557</u>	<u>13,050</u>	<u>(1)</u>	<u>(2,492)</u>

	Total equity	Share capital	Accumulated losses
Company (\$'000)			
Current period			
Balance at 1 July 2024	25,763	33,614	(7,851)
Dividend paid	(550)	-	(550)
Total comprehensive income for the period	1,220		1,220
Balance at 31 December 2024	<u>26,433</u>	<u>33,614</u>	<u>(7,181)</u>
Previous period			
Balance at 1 July 2023	25,171	33,614	(8,443)
Total comprehensive income for the period	1,138	-	1,138
Balance at 31 December 2023	<u>26,309</u>	<u>33,614</u>	<u>(7,305)</u>

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Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	Unaudited 6 months from 1 Jul 2024 to 31 Dec 2024 S\$'000	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000
Cash flows from operating activities		
Profit before tax	965	2,168
Adjustments for :		
Depreciation of property, plant and equipment	626	324
Depreciation of right-of-use assets	31	31
Plant and equipment written-off	65	-
Gain on disposal of plant and equipment	(2)	(2)
Interest expenses	386	341
Interest income	(90)	(84)
Foreign exchange adjustment differences	5	(2)
Operating cash flows before changes in working capital	1,986	2,776
Inventories	(78)	-
Contract assets	(2,035)	3,331
Trade and other receivables	2,298	(4,162)
Other non-financial assets	(453)	(243)
Contract liabilities	-	(361)
Trade and other payables	2,883	3,949
Net cash flows from operations	4,601	5,290
Interest paid	(232)	(305)
Income taxes paid	(276)	(343)
Net cash flows from operating activities	4,093	4,642
Cash flows from investing activities		
Purchase of plant and equipment	(268)	(32)
Proceeds from disposal of plant and equipment	2	2
Interest received	90	84
Net cash flows (used in) / from investing activities	(176)	54
Cash flows from financing activities		
Proceeds from non-controlling interest upon formation of a subsidiary	-	59
Proceeds from non-controlling interest upon increase in share capital of subsidiary	29	-
Repayment of loan from a shareholder	-	(500)
Cash restricted in use	-	(228)
Repayments of term loans	(1,096)	(759)
(Decrease) / Increase in bills payable, net	(58)	3,432
Lease liabilities – principal portion paid	(56)	(55)
Dividend paid	(550)	-
Interest paid	(154)	(36)
Net cash flows (used in) / from financing activities	(1,885)	1,913
Net increase in cash and cash equivalents	2,032	6,609
Cash and cash equivalents, statement of cash flows, beginning balance	7,709	9,116
Cash and cash equivalents, ending balance	9,741	15,725
Cash and cash equivalents		
Balance per statement of financial position	13,559	19,543
Fixed deposits pledged for bank facilities	(3,818)	(3,818)
Balance per statement of cash flows	9,741	15,725

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Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

Lincotrade & Associates Holdings Limited (the “**Company**”) is incorporated and domiciled in Singapore with limited liability. The Company is incorporated in Singapore and its registered office is at 39 Sungei Kadut Loop Singapore 729494. The Company is an investment holding company and its principal activity is that of investment holding. It is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 8 August 2022.

The board of directors approved and authorised these condensed financial statements for issue on the date of this announcement. The directors have the power to amend and reissue the financial statements.

The principal activities of the Group are disclosed in Note 4 on segment information.

2. Basis of Preparation

The condensed interim consolidated financial statements for the 6-month period from 1 July 2024 to 31 December 2024 (“**6M2025**”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the financial year ended 30 June 2024 (“**FY2024**”).

The condensed interim financial statements are presented in Singapore dollars (“**S\$**”) and comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The accounting policies adopted are consistent with those adopted by the Group in its most recently audited financial statements for the financial year ended 30 June 2024, which were prepared in accordance with SFRS(I)s, except for the accounting policies as summarised below and the adoption of new and amended standards as set out in Note 2.1 to the condensed interim consolidated financial statements below.

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

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Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

E. Notes to the Condensed Interim Financial Statements (Cont'd)

2. Basis of Preparation (Cont'd)

Revenue recognition (Cont'd)

Long term construction contracts:

For long-term contracts for constructing and developing an asset the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the input method. For the input method the revenue is recognised on the basis of the efforts or inputs to the satisfaction of a performance obligation such as costs incurred relative to the total expected inputs to the satisfaction of that performance obligation. When the current estimates of the total amount of consideration expected to be received in exchange for transferring promised goods or services to the customer, and contract cost indicate a loss, a provision for the entire loss on the contract is made as soon as the loss becomes evident. An adjustment is also made to reflect the effects of the customer's credit risk. The loss on a contract is reported as an additional contract cost (an operating expense), and not as a reduction of revenue or a non-operating expense.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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E. Notes to the Condensed Interim Financial Statements (Cont'd)

2. Basis of Preparation (Cont'd)

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as discussed below:

Revenue recognised over time

For revenue recognition arising from contracts with customers and the consequential financial performance of the Group, there are significant judgements exercised and assumptions made by management relating to the measurement and timing of revenue recognition and the recognition of related balances in the statement of financial position, such as contract assets and contract liabilities, that result from the performance of the contracts. These judgements are inherently subjective and may cover future events such as the achievement of contractual milestones and performance levels. Assumptions are made for certain contracts relating to contract extensions and amendments.

Estimation of contract costs for construction contracts

The Group has significant ongoing construction contracts. For these contracts, revenue is recognised over time by reference to the Group's progress towards the completion of the construction contracts. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the contract costs to complete, which are used in the input method to determine the revenue. When it is probable that the total unavoidable costs of meeting the obligations under the contract exceed the transaction prices ("contract sum"), a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise to determine the progress of the construction and also on past experience of completed projects.

Allowance for trade and other receivables and contract assets

The Group has few customers and which can be graded as low risk individually. These trade receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

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

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E. Notes to the Condensed Interim Financial Statements (Cont'd)

2. Basis of Preparation (Cont'd)

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

Assessing the impairment loss on subsidiaries:

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the investee affected. The carrying amount of the specific investee or class of investees at the end of the reporting period affected by the assumption is S\$25,386,000.

3. Seasonal operations

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

4. Segment and revenue information

Business segments

The Group is organised into the following major strategic operating segments that offer different products and services: (1) Commercial, (2) Residential, and (3) Showflats.

The segments and the types of products and services are as follows:

- (1) Commercial – Provision of construction services to commercial premises such as offices, hotels, shopping malls and food and beverage establishments;
- (2) Residential – Provision of construction services to residential premises such as condominium developments; and
- (3) Showflats – Building of showflats and sales galleries.

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Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

E. Notes to the Condensed Interim Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

A. Profit or loss from continuing operations and reconciliations

	<u>Commercial</u>		<u>Residential</u>		<u>Showflats</u>		<u>Unallocated</u>		<u>Total</u>	
	<u>6M2025</u>	<u>6M2024</u>	<u>6M2025</u>	<u>6M2024</u>	<u>6M2025</u>	<u>6M2024</u>	<u>6M2025</u>	<u>6M2024</u>	<u>6M2025</u>	<u>6M2024</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segment										
External revenue	28,859	35,410	1,749	2,212	3,077	5,104	-	-	33,685	42,726
Segment results :-										
Gross profit	3,382	3,871	262	170	468	495	-	-	4,112	4,536
Interest income							90	84	90	84
Finance costs							(154)	(36)	(154)	(36)
Depreciation of property, plant and equipment							(602)	(324)	(602)	(324)
Depreciation of right-of-use assets							(31)	(31)	(31)	(31)
Employee benefits expenses							(1,451)	(1,223)	(1,451)	(1,223)
Unallocated corporate expenses							(1,049)	(910)	(1,049)	(910)
Other income and gain							50	72	50	72
Profit before tax									965	2,168
Income tax expense									(186)	(381)
Profit after tax									779	1,787

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E. Notes to the Condensed Interim Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

B. Assets, liabilities and reconciliations

	<u>Commercial</u>		<u>Residential</u>		<u>Showflats</u>		<u>Unallocated</u>		<u>Total</u>	
	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>
	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Reportable segment assets</u>										
Inventories	—	—	234	156	—	—	—	—	234	156
Trade and other receivables	8,887	11,411	1,025	698	1,600	1,756	135	80	11,647	13,945
Contract assets	3,331	269	911	1,953	164	149	—	—	4,406	2,371
Cash and cash equivalents							13,559	11,527	13,559	11,527
Other non-financial assets							1,368	915	1,368	915
Property, plant and equipment							10,431	10,852	10,431	10,852
Right-of-use assets							8	39	8	39
Total assets									41,653	39,805
<u>Reportable segment liabilities</u>										
Trade and other payables	—	—	—	—	—	—	13,971	11,088	13,971	11,088
Income tax provision							606	696	606	696
Lease liabilities							104	160	104	160
Other financial liabilities							16,162	17,316	16,162	17,316
Deferred tax liabilities							28	28	28	28
Total liabilities									30,871	29,288
							<u>Unallocated</u>	<u>Total</u>		
							<u>6M2025</u>	<u>6M2024</u>	<u>6M2025</u>	<u>6M2024</u>
							S\$'000	S\$'000	S\$'000	S\$'000
Capital expenditure							(268)	(32)	(268)	(32)

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E. Notes to the Condensed Interim Financial Statements (Cont'd)

4. Segment and revenue information (Cont'd)

C. Geographical information

The Group's operations are primarily carried out in Singapore, Malaysia and the People's Republic of China ("PRC").

External Revenue

Singapore
Malaysia
PRC

Group		
Unaudited 6 months from 1 Jul 2024 to 31 Dec 2024 S\$'000	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000	Increase/ (Decrease) %
31,291	42,707	(26.7%)
2,394	19	12500%
-	-	-
33,685	42,726	(21.2%)

Non-current assets

Singapore
Malaysia
PRC

Group		
Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000	Increase/ (Decrease) %
13,584	15,365	(11.6%)
24	21	14.3%
93	118	(21.2%)
13,701	15,504	(11.6%)

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.

D. Disaggregation of revenue from contract with customers

The Group's revenue from construction contracts is recognised over time.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 December 2024 and 30 June 2024:

	Group		Company	
	Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000	Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000
Financial assets				
- Cash and cash equivalents	13,559	11,527	80	286
- Trade and other receivables	11,647	13,945	1,175	355
Financial assets at amortised cost	25,206	25,472	1,255	641
Financial liabilities				
- Trade and other payables	13,971	11,088	205	205
- Other financial liabilities	16,162	17,316	-	-
- Lease liabilities	104	160	-	-
Financial liabilities at amortised cost	30,237	28,564	205	205

E. Notes to the Condensed Interim Financial Statements (Cont'd)

Included in the cost of sales is interest on bills payable amounting to approximately S\$232,000 (6M2024: S\$305,000).

Group		
Unaudited 6 months from 1 Jul 2024 to 31 Dec 2024 S\$'000	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000	Increase/ (Decrease) %

Government grants
Rental income
Gain on disposal of plant and equipment
Others

Plant and equipment written-off
Foreign exchange adjustment losses

10	25	(60.0%)
30	38	(21.1%)
2	2	-
8	7	14.3%
<u>50</u>	<u>72</u>	<u>(30.6%)</u>
(65)	-	N.M.
<u>(2)</u>	<u>-</u>	<u>N.M.</u>
(67)	-	N.M.

Group		
Unaudited 6 months from 1 Jul 2024 to 31 Dec 2024 S\$'000	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000	Increase/ (Decrease) %

Interest on lease liabilities	
Interest on term loans	
Total finance costs	

4	5	(20.0%)
150	31	383.9%
154	36	327.8%

There is no related party transaction during 6M2025 and 6M2024.

Lincotrade & Associates Holdings Limited**Condensed Interim Financial Statements for the 6-month period ended 31 December 2024****E. Notes to the Condensed Interim Financial Statements (Cont'd)****10. Income tax expense**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim statement of profit or loss are:

	Group		
	Unaudited 6 months from 1 Jul 2024 to 31 Dec 2024 S\$'000	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000	Increase/ (Decrease) %
Current tax:			
Current tax expense	203	381	(46.7%)
Overprovision in prior years	(17)	-	N.M.
Total income tax expenses recognised to profit or loss	<u>186</u>	<u>381</u>	(51.2%)

11. Earnings per share

	Group	
	Unaudited 6 months from 1 Jul 2024 to 31 Dec 2024 Singapore cents	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 Singapore cents
Earnings per ordinary share for the period based on net income attributable to shareholders :		
Based on weighted average number of ordinary shares in issue	0.42	1.04
Weighted average number of ordinary shares in issue for basic earnings per share	172,027,726	172,027,726

There is no dilution of shares as there are no shares under option.

12. Net asset value

	Group		Company	
	Unaudited 31 Dec 2024 Singapore cents	Audited 30 Jun 2024 Singapore cents	Unaudited 31 Dec 2024 Singapore cents	Audited 30 Jun 2024 Singapore cents
Net assets value per ordinary share attributable to owners of the Company based on the issued shares at the end of the financial period/year	6.15	6.05	15.37	14.98
Number of issued shares used in calculating net asset value	172,027,726	172,027,726	172,027,726	172,027,726

Lincotrade & Associates Holdings Limited
Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

E. Notes to the Condensed Interim Financial Statements (Cont'd)

13. Property, plant and equipment

During the 6-month period ended 31 December 2024, the Group acquired plant and equipment amounting to S\$268,000 (6M2024: S\$32,000).

14. Right-of-use assets

Right-of-use assets refer to the land lease from the Jurong Town Corporation (“JTC”) in respect of the leasehold land leased from JTC and is depreciated over the lease period from 31 August 2015 to 28 February 2025. The decrease in right-of-use assets was due to the depreciation of the right-of-use assets.

15. Trade and other receivables

Group		Company	
Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000	Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000

Current:

Trade receivables:

Outside parties	5,863	6,991	-	-
Retention receivables	2,387	2,303	-	-
Subtotal	8,250	9,294	-	-

Other receivables:

Receivable from subsidiaries	-	-	1,175	353
Loan to staffs	4	-	-	-
Outside parties	131	38	-	2
Subtotal	135	38	1,175	355
Total trade and other receivables	8,385	9,332	1,175	355

Non-current:

Trade receivables:

Retention receivables	3,262	4,613	-	-
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16. Investment in subsidiaries

Company	
Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000

Carrying value comprising:

Unquoted equity shares at cost, as at beginning of year	25,340	25,000
Additions	46	340
Unquoted equity shares at cost, as at end of period	25,386	25,340

On 30 August 2024, the Company increased the investment in Lincotrade & Associates (Malaysia) Sdn. Bhd. (“**Lincotrade Malaysia**”) by RM 150,000 (equivalent to approximately S\$46,000).

On 16 December 2024, the Company incorporated a wholly-owned subsidiary, Lincotrade Capital Pte. Ltd., in Singapore with a share capital of S\$100.

Lincotrade & Associates Holdings Limited

Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

E. Notes to the Condensed Interim Financial Statements (Cont'd)

17. Trade and other payables

	Group		Company	
	Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000	Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000
<u>Trade payables:</u>				
Outside parties	10,665	8,393	150	195
Retention payables	3,099	2,627	-	-
Subtotal	13,764	11,020	150	195
<u>Other payables:</u>				
Outside parties	207	68	55	10
Subtotal	207	68	55	10
Total trade and other payables	13,971	11,088	205	205

18. Other financial liabilities

	Group		Company	
	Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000	Unaudited 31 Dec 2024 S\$'000	Audited 30 Jun 2024 S\$'000
<u>Secured</u>				
Term loans (Note 18A)				
- Term loan A	611	1,259	-	-
- Term loan B	188	313	-	-
- Term loan C	7,243	7,566	-	-
	8,042	9,138	-	-
Bills payable (Note 18B)	8,120	8,178	-	-
Total	16,162	17,316	-	-
<u>Presented in statements of financial position</u>				
- Non-current	6,581	6,978	-	-
- Current	9,581	10,338	-	-
	16,162	17,316	-	-

Note 18A

As at 31 December 2024, term loan A and B are secured by corporate guarantee from the Company. Term loan B is also secured by charge over certain term deposit accounts of Lincotrade PL. Term loan C is secured by the Group's leasehold properties, corporate guarantee from the Company and charge over certain term deposits of Lincotrade PL.

Note 18B

As at 31 December 2024, bills payable was secured by corporate guarantee by the Company, charge over certain term deposits of Lincotrade PL and a legal mortgage over the leasehold properties of the Group.

Lincotrade & Associates Holdings Limited
Condensed Interim Financial Statements for the 6-month period ended 31 December 2024

E. Notes to the Condensed Interim Financial Statements (Cont'd)

18. Other financial liabilities (cont'd)

Bank borrowings

Amount repayable in one year or less, or on demand

(S\$'000)

31 December 2024		30 June 2024	
Secured	Unsecured	Secured	Unsecured
9,581	-	10,338	-

Amount repayable after one year

(S\$'000)

31 December 2024		30 June 2024	
Secured	Unsecured	Secured	Unsecured
6,581	-	6,978	-

19. Share capital

Company	
Number of shares issued	Share capital S\$'000

Ordinary shares of no par value:

At 1 July 2023, 30 June 2024 and 31 December 2024	<u>172,027,726</u>	<u>33,614</u>
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The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has no shares that may be issued on conversion of outstanding convertibles as at the end of the current financial period reported on, i.e. 31 December 2024 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2024.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial period reported on, i.e. 31 December 2024 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2024.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2024.

Group
Share capital S\$'000

Ordinary shares of no par value:

At 1 July 2023, 30 June 2024 and 31 December 2024	<u>13,050</u>
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Lincotrade & Associates Holdings Limited**Condensed Interim Financial Statements for the 6-month period ended 31 December 2024****E. Notes to the Condensed Interim Financial Statements (Cont'd)****20. Events after the end of the reporting period**

On 8 January 2025, the Company's wholly-owned subsidiary, Lincotrade Capital Pte. Ltd. entered into a Shareholders' Agreement to subscribe for 300,000 ordinary shares in Linc Venture Land Sdn. Bhd. for a consideration of RM 300,000 (approximately S\$92,000).

Other than the above, there are no known subsequent events which would have led to adjustments to this set of condensed interim consolidated financial statements.

Other Information Required by Catalist Rule Appendix 7C

Lincotrade & Associates Holdings Limited

Other Information Required by Catalist Rule Appendix 7C

Other information

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

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

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

Not applicable.

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

- a) **Updates on the efforts taken to resolve each outstanding audit issue;**
b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. **Review of performance of the Group**

Revenue

Revenue decreased by approximately S\$9.0 million or 21.2% mainly due to lower revenue recognised across all of the Group's three business segments during 6M2025. Revenue recognised from the commercial, residential and showflats segments decreased by approximately S\$6.6 million or 18.5%, S\$463,000 or 20.9% and S\$2.0 million or 39.7% respectively. The lower revenue recognised during 6M2025 was mainly due to the lower percentage of works completed from existing projects and slower commencement of new projects during the period under review, partially offset by the increase in revenue recognised by our subsidiary, Lincotrade Malaysia.

Revenue recognised by Lincotrade Malaysia increased by approximately S\$2.4 million mainly due to the new infrastructure development project in Johor, Malaysia as announced by the Company on 3 September 2024.

Gross profit

Corresponding to lower revenue in 6M2025, the Group's gross profit decreased by approximately S\$424,000 or 9.3%, partially offset by the increase in gross profit margin. Gross profit margin increased by approximately 1.6 percentage points from 6M2024's 10.6% to 6M2025's 12.2%. The increase in the Group's gross profit margin was mainly due to higher margin projects undertaken during 6M2025.

Interest income

Interest income was derived mainly from fixed deposit placed with banks. The increase in interest income was mainly due to the increase in fixed deposit placed with banks during the current period under review.

Other income and gains

Other income and gains relate mainly to the rental income and government grants received during the financial period under review. Other income and gains decreased by approximately S\$22,000 or 30.6% mainly due to decrease in government grants of approximately S\$15,000 and decrease in rental income of approximately S\$8,000. Rental income is generated from the rental of excess factory and dormitory space to unrelated third party.

Lincotrade & Associates Holdings Limited

Other Information Required by Catalist Rule Appendix 7C

Other information

4. Review of performance of the Group (Cont'd)

Administrative expenses

Administrative expenses increased by approximately S\$92,000 or 6.0% during the current period under review mainly due to the administrative expenses from the newly incorporated subsidiaries.

Finance costs

Finance costs increased by approximately S\$118,000 or 327.8% mainly due to the additional term loan drawn down to finance the purchase of the new property from JTC at 5 Tuas Avenue 12 Singapore 639025 (“**Tuas Factory**”).

Other expenses

Other expenses increased by approximately S\$486,000 or 50.8% mainly due to the other expenses incurred by the newly incorporated subsidiaries, as well as the increase in depreciation of property, plant and equipment.

Depreciation of property, plant and equipment recognised under other expenses increased by approximately S\$278,000 or 85.8% mainly due to the additional depreciation associated with the Tuas Factory.

Depreciation of right-of-use assets remained the same at S\$31,000 during the current period under review.

Other losses

Other losses for 6M2025 relate mainly to plant and equipment written-off of approximately S\$65,000 and the foreign exchange adjustment loss of approximately S\$2,000. Plant and equipment were written-off due to the relocation of factory located at Dongguan, PRC.

Income tax expenses

Income tax expenses relate mainly to the current year tax expenses relating to the Group’s taxable profits.

Profit before tax

As a result of the above, the Group registered a profit before tax of approximately S\$965,000 in 6M2025 as compared to approximately S\$2.2 million during 6M2024.

Statement of Financial Position

Non-current assets

The increase in investment in subsidiaries was due to the increase in investment of Lincotrade & Associates (Malaysia) Sdn. Bhd. by RM 150,000 (equivalent to approximately S\$46,000).

Property, plant and equipment comprise leasehold properties, being 39 Sungei Kadut Loop, Singapore 729494 (“**JTC Land**”), leasehold improvement, furniture and fitting, motor vehicles, office equipment and tools and equipment. The decrease in property, plant and equipment was mainly due to depreciation expenses recognised during 6M2025 of approximately S\$626,000 and plant and equipment written-off of approximately S\$65,000, partially offset by the acquisition of plant and equipment of approximately S\$268,000.

Right-of-use assets refer to the land lease from JTC in respect of the JTC Land and is depreciated over the lease period from 31 August 2015 to 28 February 2025. The decrease in right-of-use assets was due to the depreciation of right-of-use assets.

Lincotrade & Associates Holdings Limited

Other Information Required by Catalyst Rule Appendix 7C

Other information

4. Review of performance of the Group (Cont'd)

Statement of Financial Position (Cont'd)

Trade and other receivables, non-current comprise retention receivables. The retention monies that are receivable after 12 months from the reporting date are recorded as non-current. The decrease of approximately S\$1.4 million in retention receivables was attributable to lower billings for newly completed works during 6M2025.

Current assets

Contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date on contracts and any impairment losses recognised in the reporting year. The contract assets are transferred to the receivables when the rights become unconditional. This usually occurs when the work is certified by the customers and the Group invoices the customers. The increase in contract assets of approximately S\$2.0 million or 85.8% was mainly to the lower billings to customers during the current period under review.

Other non-financial assets comprise advances paid to suppliers, deposits to secure services and prepayment for expenses. Increase in other non-financial assets by approximately S\$453,000 was mainly due to the higher advances paid to suppliers.

The decrease in trade and other receivables was due to lower billings for completed works to customers during 6M2025 and improved collections from trade receivables during 6M2025. Trade receivables (excluding retention receivables) turnover days improved slightly from 37 days for 6M2024 to 32 days for 6M2025.

Non-current liabilities

Lease liabilities, non-current relate to the non-current portion of the Group's lease in respect of the JTC Land and motor vehicles. The decrease in lease liabilities was mainly due to the lease payments during 6M2025.

Other financial liabilities, non-current refer to the non-current portion of the secured bank loans obtained to finance working capital and Tuas Factory of approximately S\$6.6 million. The decrease of approximately S\$397,000 was mainly due to the repayment of secured bank loans during the 6M2025.

Current liabilities

Income tax provision refers to the liability to pay corporate income tax in accordance with the tax regulations in Singapore and Malaysia. Income tax provision decreased slightly by approximately S\$90,000 or 12.9% during the current period under review due to lower taxable profit before tax during 6M2025.

Trade payables mainly comprise payables to subcontractors and suppliers, including retention of subcontractor fees. The increase in trade and other payables of approximately S\$2.9 million was mainly due to the slightly slower payments to suppliers and subcontractors during the current period under review. Trade payables (excluding retention payables) turnover days increased from 60 days for 6M2024 to 66 days for 6M2025.

Lease liabilities, current relate to the current portion of our Group's lease in respect of the JTC Land and motor vehicles. Lease liabilities, current decreased by approximately S\$38,000 or 42.2% mainly due to the expiry of the JTC Land by 28 February 2025.

Other financial liabilities, current refer to the bills payable, the current portion of the secured bank loans obtained to finance working capital and the Tuas Factory. The decrease of approximately S\$757,000 was mainly due to repayment of term loans during the current period under review.

Lincotrade & Associates Holdings Limited

Other Information Required by Catalist Rule Appendix 7C

Other information

4. Review of performance of the Group (Cont'd)

Statement of Cash Flows

During 6M2025, the Group recorded operating cash flows before working capital changes of approximately S\$2.0 million. Net cash from working capital amounted to approximately S\$2.6 million, mainly due to (i) a decrease in trade and other receivables of approximately S\$2.3 million due to lower billings and improved collections during 6M2025; (ii) increase in trade and other payables of approximately S\$2.9 million due to slightly slower payments to suppliers and subcontractors, partially offset by (iii) increase in inventories of approximately S\$78,000 due to increase in manufacturing activities; (iv) increase in contract assets of approximately S\$2.0 million due to lower billing to customers; and (v) the increase in other non-financial assets of approximately S\$453,000 mainly due to higher advances to suppliers. The Group also paid interest expenses on operating activities and income tax of approximately S\$232,000 and S\$276,000, respectively. As a result, net cash generated from operating activities amounted to approximately S\$4.1 million.

There was a net cash used in investing activities of approximately S\$176,000 during 6M2025, mainly due to purchase of plant and equipment of approximately S\$268,000, partially offset by the interest received of approximately S\$90,000 and cash proceeds from disposal of plant and equipment of approximately S\$2,000.

There was a net cash used in financing activities of approximately S\$1.9 million during 6M2025, mainly due to the repayment of term loans of approximately S\$1.1 million, payment of dividend of approximately S\$550,000, payment of interest expenses of approximately S\$154,000, decrease in bill payables of approximately S\$58,000 and the payment of lease liabilities of approximately S\$56,000, partially offset by the cash from non-controlling interest of approximately S\$29,000 upon increase in the share capital of Lincotrade Malaysia.

As a result of the above, there was a net increase of approximately S\$2.0 million in cash and cash equivalents from approximately S\$7.7 million as at 1 July 2024 to approximately S\$9.7 million as at 31 December 2024.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been previously disclosed to shareholders for the financial period under review.

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Trend information of the interior fitting-out works industry (“Industry”)

Singapore’s Building and Construction Authority (“BCA”) projects Singapore’s total construction demand to range between S\$47 billion and S\$53 billion in nominal terms in 2025 based on its media release dated 23 January 2025⁽¹⁾. The public sector is still expected to be the key drivers of construction demand in 2025.

The Group expects the demand for our interior fitting-out services in 2025 to remain positive in view of BCA’s projections. In addition, the Group’s subsidiary in Malaysia has secured more than RM10 million contracts during 6M2025. However, we also expect overall construction costs, labour cost, overheads and other operating expenses to continue to rise mainly due to inflationary pressures, geopolitical uncertainties and tightening of foreign workers policies.

As at 31 December 2024, the Group’s order book stood at approximately S\$53.9 million which generally will be fulfilled during the next two years.

(1) <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>.

Lincotrade & Associates Holdings Limited
Other Information Required by Catalist Rule Appendix 7C

Other information

6. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months. (Cont'd)**

Investment in Linc Venture Land Sdn. Bhd. (“Linc Venture”)

On 8 January 2025, the Company announced that its wholly-owned subsidiary, Lincotrade Capital Pte. Ltd. (“**Lincotrade Capital**”) entered into a shareholders’ agreement with 6 other individuals to subscribe for 300,000 ordinary shares, representing 30% shareholdings in Linc Venture. On 9 January 2025, the 300,000 ordinary shares in Linc Venture were allotted to Lincotrade Capital. As the Group has an effective interest in Linc Venture of 30%, the Group will account for the investment in Linc Venture as an investment in associate under equity method.

Linc Venture’s principal business activities are property development and investment holding. In January 2025, Linc Venture paid an option to purchase a piece of land in Kuala Lumpur, Malaysia for residential property development (“**Development**”). The Development is currently expected to launch by end of 2025 and completion by 2029.

The management will keep shareholders informed of any material updates moving forward. The management does not expect the investment in Linc Venture to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 30 June 2025 (“**FY2025**”).

7. **Dividend information**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No. (6M2024: S\$0.0038 per ordinary share)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect.

The board of directors of the Company (the “**Board**”) is not recommending any interim dividend in respect of 6M2025 as the Board wishes to take into consideration the Group’s full year financial results in view of the Group’s current capital requirements.

Lincotrade & Associates Holdings Limited
Other Information Required by Catalist Rule Appendix 7C

Other information

8. **If the group has obtained a general mandate from shareholders for interested person transactions (IPTs), the aggregate value of such transactions as required under Catalist Rule 920. If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions pursuant to Catalist Rule 920.

9. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Catalist Rule 720(1).

10. **Additional information required pursuant to Rule 706A**

On 16 December 2024, the Company incorporated a wholly-owned subsidiary, Lincotrade Capital Pte. Ltd., in Singapore for a consideration of S\$100. Please refer to the Company's announcement on 16 December 2024.

On 8 January 2025, the Company's wholly-owned subsidiary, Lincotrade Capital Pte. Ltd. entered into a Shareholders' Agreement to subscribe for 300,000 ordinary shares in Linc Venture Land Sdn. Bhd. for a consideration of RM 300,000 (approximately S\$92,000). Please refer to the Company's announcement on 8 January 2025 for more information.

11. **Negative assurance confirmation pursuant to Rule 705(5) of the Catalist Rule**

We, Tan Kok Heng and Tan Jit Meng, being the directors of the Company, do hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the 6-month period ended 31 December 2024 set out above to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

TAN KOK HENG
INDEPENDENT NON-EXECUTIVE CHAIRMAN

TAN JIT MENG
MANAGING DIRECTOR

13 FEBRUARY 2025