

Press Release – For Immediate Release

**Lincotrade Posts Net Profit of S\$2.3 Million in FY2024;
Proposed Dividend of 0.32 Singapore Cents Per Share,
Bringing Total Dividend to
0.70 Singapore Cents Per Share for FY2024**

- *Proposed final dividend of 0.32 Singapore cents per share, bringing total dividend to 0.70 Singapore cents per share for FY2024 that translates to a dividend payout of 52.6% of net profit attributable to shareholders of the Company in FY2024, exceeding the dividend policy (of at least 20%) adopted in February 2024*
- *The Group's commercial and residential business segments are the key revenue contributors in FY2024 with commercial business segment continuing its strong performance*
- *With an aim to expand its order book with a healthy pipeline of new quality projects of larger contract value, the Group's order book stood at approximately S\$39.5 million as at 30 June 2024*

Current Reporting Period – Financial Year Ended 30 June 2024 ("FY2024")

(S\$ million)	FY2024	FY2023	Change (%)
Revenue	67.9	69.9	(2.9)
Gross profit	7.9	7.3	+ 8.6
Profit / (Loss) before tax	2.8	(8.0)	N.M.
Adjusted profit before tax	2.8	2.8 ⁽¹⁾	-
Net asset value per share (Singapore cents)	6.05 ⁽³⁾	5.10 ⁽²⁾	+18.6

Notes:

(1) excluding one-off non-cash RTO expenses of approximately S\$10.8 million

(2) Net asset value per share attributable to the owners of the Company as at 30 June 2023

(3) Net asset value per share attributable to the owners of the Company as at 30 June 2024

SINGAPORE, 28 August 2024 – 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 a set of positive financial results for the full year ended 30 June 2024 ("FY2024").

Commenting on its FY2024 results, Managing Director of Lincotrade, Mr. Tan Jit Meng (陈日明先生) said: *"Operationally and financially, FY2024 has been a year of consistency that reflects our core competencies in project management and execution."*



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With a prudent financial approach, we aim to drive momentum in growth levers within our business model comprising three different business categories.

In addition, we are enhancing our business foundation with the acquisition of the Tuas Factory that will cater to our business strategies and future plans.

While our business portfolio is deeply rooted in Singapore, we recognise the wider opportunities for Lincotrade in overseas markets that complement our competitive strengths.

Taken together, we believe it positions us well to deliver greater value for our customers and drive long-term shareholder value."

Mr. Tan added, "With the announcement of our dividend policy earlier this year, we are pleased to announce a final dividend of 0.32 Singapore cents per share that brings total dividend to 0.70 Singapore cents per share for FY2024.

Translating to a dividend payout of approximately 52.6% of the net profit attributable to shareholders in FY2024, which is higher than our dividend policy guideline, we believe this demonstrates our commitment to reward shareholders."

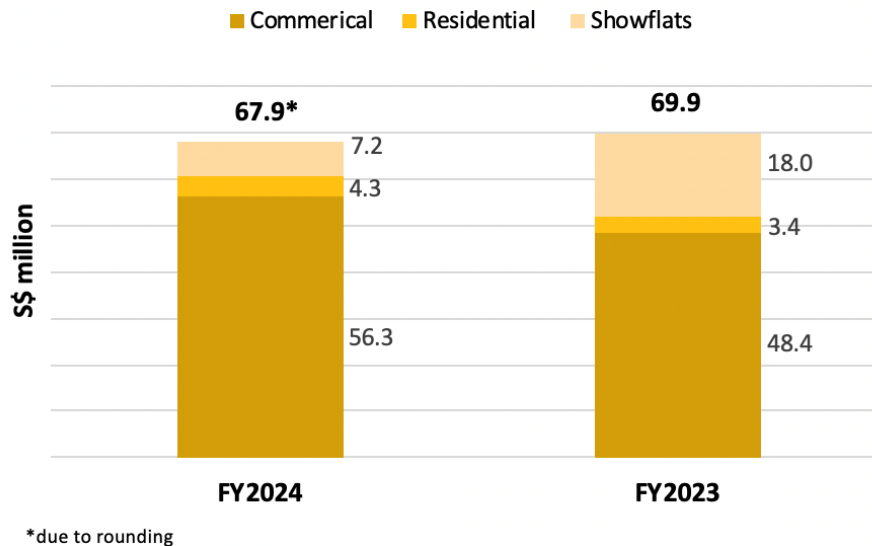
The Group posted revenue of S\$67.9 million in FY2024 with revenue growth from its commercial and residential business segments: Lincotrade is engaged in the provision of interior fitting-out services, additions and alterations ("A&A") works and other building construction services primarily for three business segments, commercial, residential and showflats.

The Group's commercial business segment continue to be the key revenue contributor and in FY2024, revenue from this business segment increased 16.3% or approximately S\$7.9 million, to approximately S\$56.3 million from S\$48.4 million in FY2023, mainly due to revenue contribution from some of the Group's larger commercial projects.

In FY2024, revenue contribution from the Group's residential business segment increased 27.5% or approximately S\$936,000, to approximately S\$4.3 million from S\$3.4 million in FY2023, mainly due to a higher percentage of completion from the Group's residential projects.

However, revenue contribution from the Group's showflats business segment declined 60.1% or approximately S\$10.8 million, to approximately S\$7.2 million in FY2024 from S\$18.0 million in FY2023, as the larger showflat projects were substantially completed in FY2023.

Revenue



Gross profit increased marginally to approximately S\$7.9 million in FY2024 despite lower revenue: The Group's gross profit margin increased to 11.6% in FY2024 (FY2023: 10.4%), mainly due to higher proportion of revenue generated from commercial segment, which generally yield higher margins for the Group.

Profit before tax remained relatively stable at S\$2.8 million in FY2024: Under the Group's cost structure in FY2024, administrative expenses and other expenses were major components, of which administrative expenses increased marginally to approximately S\$3.3 million.

The Group's other expenses increased by 38.5% or approximately S\$563,000, mainly due to higher dormitory and utility expenses as more of its foreign workers were residing at its in-house dormitory during FY2024 (after securing approval from the relevant authorities). In addition, there was more expenses incurred in relation to the Group's two newly incorporated subsidiaries, Lincotrade Malaysia and Lincotrade Dongguan during FY2024.

Generated net cash of approximately S\$5.5 million from operating activities during FY2024: The Group recorded operating cash flows before working capital changes of approximately S\$4.3 million and net cash of approximately S\$5.5 million generated from operating activities during FY2024.

During FY2024, the Group used net cash of approximately S\$2.5 million in investing activities and there was net cash outflow of approximately S\$4.5 million in financing activities.

Overall, the Group registered a net decrease of approximately S\$1.4 million in cash and cash equivalents in FY2024 and as at 30 June 2024, the Group's cash and cash equivalents stood at S\$11.5 million, of which approximately S\$3.8 million of fixed deposits were pledged for bank facilities.



Strengthened balance sheet with increased equity and total assets as at 30 June 2024: The Group's total assets of approximately S\$39.8 million comprise non-current assets of approximately S\$15.5 million and current assets of approximately S\$24.3 million as at 30 June 2024.

The key components of non-current assets are property, plant and equipment of approximately S\$10.9 million and non-current portion of trade receivables of approximately S\$4.6 million. The key components of current assets are cash and cash equivalents of approximately S\$11.5 million, contract assets of approximately S\$2.4 million and current portion of trade and other receivables of approximately S\$9.3 million.

As at 30 June 2024, the Group's total equity stood at approximately S\$10.5 million and total liabilities amounted to approximately S\$29.3 million, of which total non-current liabilities is approximately S\$7.1 million and current liabilities is approximately S\$22.2 million. The key components of current liabilities are trade and other payables of approximately S\$11.1 million and other financial liabilities of approximately S\$10.3 million.

Proposed dividend of 0.32 Singapore cents per share, bringing total dividend to 0.70 Singapore cents per share for FY2024: In February 2024, Lincotrade announced the adoption of a dividend policy to distribute at least 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.

Combined with the interim dividend of 0.38 Singapore cents announced for 6M2024, the proposed final dividend of 0.32 Singapore cents will bring total dividends to 0.70 Singapore cents for FY2024, which translate to a dividend payout of 52.6% of the Group's consolidated net profit attributable to shareholders of the Company.

Positive industry outlook in Singapore: According to a media release by BCA issued on 15 January 2024, it projects the total construction demand in 2024 (i.e. the value of construction contracts to be awarded) to range between S\$32 billion and S\$38 billion in nominal terms.⁽¹⁾

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. While private sector construction demand is projected to be between S\$14 billion and S\$17 billion in 2024, mainly from residential developments under the Government Land Sales, expansion of the two Integrated Resorts, redevelopment of commercial premises, as well as development of mixed-used properties and industrial facilities.

Over the medium-term, BCA expects a steady improvement in construction demand and it is projected to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028. The public sector will continue to lead the demand and is expected to contribute S\$19 billion to S\$23 billion per year from 2025 to 2028, while private sector construction demand is expected to remain stable in the medium term at between S\$12 billion and S\$15 billion per year from

⁽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>



As at 30 June 2024, the Group's order book stood at approximately S\$39.5 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 2024, the Group announced the receipt of a Letter of Award by JTC Corporation ("JTC") dated 5 January 2024 in relation to the successful tender of a factory ("Tuas Factory") located at 5 Tuas Avenue 12 Singapore 639025 with a bid price of approximately S\$9.6 million.

Larger than its current premises at Sungei Kadut Loop, the Tuas Factory is a leasehold property granted by JTC with a tenure of 20 years commencing from 26 March 2024. The New JTC Property is a 2-storey factory with a land area of approximately 6,498.50 square metres and a gross floor area of approximately 5,490.41 square metres.

The Group intends to relocate its operations and dormitories to the larger Tuas Factory and additions and alterations works are being undertaken to cater for the Group's business activities and future plans.

Expanding the Group's business presence beyond Singapore: To enhance its business model and harness new business opportunities beyond Singapore, the Group has set up subsidiaries in Malaysia and the People's Republic of China ("PRC").

In Malaysia, the Group intends to expand its business outreach with its niche in interior fitting-out works. And in the PRC, the Group's subsidiary aims to strengthen its manufacturing capacity and enhance the quality of its carpentry products

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This press release is to be read in conjunction with Lincotrade's announcement released on 28 August 2024, 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:



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- (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>

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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