



Press Release – For Immediate Release

**Lincotrade’s Revenue Surged 78.0% to S\$69.9 Million in FY2023;
Excluding One-Off Non-Cash RTO-related Expenses,
Profit Before Tax in FY2023 was S\$2.8 Million,
a year-on-year increase of 168.2%**

- *Strong performance from the Group’s commercial and showflats business segments, which posted revenue growth of 58.7% and 357.3% respectively, propelled the Group’s revenue growth in FY2023*
- *Generated net cash flow of approximately S\$4.7 million from operations during FY2023*
- *Total assets increased 26.5% to approximately S\$35.1 million, of which cash and cash equivalents increased by 104.5% to approximately S\$12.7 million as at 30 June 2023*
- *The Group’s order book stood at approximately S\$58.0 million as at 30 June 2023*
- *Aiming to expand its order book with a healthy pipeline of new projects, the Group expects the demand for its interior fitting-out services in 2023 to remain strong in view of the projections of Singapore’s Building and Construction Authority (“BCA”), where the total construction demand in 2023 is projected to range between S\$27 billion and S\$32 billion⁽¹⁾*

Current Reporting Period – Financial Year Ended 30 June 2023 (“FY2023”)

(S\$ million)	FY2022	FY2023	Change (%)
Revenue	39.3	69.9	+ 78.0
Gross profit	4.7	7.3	+ 55.0
Profit / (loss) before tax	1.0	(8.0)	N.M
Adjusted profit before tax	1.0	2.8*	+ 168.2

**excluding one-off non-cash RTO expenses of approximately S\$10.8 million*

SINGAPORE, 29 August 2023 – Lincotrade & Associates Holdings Limited, (“Lincotrade” or the “Company” or “立鎧企業” and together with its subsidiaries, the “Group”), a specialist in interior fitting-out services, is pleased to announce its full year financial results ended 30 June 2023 (“FY2023”), following the completion of the reverse takeover (“RTO”) of Fabchem China Limited on 3 August 2022.

(1) <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2023/01/12/singapore-s-construction-demand-to-remain-strong-in-2023>



Commenting on its FY2023 results, Managing Director of Lincotrade, Mr. Tan Jit Meng (陈日明先生) said: *“FY2023 marks a new milestone in Lincotrade’s history as we completed our RTO and transition into a listed company in our corporate journey.*

We look back on a strong first year of listing with good performance across the Group, both operationally and financially, which reflects our core competencies in project management and execution.

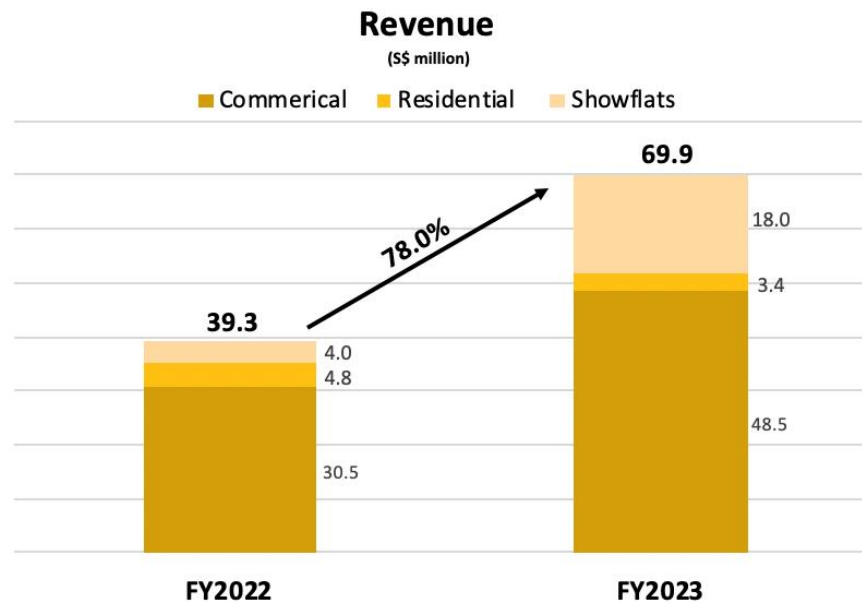
With diversity in our business model that has three different business categories, Lincotrade is well-positioned to continue our momentum of organic growth that aligns, and we aim to supplement that growth with a disciplined financial approach.

The positive outlook of Singapore’s construction market reaffirms Lincotrade’s positive trajectory and reinforces our belief in our ability to achieve a stronger growth profile ahead.”

Propelled by higher revenue contribution from the Group’s commercial and showflats business segments, the Group’s revenue surged by approximately S\$30.6 million or 78.0%, to approximately S\$69.9 million in FY2023: Lincotrade is engaged in the provision of interior fitting-out services, additions and alterations (“A&A”) works and other building construction services primarily for three business segments, commercial, residential and showflats.

As part of the Group’s strategic plans to increase revenue contribution from its commercial segment, the Group has been focused on securing more commercial projects in Singapore and as a result, there was a higher percentage of revenue contribution from some of the Group’s larger commercial projects in FY2023. There was also increased revenue from larger showflats projects in FY2023 while majority of the Group’s residential projects were substantially completed before 30 June 2022.

As a result, revenue contribution from the Group’s commercial and showflats business segments increased by approximately S\$17.9 million or 58.7% and approximately S\$14.1 million or 357.3% respectively in FY2023.



Gross profit increased by approximately S\$2.6 million or 55.0% in FY2023 to S\$7.3 million despite lower gross profit margin: Corresponding to increased revenue growth in FY2023, the Group's gross profit increased to approximately S\$7.3 million in FY2023. However, the Group's gross profit margin dipped 1.5 percentage points to 10.4% in FY2023 (FY2022: 11.9%), mainly due to higher proportion of revenue contribution from the showflats business segment, which registered lower gross margin in FY2023.

One-off non-cash RTO expenses of approximately S\$10.8 million includes the deemed RTO expenses of approximately S\$9.6 million, share-based payment to the Sponsor and Arranger of approximately S\$1.2 million: With the completion of the RTO on 3 August 2022, the Group recognised the one-off non-cash RTO expenses in accordance with the Singapore Financial Reporting Standards (International) in FY2023.

Excluding the one-off non-cash RTO expenses, Lincotrade have recorded an adjusted profit before tax of approximately S\$2.8 million for FY2023, representing a growth of 168.2% as compared to FY2022.

Generated net cash of approximately S\$4.7 million from operations during FY2023: The Group recorded operating cash flows before working capital changes of approximately S\$3.5 million and net cash of approximately S\$4.7 million generated from operating activities during FY2023.

During FY2023, the Group used net cash of approximately S\$0.3 million in investing activities and there was net cash outflow of approximately S\$0.6 million from financing activities.

Overall, the Group registered a net increase of approximately S\$3.8 million in cash and cash equivalents during FY2023.



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Total assets increased 26.5% to approximately S\$35.1 million, of which cash and cash equivalents increased 104.5% to approximately S\$12.7 million as at 30 June 2023: The Group's total assets comprise non-current assets of approximately S\$4.4 million and current assets of approximately S\$30.6 million as at 30 June 2023.

The key components of non-current assets are property, plant and equipment of approximately S\$1.4 million and non-current portion of trade and other receivables of approximately S\$3.0 million. The key components of current assets are cash and cash equivalents of approximately S\$12.7 million, contract assets of approximately S\$5.3 million and current portion of trade and other receivables of approximately S\$11.2 million.

As at end June 2023, the Group's total equity stood at approximately S\$8.8 million and total liabilities amounted to approximately S\$26.3 million, of which total non-current liabilities is approximately S\$1.7 million and current liabilities is approximately S\$24.6 million. The key components of current liabilities are trade and other payables of approximately S\$11.7 million and other financial liabilities of approximately S\$11.6 million.

Positive industry outlook in Singapore: According to a media release by BCA issued on 12 January 2023, it projects the total construction demand in 2023 (i.e. the value of construction contracts to be awarded) to range between S\$27 billion and S\$32 billion.⁽¹⁾

The public sector is expected to contribute about 60 per cent of the total construction demand, between S\$16 billion and S\$19 billion. Private sector construction demand is projected to be between S\$11 billion and S\$13 billion in 2023.

Over the medium-term, BCA expects the total construction demand to reach between \$25 billion and \$32 billion per year from 2024 to 2027. Private sector construction demand is projected to remain steady over the medium-term, reaching approximately S\$11 billion to S\$14 billion per annum from 2024 to 2027, in view of healthy investment commitments amid Singapore's strong economic fundamentals.

As at 30 June 2023, the Group's order book stood at approximately S\$58.0 million which generally will be fulfilled during the next two years.

With an aim to expand its order book with a healthy pipeline of new projects, the Group continues to proactively tender for new projects in Singapore, particularly those that are larger in terms of scale and contract value. In January 2023, the Group secured an Asset Enhancement Initiative ("AEI") for an integrated development in Singapore with a contract value of approximately S\$35.0 million, the largest single contract secured by the Group to date.

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This press release is to be read in conjunction with Lincotrade's announcement released on 29 August 2023, which can be downloaded via www.sgx.com

About Lincotrade & Associates Holdings Limited

(Bloomberg Code: LINASC:SP / SGX Code: BFT.SI)

Established in 1991 and based in Singapore, Lincotrade has over 30 years of experience in the interior fitting-out industry and have established a proven business track record since its inception. Since 2006, Lincotrade has had its own in-house processing facility to process, assemble and manufacture Carpentry Products to support and complement its interior fitting-out services.

Lincotrade is engaged in the provision of interior fitting-out services, additions and alterations (“A&A”) works and other building construction services primarily for the following three segments:

- (a) commercial premises, such as offices, hotels, shopping malls and food and beverage establishments;
- (b) residential premises such as condominium developments; and
- (c) showflats and sales galleries.

Lincotrade's interior fitting-out projects encompass space planning and lay-out, interior construction and finishing works on floorings, ceilings, partitions, doors, fixtures and fittings, mechanical, electrical and plumbing works such as air-conditioning installation, water and sewage fit-outs, lighting, power and other works. Lincotrade also provide A&A works include minor alterations, extension, conversion and upgrading of buildings as well as minor repair and improvement works. In addition, Lincotrade provide building construction services which mainly consist of the construction of showflats and sales galleries.

As part of its sustainability strategy, the Group has an established environmental management system to enhance its environmental performance and reduce its impact on the environment.

In addition to its commitment in the reduction of on-site energy consumption and construction waste, the Group has been using environmentally friendly materials, such as laminate and veneer made from reconstructed or recycled material, in its projects to reduce lumbering of forests. The Group was awarded the Singapore Green Label by the Singapore Environmental Council for its wooden panel doors which are made from renewable and sustainable materials.

For more information, please visit their website at <http://www.lincotrade.com.sg>



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Issued on behalf of Lincotrade and Associates Holdings Limited by 8PR Asia Pte Ltd.

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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.*

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