LINCOTRADE & ASSOCIATES HOLDINGS LIMITED
(Company Registration No.: 200413128G)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS FROM SHAREHOLDERS FOR ANNUAL GENERAL MEETING

Lincotrade & Associates Holdings Limited (the "**Company**" or "**Lincotrade**") and its subsidiaries (the "**Group**") would like to thank its shareholders for submitting their questions in advance of the Annual General Meeting ("**AGM**") to be held at 39 Sungei Kadut Loop Singapore 729494 on 28 October 2024 at 10.00 am.

The Company's responses are as follows:

Question 1) I note that the company shares continue to be very illiquid, with few shares traded each trading day. What are the company's plans to improve the trading liquidity of the shares?

The Company continues to engage an Investor Relations firm to enhance the Group's engagement with the local media and the investment community on an ongoing basis. As part of our investor relations ("**IR**") initiatives, the Company strives to provide updates on material developments to the media and investing community via SGX and through press releases on a timely basis.

In addition to maintaining our engagements with the media and the investment community, the Company has continued to invest time and resources into expanding our investor outreach efforts via initiatives such as analyst briefings, non-deal roadshows, media interviews, among others, to enhance their understanding of the Group's business, with the aim of increasing the profile of the Company within the investing community.

Since our listing, the Company has participated in SGX's 10-in-10 publication and we have also been featured on various local media platforms such as Business Times, Lianhe Zaobao and THE EDGE Singapore, among others. The Company also maintains an IR website, https://www.lincotrade.com.sg/investor-relation, through which investors can easily access key information on the Company. Once our new facility in Tuas is completed, we plan to host a company visit for a showcase to analysts and investors.

Question 2) The company is a newly listed company that debuted two years ago. One of the reasons for the poor trading volume is due to the lack of Investor awareness about the company.

2.1) What is the company doing to engage research analysts and brokerages and the wider investment community?

See response for Question 1 above.

2.2) What investor relations outreach / investor roadshows have it done over the past year?

We have organised meetings with analysts and investors over the past year and we will continue to our efforts in this area and explore new initiatives. Once our new facility in Tuas is completed, we plan to host a company visit as a showcase to analysts and investors.

2.3) What is the target price that the research analysts have of the company?

There is currently no coverage by research analysts on the Company hence there is no target price of the Company.

Question 3) **The land lease of the company's current premise expires on 28 Feb 2025. It is less than 6 months till the lease expires. The company has announced a new premise at 5 Tuas Avenue 12. What is the progress of the construction of the new premises? Is it on time, on budget, on schedule? What percentage is completed till date?**

Currently, we are still waiting for relevant authorities' approval on the alterations and additions ("**A&A**") works for our new premise at 5 Tuas Avenue 12 ("**Tuas Factory**") that includes a proposed dormitory. At the same time, we have submitted our application to JTC Corporation ("**JTC**") for the extension of lease at our current premise at 39 Sungei Kadut Loop and it is currently under review by JTC. We will work closely with JTC and update shareholders in a timely manner if there are any material developments.

Question 4) **I understand the tender price is SGD9.58 million. What are the estimated costs to set up and make the building ready for use?**

As disclosed under page 30, Note 6 of our FY2024 results announcement on 28 August 2024, the estimated costs for A&A works for the Tuas Factory is approximately S$1.8 million. We have also disclosed the estimated costs as capital commitment (Note 28) on page 100 of our Annual Report 2024.

Question 5) **The company order book stood at SGD39.5 million as at 30 Jun 2024, This was a decline from SGD47 million as at 31 Dec 2023. Whilst I am not suggesting the company take up orders just for the sake of doing so, especially not loss-making/negative margin orders , but what are the steps the company is taking to replenish its order book?**

From time to time, the Group's order book may increase or decrease as new contracts are being secured and our projects being progressively completed (and recognised as revenue). The Group continues to proactively tender for new projects in Singapore with an aim to expand its order book with a healthy pipeline of new projects, particularly those that are larger in terms of scale and contract value.

While our business portfolio is deeply rooted in Singapore, we recognise the wider opportunities for Lincotrade in overseas markets that complement our competitive strengths and during FY2024, we have taken steps to enhance our business model and harness new business opportunities beyond Singapore with new subsidiaries in Malaysia and the People's Republic of China ("**PRC**").

Question 6) **The company set up a new subsidiary in the PRC in Jan 2024. "To strengthen the Group's manufacturing capacity and to enhance the quality of our carpentry products, we set up a new subsidiary in the People's Republic of China during January 2024." Can you share more details? How does setting up a subsidiary in China enhance the quality of our carpentry products? Are we manufacturing our products in China and shipping them to Singapore and Malaysia? Or are we intending to sell them to our clients in China?**

Previously, the Group was dependent on third-party suppliers in China for our carpentry products. With our own subsidiary in the PRC, we can closely monitor production and have more quality control over our carpentry products. Our subsidiary in the PRC will primarily manufacture carpentry products for our projects in Singapore and new markets (such as Malaysia) moving ahead. Currently, there are no plans to sell our carpentry products in the PRC.

Question 7) **I recall last year shareholders gave approval for the company to "diversification by the Group of its Existing Business to include the business of property development, property investment and property management as described in the Circular and any other activities related to the New Business" Please detail if there are any new developments for our new business?**

While the property development and related businesses are part of the Group's business model, there are currently no concrete plans in this area. We will continue to explore suitable opportunities prudently and we will update shareholders in a timely manner should anything material arises.

Question 8) **Dormitory costs have gone through the roof recently. From my sources (see link below), the cost per worker to stay in external dormitories is estimated to be $550/worker/month. I note that "The Group has obtained approval from the relevant authorities to increase our in-house dormitory capacity from 15 workers to 90 workers with effect from October 2023." What would be the in-house dormitory capacity in our new premise? Would it be sufficient to staff all our workers internally or do we still need to house them externally in commercial dormitories?**

https://www.straitstimes.com/singapore/concerns-over-cost-and-reduced-capacity-but-operators-see-need-to-raise-dormitory-standards

Ms Teo said she has no choice but to pay what is necessary to renovate, as it would cost her even more to house her workers in commercial dorms, where rental rates for a single bed have shot up to $550 a month.

As mentioned under question 3 above, the application for Tuas Factory (with a proposed dormitory) is pending approval by relevant authorities. Our intention is to house all our workers internally within our factory premises, thereby saving on such costs and to create a community-like environment for our workers.

By Order of the Board

Tan Jit Meng
Managing Director
22 October 2024

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*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.*

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