



LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

**Lincotrade & Associates Holdings Limited**  
**(formerly known as Fabchem China Limited)**

(Company Registration Number: 200413128G)

**Condensed Interim Financial**  
**Statements for the 6-month period**  
**ended 31 December 2023**

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*This announcement has been reviewed by the Company's sponsor, RHB Bank Berhad, through its Singapore branch (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, Singapore branch, at 90 Cecil Street, #03-00 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 2023**

### **Completion of Reverse Acquisition of Lincotrade & Associates Pte Ltd**

The reverse acquisition of Lincotrade & Associates Pte Ltd (“**Lincotrade PL**”) was completed (“**Completion**”) on 3 August 2022 (“**RTO**”) and as at 30 June 2022, the Company does not have any subsidiary. Upon the Completion, the then-existing shareholders of the Lincotrade PL (“**Vendors**”), on a collective basis, became the major shareholders of the Company.

### **Reverse Acquisition and Presentation of Historical Financial Information for 6M2023**

#### At Group level

The consolidated financial statements of the Group for the 6-month period ended 31 December 2022 (“**6M2023**”) have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 3 Business Combinations, but it does not result in the recognition of goodwill, as the Company was deemed as a cash company and did not meet the definition of a business as set out in SFRS(I) 3. The transaction falls within the scope of SFRS(I) 2 Share-based Payment, which requires the shares deemed issued by the accounting acquirer to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company’s identifiable net assets represents a service received by the accounting acquirer, which is recognised as an expense or income in the statement of comprehensive income. For the purpose of reverse acquisition accounting, Lincotrade PL was deemed as the accounting acquirer (legal acquiree) and the Company was deemed to be the accounting acquiree (legal acquirer).

With the exception of share capital, the consolidated financial statements for the Group will be a continuation of the consolidated financial statements of Lincotrade PL and the results of the Company will be consolidated to the Group from the Completion onwards.

The fair value of the shares deemed to be issued by the accounting acquirer is based on the number of equity interests that the accounting acquirer would have had to issue to give the owners of the accounting acquiree the same percentage equity interest in the combined entity that results from the reverse acquisition.

Accordingly, the financial statements and its comparative figures presented in this report are as follows:

a. Consolidated statement of profit or loss and other comprehensive income of the Group

The comparative figures for the consolidated statement of profit or loss and other comprehensive income for 6M2023 are the consolidated results of the Company and Lincotrade PL (collectively, the “Group”). The results of the Company are consolidated to the Group after the date of Completion.

b. Consolidated statement of financial position of the Group

The comparative figures for the consolidated statement of financial position of the Group as at 30 June 2023 was prepared using reverse acquisition accounting to account for the RTO.

c. Statement of financial position of the Company

The comparative figures for the statement of financial position of the Company as at 30 June 2023 is the statement of financial position of the Company after the completion of the RTO.

d. Consolidated statement of changes in equity of the Group

The comparative figures for the consolidated statement of changes in equity of the Group for 6M2023 are the consolidated changes in equity of the Group which include the changes arising from the RTO.

e. Consolidated statement of cash flows of the Group

The comparative figures for the condensed interim consolidated statement of cash flows for 6M2023 are the consolidated cash flows of the Group after the completion of the RTO.

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

**Reverse Acquisition and Presentation of Historical Financial Information (cont'd)**

At Company level

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements for 6M2023, the investments in the subsidiary is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

Identifiable assets acquired and liabilities assumed

	<b>As at date of reverse acquisition</b>
	<b>S\$'000</b>
<b><u>Company</u></b>	
Other non-financial assets	44
Cash and cash equivalents	289
Other financial liabilities	(500)
Trade and other payables	(236)
Total identifiable net liabilities at fair value	(403)
Fair value of shares deemed issued ( <b>Note A</b> )	(9,173)
Deemed RTO expenses	(9,576)
Consideration settled in cash	-
Add: Cash and cash equivalents in company acquired	289
Net cash inflow from RTO	289
<b>Note A: Fair value of shares deemed issued</b>	
Number of shares deemed issued ('000)	46,800
Share price at date of reverse acquisition (S\$)	0.196
Fair value of shares deemed issued (S\$'000)	9,173

## Lincotrade & Associates Holdings Limited

### Condensed Interim Financial Statements for the 6-month period ended 31 December 2023

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

	Note	Group		
		Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000	Unaudited 6 months from 1 Jul 2022 to 31 Dec 2022 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>	4	42,726	40,864	4.6%
Cost of sales	6	(38,190)	(36,553)	4.5%
Gross profit		4,536	4,311	5.2%
Interest income		84	12	600.0%
Other income and gains	7	72	29	148.3%
Administrative expenses		(1,531)	(1,548)	(1.1%)
Finance costs	8	(36)	(53)	(32.1%)
Other expenses		(957)	(804)	19.0%
Other losses	7	-	(10,981) <sup>(1)</sup>	(100.0%)
<b>Profit / (Loss) before tax</b>		2,168	(9,034)	(124.0%)
Income tax expense	10	(381)	(448)	(15.0%)
<b>Profit / (Loss) for the period</b>		<b>1,787</b>	<b>(9,482)</b>	<b>(118.8%)</b>
<b>Other Comprehensive Loss:</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translating foreign operations, net of tax		(2)	-	N.M.
<b>Other comprehensive loss for the period</b>		<b>(2)</b>	<b>-</b>	<b>N.M.</b>
<b>Total Comprehensive Income / (Loss) for the period</b>		<b>1,785</b>	<b>(9,482)</b>	<b>(118.8%)</b>
<b>Profits / (Loss) Attributable to:</b>				
- Owners of the Company, net of tax		1,791	(9,482)	(118.9%)
- Non-controlling interests, net of tax		(4)	-	N.M.
		<b>1,787</b>	<b>(9,482)</b>	<b>(118.8%)</b>
<b>Other Comprehensive Income / (Loss) Attributable to:</b>				
- Owners of the Company, net of tax		1,790	(9,482)	(118.9%)
- Non-controlling interests, net of tax		(5)	-	N.M.
		<b>1,785</b>	<b>(9,482)</b>	<b>(118.8%)</b>
<b>Earnings / (Loss) per share</b>				
	11	<b>Singapore Cents</b>	<b>Singapore Cents</b>	
Basic		1.04	(5.87)	(117.7%)
Diluted		1.04	(5.87)	(117.7%)

<sup>(1)</sup> Included in other losses are one-off non-cash RTO expenses of approximately S\$10.8 million. Refer to Note 7 for more details.

## Lincotrade & Associates Holdings Limited

### Condensed Interim Financial Statements for the 6-month period ended 31 December 2023

#### B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		Unaudited 31 December 2023 S\$'000	Audited 30 June 2023 S\$'000	Unaudited 31 December 2023 S\$'000	Audited 30 June 2023 S\$'000
<b>ASSETS</b>					
<b>Non-current assets :</b>					
Investment in subsidiaries	13	-	-	25,087	25,000
Property, plant and equipment	14	1,061	1,353	2	3
Right-of-use assets	15	69	100	-	-
Trade and other receivables, non-current	16	4,383	2,990	-	-
<b>Total non-current assets</b>		<b>5,513</b>	<b>4,443</b>	<b>25,089</b>	<b>25,003</b>
<b>Current assets :</b>					
Contract assets		1,996	5,327	-	-
Other non-financial assets		1,632	1,389	15	17
Trade and other receivables, current	16	13,983	11,214	1,321	4
Cash and cash equivalents		19,543	12,706	424	1,204
<b>Total current assets</b>		<b>37,154</b>	<b>30,636</b>	<b>1,760</b>	<b>1,225</b>
<b>Total assets</b>		<b>42,667</b>	<b>35,079</b>	<b>26,849</b>	<b>26,228</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company:</b>					
Share capital	19	13,050	13,050	33,614	33,614
Accumulated losses		(2,492)	(4,283)	(7,305)	(8,443)
Foreign currency reserves		(1)	-	-	-
Equity attributable to owners of the Company		10,557	8,767	26,309	25,171
Non-controlling interest		54	-	-	-
<b>Total equity</b>		<b>10,611</b>	<b>8,767</b>	<b>26,309</b>	<b>25,171</b>
<b>Non-current liabilities :</b>					
Lease liabilities, non-current		103	159	-	-
Other financial liabilities, non-current	18	799	1,572	-	-
<b>Total non-current liabilities</b>		<b>902</b>	<b>1,731</b>	<b>-</b>	<b>-</b>
<b>Current liabilities :</b>					
Income tax provision		763	725	23	23
Trade and other payables	17	15,665	11,716	217	234
Contract liabilities		108	469	-	-
Lease liabilities, current		113	112	-	-
Other financial liabilities, current	18	14,505	11,559	300	800
<b>Total current liabilities</b>		<b>31,154</b>	<b>24,581</b>	<b>540</b>	<b>1,057</b>
<b>Total liabilities</b>		<b>32,056</b>	<b>26,312</b>	<b>540</b>	<b>1,057</b>
<b>Total liabilities and equity</b>		<b>42,667</b>	<b>35,079</b>	<b>26,849</b>	<b>26,228</b>

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

**C. Condensed Interim Statements of Changes in Equity**

	<b>Total equity</b>	<b>Non-controlling interests</b>	<b>Total attributable to owners of the Company</b>	<b>Share capital</b>	<b>Foreign currency reserves</b>	<b>(Accumulated losses) / Retained earnings</b>
<b>Group (S\$'000)</b>						
<b>Current period</b>						
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>
<b>Changes in ownership interests in subsidiary</b>						
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>
<b>Balance at 31 December 2023</b>	<b><u>10,611</u></b>	<b><u>54</u></b>	<b><u>10,557</u></b>	<b><u>13,050</u></b>	<b><u>(1)</u></b>	<b><u>(2,492)</u></b>
<b>Previous period</b>						
Balance at 1 July 2022	5,961	-	5,961	1,500	-	4,461
Consideration shares issued in relation to reverse acquisition	9,173	-	9,173	9,173	-	-
Share-based payment – Sponsor shares	89	-	89	89	-	-
Share-based payment – Arranger shares	1,114	-	1,114	1,114	-	-
Issuance of ordinary shares	1,200	-	1,200	1,200	-	-
Share issue expenses	(26)	-	(26)	(26)	-	-
	<u>1,174</u>	<u>-</u>	<u>1,174</u>	<u>1,174</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(9,482)</u>	<u>-</u>	<u>(9,482)</u>	<u>-</u>	<u>-</u>	<u>(9,482)</u>
<b>Balance at 31 December 2022</b>	<b><u>8,029</u></b>	<b><u>-</u></b>	<b><u>8,029</u></b>	<b><u>13,050</u></b>	<b><u>-</u></b>	<b><u>(5,021)</u></b>

	<b>Total equity / (Net capital deficit)</b>	<b>Share capital</b>	<b>Accumulated losses</b>
<b>Company (S\$'000)</b>			
<b>Current period</b>			
Balance at 1 July 2023	25,171	33,614	(8,443)
Total comprehensive income for the period	1,138	-	1,138
<b>Balance at 31 December 2023</b>	<b><u>26,309</u></b>	<b><u>33,614</u></b>	<b><u>(7,305)</u></b>
<b>Previous period</b>			
Balance at 1 July 2022	(403)	6,237	(6,640)
Issuance of new shares pursuant to the RTO:			
- Acquisition of entire share capital of Lincotrade PL	25,000	25,000	-
- Share-based payment – Sponsor shares	89	89	-
- Share-based payment – Arranger shares	1,114	1,114	-
- Issuance of ordinary shares	1,200	1,200	-
- Share issue expenses	(26)	(26)	-
	<u>1,174</u>	<u>1,174</u>	<u>-</u>
Total comprehensive loss for the period	<u>(1,686)</u>	<u>-</u>	<u>(1,686)</u>
<b>Balance at 31 December 2022</b>	<b><u>25,288</u></b>	<b><u>33,614</u></b>	<b><u>(8,326)</u></b>

**Lincotrade & Associates Holdings Limited**  
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**D. Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000</b>	<b>Unaudited 6 months from 1 Jul 2022 to 31 Dec 2022 S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	2,168	(9,034)
Adjustments for :		
Depreciation of property, plant and equipment	324	283
Depreciation of right-of-use assets	31	31
Deemed RTO expenses	-	9,576
Gain on disposal of plant and equipment	(2)	-
Share-based payment – Sponsor shares	-	89
Share-based payment – Arranger shares	-	1,114
Interest expenses	341	210
Interest income	(84)	(12)
Foreign exchange adjustment differences	(2)	-
Operating cash flows before changes in working capital	2,776	2,257
Contract assets	3,331	985
Trade and other receivables	(4,162)	(6,340)
Other non-financial assets	(243)	434
Contract liabilities	(361)	236
Trade and other payables	3,949	9,529
Net cash flows from operations	5,290	7,101
Interest paid	(305)	(157)
Income taxes paid	(343)	(188)
Net cash flows from operating activities	4,642	6,756
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(32)	(195)
Proceeds from disposal of plant and equipment	2	-
Interest received	84	12
Net cash flows from / (used in) investing activities	54	(183)
<b>Cash flows from financing activities</b>		
Net proceeds from issuance of new shares	-	1,174
Proceeds from non-controlling interest upon formation of a subsidiary	59	-
Net cash inflows from RTO	-	289
(Repayment) / Drawdown of loan from a shareholder	(500)	300
Cash restricted in use	(228)	7
Repayments of term loans	(759)	(745)
Increase in bills payable, net	3,432	501
Lease liabilities – principal portion and interest paid	(55)	(45)
Payment of dividend to previous shareholders	-	(1,100)
Interest paid	(36)	(53)
Net cash flows from financing activities	1,913	328
Net increase in cash and cash equivalents	6,609	6,901
Cash and cash equivalents, statement of cash flows, beginning balance	9,116	5,316
<b>Cash and cash equivalents, ending balance</b>	<b>15,725</b>	<b>12,217</b>
<b>Cash and cash equivalents</b>		
Balance per statement of financial position	19,543	13,108
Fixed deposits pledged for bank facilities	(3,818)	(891)
Balance per statement of cash flows	<b>15,725</b>	<b>12,217</b>



# **Lincotrade & Associates Holdings Limited**

## **Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

### **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 2023 to 31 December 2023 (“**6M2024**”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council 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 2023.

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 2023, 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.

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

**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.

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

**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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**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

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

**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.

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

**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>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</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	35,410	27,377	2,212	1,495	5,104	11,992	-	-	42,726	40,864
Segment results :-										
Gross profit	3,871	4,093	170	6	495	212	-	-	4,536	4,311
Interest income							84	12	84	12
Finance costs							(36)	(53)	(36)	(53)
Depreciation of property, plant and equipment							(324)	(283)	(324)	(283)
Depreciation of right-of-use assets							(31)	(31)	(31)	(31)
Employee benefits expenses							(1,223)	(1,285)	(1,223)	(1,285)
Unallocated corporate expenses							(910)	(724)	(910)	(724)
Other income and gains / (losses)							72	(10,981)	72	(10,981)
Profit / (loss) before tax									2,168	(9,034)
Income tax expense									(381)	(448)
Profit / (loss) after tax									1,787	(9,482)

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

**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>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Reportable segment assets</u></b>										
Trade and other receivables	14,729	9,829	1,640	776	1,975	3,570	22	29	18,366	14,204
Contract assets	468	2,441	1,528	1,810	-	1,076	-	-	1,996	5,327
Cash and cash equivalents							19,543	12,706	19,543	12,706
Other non-financial assets							1,632	1,389	1,632	1,389
Property, plant and equipment							1,061	1,353	1,061	1,353
Right-of-use assets							69	100	69	100
Total assets									<u>42,667</u>	<u>35,079</u>
<b><u>Reportable segment liabilities</u></b>										
Trade and other payables	-	-	-	-	-	-	15,665	11,716	15,665	11,716
Contract liabilities	-	469	-	-	108	-	-	-	108	469
Income tax provision							763	725	763	725
Lease liabilities							216	271	216	271
Other financial liabilities							15,304	13,131	15,304	13,131
Total liabilities									<u>32,056</u>	<u>26,312</u>
							<u>Unallocated</u>		<u>Total</u>	
							<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>
							S\$'000	S\$'000	S\$'000	S\$'000
Capital expenditure							(32)	(195)	<u>(32)</u>	<u>(195)</u>

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

**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 and Malaysia.

	<b>Group</b>		
	<b>Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000</b>	<b>Unaudited 6 months from 1 Jul 2022 to 31 Dec 2022 S\$'000</b>	<b>Increase/ (Decrease) %</b>
<b>Revenue</b>			
Singapore	42,707	40,864	4.5%
Malaysia	19	-	N.M.
	<u>42,726</u>	<u>40,864</u>	4.6%

	<b>Group</b>		
	<b>Unaudited 31 Dec 2023 S\$'000</b>	<b>Audited 30 Jun 2023 S\$'000</b>	<b>Increase/ (Decrease) %</b>
<b>Non-current assets</b>			
Singapore	5,489	4,443	23.5%
Malaysia	24	-	N.M.
	<u>5,513</u>	<u>4,443</u>	24.1%

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 2023 and 30 June 2023:

	<b>Group</b>		<b>Company</b>	
	<b>Unaudited 31 Dec 2023 S\$'000</b>	<b>Audited 30 Jun 2023 S\$'000</b>	<b>Unaudited 31 Dec 2023 S\$'000</b>	<b>Audited 30 Jun 2023 S\$'000</b>
<b>Financial assets</b>				
- Cash and cash equivalents	19,543	12,706	424	1,204
- Trade and other receivables	18,366	14,204	1,321	4
Financial assets at amortised cost	<u>37,909</u>	<u>26,910</u>	<u>1,745</u>	<u>1,208</u>
<b>Financial liabilities</b>				
- Trade and other payables	15,665	11,716	217	234
- Other financial liabilities	15,304	13,131	300	800
- Lease liabilities	216	271	-	-
Financial liabilities at amortised cost	<u>31,185</u>	<u>25,118</u>	<u>517</u>	<u>1,034</u>

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

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

**6. Cost of sales**

Included in the cost of sales is interest on bills payable amounting to approximately S\$305,000 (6M2023: S\$157,000).

**7. Other income and gains and (other losses)**

	<b>Group</b>		
	<b>Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000</b>	<b>Unaudited 6 months from 1 Jul 2022 to 31 Dec 2022 S\$'000</b>	<b>Increase/ (Decrease) %</b>
<b>Other income and gains</b>			
Government grants	25	28	(10.7%)
Rental income	38	-	N.M.
Gain on disposal of plant and equipment	2	-	N.M.
Others	7	1	600.0%
	<u>72</u>	<u>29</u>	<u>148.3%</u>
<b>Other losses</b>			
Reverse takeover ("RTO") expenses	-	(196)	(100.0%)
Deemed RTO expenses <sup>(1)</sup>	-	(9,576)	(100.0%)
Share-based payment – Sponsor (Note 19B) <sup>(1)</sup>	-	(89)	(100.0%)
Share-based payment – Arranger (Note 19B) <sup>(1)</sup>	-	(1,114)	(100.0%)
Foreign exchange adjustment losses	-	(6)	(100.0%)
	<u>-</u>	<u>(10,981)</u>	<u>(100.0%)</u>

<sup>(1)</sup> One-off non-cash RTO expenses incurred during 6M2023.

**8. Finance costs**

	<b>Group</b>		
	<b>Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 S\$'000</b>	<b>Unaudited 6 months from 1 Jul 2022 to 31 Dec 2022 S\$'000</b>	<b>Increase/ (Decrease) %</b>
<b>Finance costs</b>			
Interest on lease liabilities	5	6	(16.7%)
Interest on term loans	31	47	(34.0%)
Total finance costs	<u>36</u>	<u>53</u>	<u>(32.1%)</u>

**9. Related party transactions**

There is no related party transaction during 6M2024 and 6M2023.



## Lincotrade & Associates Holdings Limited

### Condensed Interim Financial Statements for the 6-month period ended 31 December 2023

#### 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 2023 to 31 Dec 2023 S\$'000	Unaudited 6 months from 1 Jul 2022 to 31 Dec 2022 S\$'000	Increase/ (Decrease) %
Current tax:			
Current tax expense	381	448	(15.0%)
Total income tax expenses recognised to profit or loss	381	448	(15.0%)

##### 11. Earnings / (loss) per share

	Group	
	Unaudited 6 months from 1 Jul 2023 to 31 Dec 2023 Singapore cents	Unaudited 6 months from 1 Jul 2022 to 31 Dec 2022 Singapore cents
Earnings / (loss) per ordinary share for the period based on net income (loss) attributable to shareholders :		
Based on weighted average number of ordinary shares in issue	1.04	(5.87)
Weighted average number of ordinary shares in issue for basic earnings / (loss) per share	172,027,726	161,555,362

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

##### 12. Net asset value

	Group		Company	
	Unaudited 31 Dec 2023 Singapore cents	Audited 30 Jun 2023 Singapore cents	Unaudited 31 Dec 2023 Singapore cents	Audited 30 Jun 2023 Singapore cents
Net assets / (liabilities) value per ordinary share based on the issued shares at the end of the financial period/year	6.14	5.10	15.29	14.63
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 2023**

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

**13. Investment in subsidiaries**

Company	
Unaudited 31 Dec 2023 S\$'000	Audited 30 Jun 2023 S\$'000

Carrying value comprising

Unquoted equity shares at cost, as at beginning of year	25,000	-
Additions	87	25,000
Unquoted equity shares at cost, as at end of period	25,087	25,000

On 3 August 2022, the Company completed the RTO of Lincotrade PL for a consideration of S\$25.0 million.

On 14 August 2023, the Company incorporated a 60% owned subsidiary, Lincotrade & Associates (Malaysia) Sdn. Bhd., in Malaysia for a consideration of RM300,000 (equivalent to approximately S\$87,000).

**14. Property, plant and equipment**

During the 6-month period ended 31 December 2023, the Group acquired plant and equipment amounting to \$32,000 (6M2023: \$195,000).

**15. 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.

**16. Trade and other receivables**

Group		Company	
Unaudited 31 Dec 2023 S\$'000	Audited 30 Jun 2023 S\$'000	Unaudited 31 Dec 2023 S\$'000	Audited 30 Jun 2023 S\$'000

Current:

Trade receivables:

Outside parties	8,694	5,974	-	-
Retention receivables	5,286	5,211	-	-
Net trade receivables - Subtotal	13,980	11,185	-	-

Other receivables:

Amount due from a subsidiary	-	-	1,320	-
Outside parties	3	29	1	4
Net other receivables - Subtotal	3	29	1,321	4
Total trade and other receivables, current	13,983	11,214	1,321	4

Non-current:

Trade receivables:

Retention receivables	4,383	2,990	-	-
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**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

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

**17. Trade and other payables**

	Group		Company	
	Unaudited 31 Dec 2023 S\$'000	Audited 30 Jun 2023 S\$'000	Unaudited 31 Dec 2023 S\$'000	Audited 30 Jun 2023 S\$'000
<u>Trade payables:</u>				
Outside parties	12,413	9,604	131	206
Retention payables	3,139	2,071	-	-
Subtotal	15,552	11,675	131	206
<u>Other payables:</u>				
Outside parties	113	41	86	28
Subtotal	113	41	86	28
Total trade and other payables, current	15,665	11,716	217	234

**18. Other financial liabilities**

	Group		Company	
	Unaudited 31 Dec 2023 S\$'000	Audited 30 June 2023 S\$'000	Unaudited 31 Dec 2023 S\$'000	Audited 30 June 2023 S\$'000
<u>Secured</u>				
Term loans (Note 18A)	2,338	3,097	-	-
Bills payable (Note 18B)	12,666	9,234	-	-
	15,004	12,331	-	-
<u>Unsecured</u>				
Loan from Triple Vision (Note 18C)	300	800	300	800
	300	800	300	800
Total	15,304	13,131	300	800
<u>Presented in statements of financial position</u>				
- Non-current	799	1,572	-	-
- Current	14,505	11,559	300	800
	15,304	13,131	300	800

Note 18A

As at 31 December 2023, term loans were secured by corporate guarantee by the Company and charge over certain term deposits of Lincotrade PL.

Note 18B

As at 31 December 2023, 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 property of the Group.

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

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

**18. Other financial liabilities (Cont'd)**

Note 18C

On 26 April 2022, the Company entered into a loan agreement with Triple Vision Pte. Ltd. (“**Triple Vision**”) for up to an aggregate amount of S\$1.0 million (“**Loan**”) at any time. Any disbursement will be used for the payment of professional fees and expenses incurred for the RTO of Lincotrade PL. The loan is unsecured, interest-free and is repayable beginning from the Maturity Date, i.e. 12 months from the date of Completion, or any other date as may be agreed upon in writing by Triple Vision and the Company, in 8 equal monthly instalments spread over 8 consecutive calendar months, with the first monthly instalment payable on the Maturity Date. Please refer to the Company’s announcement on 26 April 2022 for more information.

As at 31 December 2023, the Company had drawn down S\$800,000 from the Loan (30 June 2023: S\$800,000) and the first repayment of S\$100,000 per month commenced in August 2023 and will be fully repaid in March 2024.

**Bank borrowings**

**Amount repayable in one year or less, or on demand**

(S\$'000)

31 December 2023		30 June 2023	
Secured	Unsecured	Secured	Unsecured
14,205	-	10,759	-

**Amount repayable after one year**

(S\$'000)

31 December 2023		30 June 2023	
Secured	Unsecured	Secured	Unsecured
799	-	1,572	-

**19. Share capital**

	Company	
	Number of shares issued	Share capital S\$'000
Ordinary shares of no par value:		
At 1 July 2021	46,800,000	23,459
Capital reduction (Note 19A)	-	(17,222)
At 30 June 2022	46,800,000	6,237
Issuance of new shares pursuant to the RTO (Note 19B):		
- Acquisition of entire share capital of Lincotrade PL	113,636,363	25,000
- Share-based payment – Sponsor shares	454,545	89
- Share-based payment – Arranger shares	5,681,818	1,114
- Issuance of ordinary shares	5,455,000	1,200
- Share issue expenses	-	(26)
	5,455,000	1,174
At 30 June 2023 and 31 December 2023	172,027,726	33,614

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.

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

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

**19. Share capital (Cont'd)**

Note 19A

On 29 November 2021, the Company announced that it had complied with the publicity requirements under section 78C(1)(c), and the solvency requirements under sections 78C(1)(b) and 78C(3) of the Act, and that no application has been made under section 78D(2) of the Act for the cancellation of the special resolution (“**Special Resolution**”) of the Shareholders approving the Capital Reduction at the 2021 EGM that was held on 14 October 2021, during the 6 weeks beginning with the date of the Special Resolution. The Company had accordingly lodged with the Accounting and Corporate Regulatory Authority of Singapore, the statements from the Directors pursuant to section 78E(2) of the Act confirming the above, together with a notice containing the reduction information, on 29 November 2021. Following lodgement, the Capital Reduction had taken effect on 29 November 2021.

Note 19B

On 3 August 2022, the Company completed the RTO of Lincotrade PL. Pursuant to the Completion, the Company had:

- allotted and issued 113,636,363 ordinary shares to the shareholders of Lincotrade PL at an issue price of S\$0.22 per share, in full satisfaction of the total consideration of S\$25.0 million;
- allotted and issued 454,545 ordinary shares to the Company’s financial adviser, RHB Bank Berhad as part of the financial adviser’s fees for its services in relation to the RTO. Based on the share price of S\$0.196 as at 3 August 2022, the value of these shares issued amounted to approximately S\$89,000 and this was charged to the statement of profit or loss during the period ended 31 December 2022;
- allotted and issued 5,681,818 ordinary shares of the Company to the arranger, Prestige Frame Limited (“**Arranger**”). Based on the share price of S\$0.196 as at 3 August 2022, the value of these shares amounted to approximately S\$1.11 million and this was charged to the statement of profit or loss during the period ended 31 December 2022; and
- allotted and issued placement shares of 5,455,000 at the issue price of S\$0.22 per new ordinary share for proceeds of approximately S\$1.20 million. Net proceeds received after deducting direct expenses relating to the placement of approximately S\$26,000 was approximately S\$1.174 million.

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 2023 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2023.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial period reported on, i.e. 31 December 2023 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2023.

The Company’s subsidiaries does not hold any shares in the Company as at 31 December 2023 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2023.

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period ended 31 December 2023**

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

**19. Share capital (Cont'd)**

	<b>Group Share capital S\$'000</b>
Ordinary shares of no par value:	
At 1 July 2021 and 30 June 2022	1,500
Issuance of new shares pursuant to the RTO:	
- Consideration shares issued in relation to RTO	9,173
- Share-based payment – Sponsor shares	89
- Share-based payment – Arranger shares	1,114
- Issuance of ordinary shares	1,200
- Share issue expenses	(26)
	1,174
At 30 June 2023 and 31 December 2023	13,050

**20. Events after the end of the reporting period**

On 11 January 2024, the Company incorporated a 75% owned subsidiary, Lincotrade (Dongguan) Furniture Manufacturing Co., Ltd (立铠 (东莞) 家具制造有限公司), in China.

On 16 January 2024, the Company announced that the Company's wholly-owned subsidiary, Lincotrade PL received a Letter of Award dated 5 January 2024 by JTC Corporation in relation to the successful tender of a factory located at 5 Tuas Avenue 12 Singapore 639025 ("**New JTC Factory**"). For more information, please refer to the Company's announcement on 16 January 2024.

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 increased by approximately S\$1.9 million or 4.6% mainly due to higher revenue recognised from the commercial and residential segments, but partially offset by lower revenue contribution from the showflats segment. Commercial and residential segments increased by approximately S\$8.0 million or 29.3% and approximately S\$717,000 or 48.0% respectively, mainly due to higher percentage of completion for the Group's commercial and residential projects. The showflats segment decreased by approximately S\$6.9 million or 57.4% as the larger showflat projects on hand were substantially completed during the financial year ended 30 June 2023 ("FY2023").

#### **Gross profit**

During 6M2024, the Group's gross profit increased slightly by approximately S\$225,000 or 5.2% mainly due to the increase in revenue. Gross profit margin increased marginally by approximately 0.1 percentage points from 6M2023's 10.5% to 6M2024's 10.6%. The marginal increase in the Group's gross profit margin in 6M2024 was mainly due to higher proportion of revenue generated from commercial segments, which generally yield higher profit margins for the Group.

#### **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 increased by approximately S\$43,000 or 148.3% mainly due to rental income received of approximately S\$38,000 during the current period under review. 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 decreased marginally by approximately S\$17,000 or 1.1% during the current period under review.

##### **Finance costs**

The finance costs decreased by approximately S\$17,000 or 32.1% mainly due to lower principal amount of the term loans.

##### **Other expenses**

Other expenses increased by approximately S\$153,000 or 19.0% mainly due to higher dormitory and utility expenses as more of our foreign workers are residing at our in-house dormitory during the current period under review. Lincotrade PL 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.

Depreciation of property, plant and equipment increased by approximately S\$41,000 or 14.5% mainly due to additions of property, plant and equipment during the previous financial year.

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

##### **Other losses**

Other losses for 6M2023 relate mainly to the deemed RTO expenses of approximately S\$9.6 million, the share-based payment to the Sponsor and Arranger of approximately S\$1.2 million in aggregate as well as the expenses incurred by the Group relating to the RTO exercise of approximately S\$196,000.

##### **Income tax expenses**

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

##### **Profit / (loss) before tax**

As a result of the above, the Group registered a profit before tax of approximately S\$2.2 million in 6M2024 as compared to a loss before tax of approximately S\$9.0 million during 6M2023 due to the one-off non-cash RTO expenses of approximately S\$10.8 million. Excluding the one-off non-cash RTO expenses, the Group would have registered a profit before tax of approximately S\$1.8 million for 6M2023.

##### **Statement of Financial Position**

##### **Non-current assets**

The increase in investment in subsidiaries was due to the Company's incorporation of a 60% owned subsidiary in Malaysia on 14 August 2023.

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 6M2024 of approximately S\$324,000, partially offset by the acquisition of property, plant and equipment of approximately S\$32,000.

Right-of-use assets refer to the land lease from Jurong Town Corporation 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 Catalist 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 increase of approximately S\$1.4 million in retention receivables was attributable to higher billings for newly completed works during 6M2024.

##### **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 decrease in contract assets of approximately S\$3.3 million or 62.5% was mainly to the higher 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 and deposit paid for the tender of the New JTC Factory. Increase in other non-financial assets by approximately S\$243,000 was mainly due to the deposit paid for the tender of the New JTC Factory of approximately S\$480,000, partially offset by the lower advances paid to suppliers.

The increase in trade and other receivables was due to higher billings for completed works to customers during 6M2024. Trade receivables (excluding retention receivables) turnover days increased slightly from 33 days for 6M2023 to 37 days for 6M2024.

##### **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 6M2024.

Other financial liabilities, non-current refer to the non-current portion of the secured bank loans obtained to finance working capital of approximately S\$799,000. The decrease was mainly due to the repayment of secured bank loans during the 6M2024.

##### **Current liabilities**

Income tax provision refers to the liability to pay corporate income tax in accordance with the tax regulations in Singapore. Income tax provision increased slightly by approximately S\$38,000 or 5.2% during the current period under review.

Trade payables mainly comprise payables to subcontractors and suppliers, including retention of subcontractor fees. The increase in trade and other payables was mainly due to an increase in business activities during the period under review. Trade payables (excluding retention payables) turnover days decreased from 91 days for 6M2023 to 60 days for 6M2024. The decrease is mainly due to faster payments to creditors for one of the bigger projects.

Contract liabilities primarily relate to advance consideration received from customers for which transfer of control has not occur, and therefore revenue is not recognised. Contract liabilities decreased mainly due to lesser advance consideration received from our customers as at 31 December 2023.

Lease liabilities, current relate to the current portion of our Group's lease in respect of the JTC Land and motor vehicles. There are no material changes to the current portion of the lease liabilities during 6M2024.

Other financial liabilities, current refer to the bills payable, the current portion of the secured bank loans obtained to finance working capital, and the loan from a shareholder. The increase was mainly due to an increase in bills payable of approximately S\$3.4 million to repay trade creditors during 6M2024.

# 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 6M2024, the Group recorded operating cash flows before working capital changes of approximately S\$2.8 million. Net cash from working capital amounted to approximately S\$2.5 million, mainly due to (i) a decrease in contract assets of approximately S\$3.3 million due to higher billing to customers; and (ii) the increase in trade and other payables of approximately S\$3.9 million due to the increase volume of business activities; (iii) partially offset by an increase in other non-financial assets of S\$243,000 due to the tender deposit paid for the New JTC Factory; (iv) increase in trade and other receivables of approximately S\$4.2 million due to increase in billings to customers for work done; and (v) decrease in contract liabilities of approximately S\$361,000. The Group also paid interest expenses on operating activities and income tax of approximately S\$305,000 and S\$343,000, respectively. As a result, net cash generated from operating activities amounted to approximately S\$4.6 million.

There was a net cash of S\$45,000 generated from investing activities during 6M2024, mainly due to the interest income received of approximately S\$84,000, partially offset by the purchase of plant and equipment of approximately S\$32,000.

There was a net cash of approximately S\$1.9 million generated from financing activities during 6M2024, mainly due to the increase in bills payable of approximately S\$3.4 million, which was partially offset by the repayment of term loans and shareholder's loan of approximately S\$759,000 and S\$500,000 respectively and the increase in cash restricted in use of approximately S\$228,000.

As a result of the above, there was a net increase of approximately S\$6.6 million in cash and cash equivalents from approximately S\$9.1 million as at 1 July 2023 to approximately S\$15.7 million as at 31 December 2023.

#### 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\$32 billion to S\$38 billion in nominal terms in 2024 based on its media release dated 15 January 2024<sup>(1)</sup>. The public sector is expected to drive total construction demand in 2024, reaching between S\$18 billion and S\$21 billion, mainly from public housing and infrastructure projects. Private sector construction demand is projected to be between S\$14 billion and S\$17 billion in 2024.

The Group expects the demand for our interior fitting-out services in 2024 to remain positive in view of BCA's projections. In addition, the Group has set up subsidiaries in Malaysia and the People's Republic of China ("PRC") to expand our business presence and harness new business opportunities. However, we also expect overall construction costs, labour cost, overheads and other operating expenses to continue to rise mainly due to inflationary pressures, rising interest rates, geopolitical uncertainties and tightening of foreign workers policies.

As at 31 December 2023, the Group's order book stood at approximately S\$47.0 million which generally will be fulfilled during the next two years.

(1) <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024#:~:text=The%20Building%20and%20Construction%20Authority,in%20nominal%20terms%20in%202024.>

## 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)**

#### *Incorporation of Lincotrade (Dongguan) Furniture Manufacturing Co., Ltd (“Lincotrade China”)*

On 12 January 2024, the Company announced the incorporation of Lincotrade China in Dongguan Province, PRC on 11 January 2024, with the Company holding 75% equity interest. The management aims to strengthen our manufacturing capacity and ensure the quality of our carpentry products. The management will keep shareholders informed of any material updates moving forward. The management does not expect the incorporation of Lincotrade China 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 2024.

#### *Award of New JTC Factory located at 5 Tuas Avenue 12 Singapore 639025*

On 16 January 2024, the Company announced that the Company’s wholly-owned subsidiary, Lincotrade PL received a Letter of Award dated 5 January 2024 by JTC Corporation in relation to the successful tender of the New JTC Factory for S\$9,589,999 (“**Tender Price**”).

Lincotrade PL has started to design and undertake additions and alterations works (“**Design and A&A Works**”) at the New JTC Factory. The investment cost of the Design and A&A Works (that also includes a solar photovoltaic system) is expected to be approximately S\$3.0 million and it is targeted to be completed by end of December 2024. As Lincotrade PL has just started the design works, the estimated investment of S\$3.0 million may be subjected to changes, depending on the final Design and A&A Works.

The management expects that the depreciation, interest on bank borrowings and other charges relating to the New JTC Factory will affect the profitability of the Group for the financial year ending 30 June 2024 (“**FY2024**”).

The Group intends to satisfy the Tender Price and the cost of Design and A&A Works through a combination of internal resources and bank borrowings. For more information on the award of the New JTC Factory, please refer to the Company’s announcement on 16 January 2024.

#### *Dividend Policy*

On 14 February 2024, the Company announced the adoption of a dividend policy (“**Dividend Policy**”) in respect of paying dividends, including interim dividends of not less than 20% of the Group’s consolidated net profit attributable to shareholders of the Company, excluding non-recurring, one-off and exceptional income in respect of any financial year to its shareholders.

For more information on the Dividend Policy, please refer to the Company’s announcement on 14 February 2024.

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

**Other information**

**7. Dividend information**

- (a) ***Current Financial Period Reported On***  
**Any dividend declared for the current financial period reported on?**

The Directors are pleased to declare a tax-exempt (one-tier) interim dividend of S\$0.0038 (6M2023: Nil) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt (one-tier)
Dividend Amount per ordinary share	S\$0.0038
Tax Rate	Exempt one-tier

- (b) ***Corresponding Period of the Immediately Preceding Financial Year***  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

- (c) ***Date payable***

The interim dividend will be paid on 1 March 2024.

- (d) ***Books closure date***

**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and Register of Members of the Company will be closed on 22 February 2024 at 5.00 p.m. for the purposes of determining shareholders' entitlements to the interim dividend.

Duly completed registrable share transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower Singapore 098632 up to 5.00 p.m. on 22 February 2024 will be registered to determine shareholders' entitlements to the interim dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited (being depositors) are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 22 February 2024 will be entitled to the interim dividend.

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

Not applicable as interim dividend was declared.

**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 14 August 2023, the Company incorporated Lincotrade & Associates (Malaysia) Sdn. Bhd., a 60% owned subsidiary in Malaysia. Please refer to the Company's announcement on 14 August 2023 for more information.

On 11 January 2024, the Company incorporated Lincotrade (Dongguan) Furniture Manufacturing Co., Ltd, a 75% owned subsidiary in The People's Republic of China. Please refer to the Company's announcement on 12 January 2024 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 of directors of the Company ("**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 2023 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**

**14 FEBRUARY 2024**