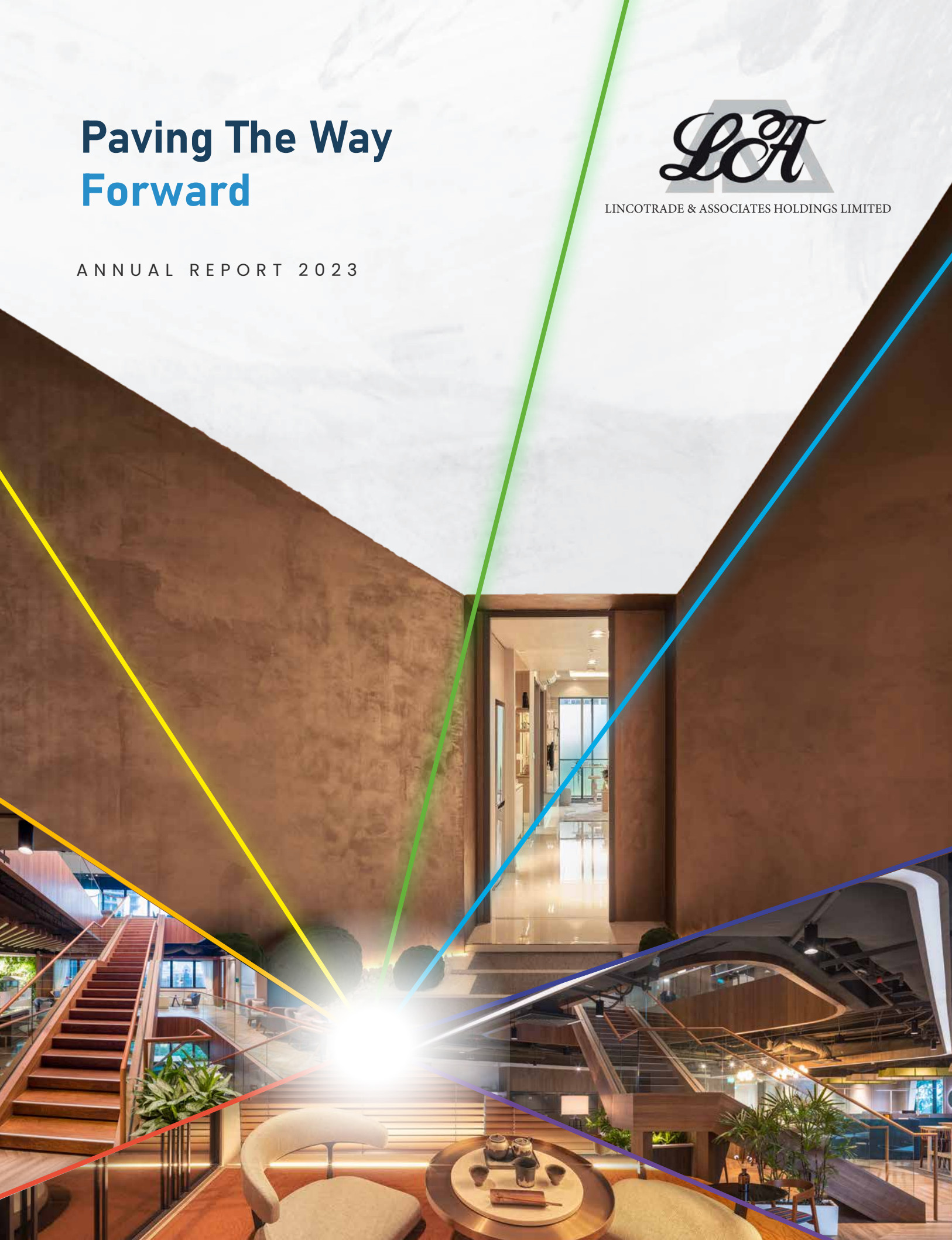


# Paving The Way Forward

ANNUAL REPORT 2023



LINCOTRADE & ASSOCIATES HOLDINGS LIMITED



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*This Annual Report 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.*



# ABOUT US

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 our inception. Engaged in the provision of interior fitting-out services, additions and alterations (“A&A”) works and other building construction services, Lincotrade has completed more than 200 projects and have consistently and successfully delivered projects to our customers’ satisfaction. Our customers include major private property developers and construction companies in Singapore.

Lincotrade is registered with the BCA under the CR06 Workhead with a L6 grade, which permits us to tender for government jobs with no tender limits. 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’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 that 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.

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.



# LETTER TO SHAREHOLDERS

## DEAR SHAREHOLDERS,

On behalf of the Board of Lincotrade & Associates Holdings Limited (“Lincotrade” or the “Company” and together with its subsidiaries, the “Group”), we are delighted to present Lincotrade’s Annual Report for the financial year ended 30 June 2023 (“FY2023”).

FY2023 marks a new milestone in Lincotrade’s history with Fabchem China Limited’s successful acquisition of Lincotrade & Associates Pte Ltd on 3 August 2022 via a Reverse Takeover (“RTO”). As such, this annual report marks the first year that accounted for the full year financial performance of Lincotrade’s business activities, which specialises in interior fitting-out services, additions and alterations (“A&A”) works and other building construction services.

On this note, we are pleased to share that FY2023 was a year with good performance across the Group, both operationally and financially, despite challenges and uncertainties from rising interest rates and an inflationary environment.

As Lincotrade transitions into a new phase, one of our key business strategies was to leverage on our market position to take on larger value projects. As part of the Group’s strategic plans to increase revenue contribution from our commercial segment, the Group has been focused on securing more commercial projects in Singapore and we are pleased to highlight that 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.

Building on this momentum and our strengths, we have confidence going into the future. Positive industry outlook over the medium-term, where BCA has projected that the total construction demand in Singapore will reach between \$25 billion and \$32 billion per year from 2024 to 2027<sup>(1)</sup>, provides more indicators that give us more optimism for the prospects of our operating environment.

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.

The Company incorporated a Malaysia subsidiary, Lincotrade & Associates (Malaysia) Sdn. Bhd. on 14 August 2023. The incorporation of the Malaysia subsidiary will enable the Group to explore new business opportunities and extend our business outreach to Malaysia.

Nevertheless, we are mindful of the headwinds facing the industry, such as rising construction costs, tightening of foreign workers policies, higher operating expenses due to inflationary pressures, among others.

To mitigate such impact, we aim to enhance Lincotrade’s business agility and resilience with a collaborative approach and a conservative take on cash flow management as we expand our order book with a healthy pipeline of new projects, particularly those that are larger in terms of scale and contract value.

At the same time, as part of our sustainability strategy, we will continue to train and upskill our workforce to be more productive, digitally savvy and knowledgeable about sustainability, where the adoption of advanced and smart approaches has been proven in reducing material wastage, and lowering environmental impact.

Sustainability will continue to be integral to Lincotrade’s overall business operations and we remain committed to growing our business in a responsible manner that is considerate of our economic, social and environmental footprint.

## **REVENUE SURGED 78.0% TO S\$69.9 MILLION IN FY2023 WITH NET CASH FLOW OF APPROXIMATELY S\$4.7 MILLION GENERATED FROM OPERATIONS DURING FY2023**

To recap, Lincotrade has built up more than 30 years of experience and track record in Singapore, specialising in interior fitting-out services, 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;

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



# LETTER TO SHAREHOLDERS

- b. residential premises such as condominium developments; and
- c. showflats and sales galleries.

Reflecting our core competencies in project management and execution, the Group's revenue surged by approximately S\$30.6 million or 78.0%, to approximately S\$69.9 million in FY2023 (FY2022: S\$39.3 million), driven by higher revenue contribution from the Group's commercial and showflats business segments in FY2023.

Corresponding to increased revenue growth in FY2023, the Group's gross profit increased by approximately S\$2.6 million or 55.0% to approximately S\$7.3 million in FY2023 (FY2022: S\$4.7 million).

Notably, the Group generated net cash of approximately S\$4.7 million from operations during FY2023.

With the completion of the RTO on 3 August 2022, the Group recognised the one-off non-cash RTO expenses of approximately S\$10.8 million in accordance with the Singapore Financial Reporting Standards (International) in FY2023.

Excluding the one-off non-cash RTO expenses, Lincotrade would 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.

More details can be found in the financial review section in the next few pages of this Annual Report.

## ACKNOWLEDGEMENTS

As Lincotrade ventures forth, we will maintain a clear focus on growth, taking the best aspects of our strengths, and making them even better with our values of teamwork, integrity and trust.

As you can see, we have made significant progress in FY2023 and we are very proud that at Lincotrade, we have been able to maintain a stable and highly experienced workforce, and we believe this gives us a competitive edge.

On behalf of the Board, we would like to express our gratitude to all our staff and our management team for their ongoing efforts, commitment and contributions towards our vision and business strategies.

To our fellow directors, thank you for your continued wise counsel and guidance in shaping our strategy and aspirations ahead, drawing upon our collective strengths to build upon what we have achieved thus far.

We would also like to thank our customers, business partners, bankers and other stakeholders for their continued support and confidence in us and our work.

Last but not least, we would like to express our sincere appreciation to all our shareholders, for their steadfast trust and support to Lincotrade's business ambitions.

The future holds much promise for Lincotrade and we anticipate an exciting journey ahead. Working collectively together, we will continue to strengthen our fundamentals, and deliver improved results for our customers, stakeholders and each other.

And we will do so with a team who is passionate, bold and driven.

Thank you!

**Dr Tan Kok Heng**

Independent Non-Executive Chairman

**Mr Tan Jit Meng (Jimmy)**

Managing Director

# FINANCIAL REVIEW

## REVENUE

The Group's revenue recognised in a particular financial year would depend mainly on the value of the projects secured and percentage of works completed in the following three segments:

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

Driven by higher revenue contributions from the commercial and showflats segments in FY2023, The Group's revenue increased significantly by approximately S\$30.6 million or 78.0% to S\$69.9 million, as compared to FY2022's revenue of S\$39.3 million.

In FY2023, revenue from the Group's commercial and showflats segments increased by approximately S\$17.9 million or 58.7% to S\$48.4 million and approximately S\$14.1 million or 357.3% to S\$18.0 million respectively, mainly due to higher percentage of completion for some of the Group's larger commercial and showflats projects, as compared to FY2022.

However, revenue from our residential segment declined by approximately S\$1.4 million or 29.0% to S\$3.4 million as most residential projects on hand were substantially completed during FY2022.

## GROSS PROFIT

In tandem with higher revenue, the Group's gross profit increased by approximately S\$2.6 million or 55.0% to S\$7.3 million, as compared to FY2022's gross profit of S\$4.7 million.

However, the Group's gross profit margin dipped by 1.5 percentage points from 11.9% in FY2022 to 10.4% in FY2023. The lower gross profit margin was mainly due to the lower margin projects for the residential and showflats segments, partially offset by the higher margin projects from the commercial segment.

Higher proportion of revenue contribution from showflats segment also accounted for lower overall gross profit margin of the Group for FY2023.

## OTHER INCOME AND GAINS

The Group's other income and gains relate mainly to the government grants received during FY2023. The increase in government grants received during FY2023 was mainly due to the approval and receipt of the GEMS Listing Grant from MAS of approximately S\$272,000 in relation to the RTO, partially offset by the cessation of some grants from the Singapore Government that were introduced during the COVID-19 period, for example the Jobs Support Scheme and Foreign Workers Levy rebate.

## ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by approximately S\$1.2 million or 64.3% to approximately S\$3.1 million in FY2023, as compared to administrative expenses of approximately S\$1.9 million in FY2022. The increase was mainly due to the higher employee benefits expenses, which increased 46.5% or approximately S\$818,000 in FY2023, as the Group increased our staff strength to undertake and manage larger projects and higher business volume in FY2023. In addition, the Group increased the salary and bonuses of our staff in FY2023 to reward them for their past contributions to the Group.

## OTHER EXPENSES

The Group's other expenses increased by approximately S\$227,000 or 18.4% to S\$1.5 million in FY2023, as compared to FY2022's other expenses of S\$1.2 million. The increase was mainly due to higher transportation expenses and utilities expenses that is in line with the increase in revenue and business activities of the Group for FY2023.

## OTHER LOSSES

With the completion of the RTO on 3 August 2022, the Group recognised the one-off non-cash RTO expenses of approximately S\$10.8 million, that comprises deemed RTO expenses of approximately S\$9.6



million and share-based payment to the Sponsor and Arranger of approximately S\$1.2 million. In addition, the Group incurred expenses of approximately S\$196,000 relating to the RTO.

## PROFIT / (LOSS) BEFORE TAX

The Group registered a loss before tax of approximately S\$8.0 million during FY2023, mainly 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 have registered an adjusted profit before tax of approximately S\$2.8 million, representing a growth of 168.2% as compared to profit before tax of S\$1.0 million in FY2022.

## KEY BALANCE SHEET HIGHLIGHTS

### **Total Assets**

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 Group's total assets increased 26.5% to approximately S\$35.1 million as at 30 June 2023 from S\$27.7 million as at 30 June 2022.

### **Non-Current Assets**

The key components of non-current assets are property, plant and equipment of approximately S\$1.4 million, right-of-use asset of approximately S\$100,000 and non-current portion of trade and other receivables of approximately S\$3.0 million.

The increase in non-current assets was mainly due to an increase in the non-current portion of retention receivables under trade and other receivables of approximately S\$186,000 as a result of high billings for completed works in FY2023. This was partially offset by the decrease in property, plant and equipment and right-of-use asset of approximately S\$120,000 and S\$62,000 respectively mainly due to depreciation charged during the current financial year.

### **Current Assets**

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

The Group's current assets increased by S\$7.3 million or 31.5%, from S\$23.3 million as at 30 June 2022 to S\$30.6 million as at 30 June 2023.

This was mainly due to (i) an increase in cash and bank equivalents of approximately S\$6.5 million mainly due to positive cashflows from operating activities, (ii) an increase in trade and other receivables of S\$7.0 million mainly due to increase in billings to customers for work done, (iii) an increase in other financial assets of approximately S\$719,000, partially offset by a corresponding decrease in contract assets of approximately S\$6.9 million that was transferred to trade receivables due to higher billing to customers for certified completed jobs.

### **Total Liabilities**

The Group's total liabilities comprise non-current liabilities of approximately S\$1.7 million and current liabilities of approximately S\$24.6 million as at 30 June 2023. The Group's total liabilities increased 20.9% to approximately S\$26.3 million as at 30 June 2023, as compared to S\$21.8 million as at 30 June 2022.

### **Non-Current Liabilities**

The key components of non-current liabilities are the non-current portion of the lease liabilities and other financial liabilities of approximately S\$159,000 and S\$1.6 million, respectively.

The decrease in non-current liabilities by approximately S\$1.6 million was mainly due to the repayment of term loans during the current financial year, as well as re-classification of a shareholder's loan of S\$800,000 to current as the shareholder's loan will be due within the next 12 months.

# FINANCIAL REVIEW

## **Current Liabilities**

The key components of current liabilities are trade and other payables of approximately S\$11.7 million, current portion of other financial liabilities of approximately S\$11.6 million, income tax provision of approximately S\$725,000, contract liabilities of approximately S\$469,000 and current portion of lease liabilities of approximately S\$112,000.

Current liabilities increased by approximately S\$6.1 million mainly due to increase in trade and other payables of S\$2.0 million due to the increase in business activities during the financial year and increase in current portion of other financial liabilities of S\$4.0 million which includes an increase in bills payable and the re-classification of S\$800,000 shareholder's loan from non-current to current liabilities as mentioned above.

## **Total Equity**

As at 30 June 2023, the Group's total equity stood at approximately S\$8.8 million.

## **CASH FLOW HIGHLIGHTS**

During FY2023, the Group recorded operating cash flows before working capital changes of approximately S\$3.9 million and net cash of approximately S\$4.7 million generated from operating activities.

Net cash from working capital amounted to approximately S\$1.5 million in FY2023, mainly due to (i) decrease in contract assets of approximately S\$6.9 million due to higher billing to customers for certified completed jobs; (ii) increase in trade and other payables of approximately S\$2.8 million due to

increase in business activities; (iii) which was partially offset by an increase in trade and other receivables of approximately S\$7.2 million due to increase in billings to customers for work done, increase in other non-financial assets of approximately S\$675,000 and decrease in contract liabilities of approximately S\$321,000. The Group also paid income tax of approximately S\$336,000. As a result, net cash generated from operating activities amounted to approximately S\$4.7 million.

For investing activities, the Group used net cash of approximately S\$294,000 during FY2023 that was mainly related to the purchase of plant and equipment of approximately S\$385,000, which was partially offset by the proceeds from disposal of property, plant and equipment and the interest received.

For financing activities, the Group used approximately S\$569,000 during FY2023 that was mainly due to the repayment of term loans of approximately S\$1.5 million, increase in cash restricted in use of approximately S\$2.7 million due additional fixed deposit pledged for bank facilities and the payment of dividend to former shareholders of Lincotrade & Associates Pte Ltd of S\$1.1 million, which was partially offset by net proceeds from issuance of new shares pursuant to the RTO exercise of approximately S\$1.2 million, net cash inflows from RTO of approximately S\$289,000, loan from a shareholder of S\$300,000 and an increase in bill payables of approximately S\$3.1 million.

As a result, the Group registered a net increase of approximately S\$3.8 million in cash and cash equivalents from approximately S\$5.3 million as at 1 July 2022 to approximately S\$9.1 million as at 30 June 2023.



# FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 30 JUNE	FY2022	FY2023
	S\$'000	S\$'000
<b>REVENUE BY PRODUCT SEGMENTS</b>		
Commercial	30,515	<b>48,442</b>
Residential	4,796	<b>3,403</b>
Showflats	3,943	<b>18,030</b>
<b>OPERATING RESULTS</b>		
Revenue	39,254	<b>69,875</b>
Gross Profit	4,679	<b>7,252</b>
Profit / (Loss) before tax	1,047	<b>(7,971)</b>
Profit / (Loss) attributable to shareholders	621	<b>(8,744)</b>
Profit after tax before one-off non-cash RTO expenses <sup>(1)</sup>	621	<b>2,035</b>
EBITDA <sup>(2)</sup>	1,930	<b>3,890</b>
<b>BALANCE SHEET</b>		
<b>Non-Current Assets</b>	4,439	<b>4,443</b>
Current Assets	23,291	<b>30,636</b>
Current Liabilities	18,495	<b>24,581</b>
Non-Current Liabilities	3,274	<b>1,731</b>
<b>CASHFLOW</b>		
Operating Activities	1,014	<b>4,663</b>
Investing Activities	(140)	<b>(294)</b>
Financing Activities	1,150	<b>(569)</b>

<sup>(1)</sup> One-off non-cash RTO expenses amounted to approximately S\$10.8 million for FY2023.

<sup>(2)</sup> Earnings Before Interest, Tax, Depreciation, Amortisation and one-off non-cash RTO expenses.

# BOARD OF DIRECTORS



## **DR TAN KOK HENG**

*Independent Non-Executive Chairman*

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Dr Tan is the Independent Non-Executive Chairman of our Company and he is currently the Executive Director and CEO of Sunway RE Capital Pte Ltd (“Sunway”), the real estate investment management arm of Sunway Berhad. At Sunway, Dr Tan oversees the real estate fund management business. His responsibilities include deal origination and fund raising, with an emphasis on setting up listed and unlisted funds, with the objective of building Sunway’s overseas property business as well as growing its recurring income. Prior to joining Sunway, Dr Tan was CEO of Fund Management Business and Head of Property Investment of Sime Darby Property Berhad (“SDPB”) from April 2011 to October 2018. He was instrumental in setting up several private real estate and development funds for SDPB, as well as being involved in numerous joint ventures. Dr Tan also sits on the board of other listed and non-profit organisations.

Dr Tan graduated from the National University of Singapore with a Bachelor of Science (Hons) in Estate Management. He also holds a Graduate Diploma in Financial Management from the Singapore Institute of Management, Master of International Business from the Curtin University of Technology, Australia and Doctorate (Transdisciplinary Studies) from Central Queensland University, Australia. He is also a member of the Singapore Institute of Directors.



## **MR TAN JIT MENG (JIMMY)**

*Managing Director*

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Mr Jimmy Tan is the Managing Director of our Company and he is the co-founder and Managing Director of Lincotrade & Associates Pte Ltd. Prior to co-founding Lincotrade & Associates Pte Ltd in November 1991, he worked as a Foreman for Linco (Private) Limited, which is engaged in the business of providing partition and ceiling works, from July 1987 to September 1991. He co-founded Lincotrade & Associates Pte Ltd in November 1991. Mr Jimmy Tan was later promoted to Deputy Managing Director in January 1998 and Managing Director in July 2000.

Mr Jimmy Tan is responsible for overseeing our operations, including business development, project and financial management.



# BOARD OF DIRECTORS



## **MR LU KING SENG**

*Independent Director*

Mr Lu is the Independent Director of our Company and he has more than 24 years of commercial and audit experience. He has been the director of Orion Business Advisory Pte Ltd (principally engaged in providing business management, consultancy and transaction advisory services) since June 2014. He was chief financial officer in SinCo Technologies Pte Ltd from January 2005 to March 2013, where he was primarily responsible for overseeing the financial and accounting functions of the company. Mr Lu obtained his Malaysian Higher School Certificate (equivalent to the General Certificate of Education (Advanced Level)) in 1990. Mr Lu attended Emile Woolf International, London and obtained membership with the Association of Chartered Certified Accountants in 1999 and was subsequently admitted a Fellow of the Association in 2004. Mr Lu was admitted as a member of the Institute of Chartered Public Accountants of Singapore and the Singapore Institute of Directors in 2012. He is also independent director of other companies listed on the SGX-ST and The Stock Exchange of Hong Kong.



## **MR WEE SHUO SIONG MILTON**

*Non-Independent Non-Executive Director*

Mr Wee is the Non-Independent Non-Executive Director of our Company and he is the founder and director of Zennez Pte. Ltd. which specialises in organising wellness events. Before this, he was the Head of Marketing at Nature's Farm Retail Pte Ltd ("Nature's Farm"), a health food and supplement distribution Company with a retail presence in Singapore. At Nature's Farm, he oversees the development and execution of marketing strategies, campaigns and events, as well as identification of new market segments and opportunities. Prior to joining Nature's Farm in March 2022, he spent close to 5 years as a Business Development Manager in Imperium Crown Limited from June 2017 to February 2022, a property investment and development Company listed on the Catalist board of the SGX-ST, where he was responsible primarily for the sourcing and evaluation of potential deals as well as studying of industry and market trends. From January 2015 to May 2017, Mr Wee worked in event management companies where he was involved in project management as well as event planning and execution. He graduated from the University of Queensland with a Masters in Business and from the University of Adelaide with a Bachelor of Innovation & Entrepreneurship. He also holds an Advanced Diploma in Business Administration from Macquarie University and is an associate member of the Singapore Institute of Directors.

# KEY MANAGEMENT

## **MR SOH LOONG CHOW JACKIE**

*Business Development Director*

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Mr Soh is the Business Development Director of our Company and the co-founder of Lincotrade & Associates Pte Ltd. Prior to co-founding Lincotrade & Associates Pte Ltd in November 1991, he worked as a Foreman for Linco (Private) Limited from October 1987 to September 1991. Mr Soh is responsible for all our Company's marketing and business development matters. Mr Soh obtained his Singapore-Cambridge General Certificate of Education (Ordinary Level) in 1984.

## **MR TAN CHEE KHOON**

*Operations Director*

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Mr Tan is the Operations Director of our Company and he joined Lincotrade & Associates Pte Ltd in March 1999 as a Junior Site Supervisor and was subsequently promoted to Site Supervisor in August 1999, Site Coordinator in January 2000, Project Manager in September 2005, General Manager in January 2008 and became a shareholder and a director in July 2015. Mr Tan is responsible for all our Company's tendering and project management matters. Mr Tan obtained his Diploma in Civil Engineering from the Federal Institute of Technology (Malaysia) in 1997.

## **MR KWEK WEI LEE**

*Chief Financial Officer*

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Mr Kwek is the Chief Financial Officer of our Company. He was previously the Finance Manager (Group Accounts) of Fabchem China Limited and is responsible for the financial, accounting, budgeting and taxation matters of the Group. Prior to joining Fabchem China Limited in April 2005, he was an Audit Senior with Ernst & Young, Singapore, an international audit firm, from January 2003 to March 2005, where he was involved in the audit of public listed companies and multinational companies. From December 2000 to December 2002, he was a Senior Audit Assistant with BDO LLP (formerly known as BDO International), Singapore, an international audit firm. Mr Kwek obtained a Diploma with Merit in Accountancy from Ngee Ann Polytechnic in June 1998. He is a Chartered Accountant of Singapore and fellow member of the Association of Chartered Certified Accountants in UK.



# SUSTAINABILITY REPORT

## BOARD STATEMENT

The Board of Directors (“**Board**”) is pleased to present the annual sustainability report of Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited, referred to in this report as “**Lincotrade**,” or the “**Company**”, and together with its subsidiary, the “**Group**”) for our financial year ended 30 June 2023 (“**FY2023**”).

Sustainability is a key part of the Group’s focus to create long-term value for its stakeholders. The key material Economic, Environmental, Social and Governance (“**EESG**”) factors for the Group have been identified and reviewed by the Board. The Board oversees the management and monitors these EESG factors and takes them into consideration in the determination of the Group’s sustainability practices, policies and performance.

We understand the importance of aligning our disclosure with the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”), as well as identifying and addressing climate-related risks and opportunities for the long-term sustainability of our business. However, due to resource constraints, we have had to adapt and be agile, as there are not enough resources to pursue TCFD disclosure this year, including time, financial, and human resources. We are currently planning our approach and have laid the groundwork to align with TCFD frameworks. We will comply with the climate disclosure rules in the sustainability report on a “comply or explain” basis for our financial year beginning 1 July 2023.

In addition, we are pleased to inform that all our directors have completed comprehensive sustainability training as prescribed by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) which reflects our dedication to sustainable business practices. The directors’ training will enable us to further implement and improve sustainable strategies within our Group. We believe that integrating such practices not only benefits the environment but also strengthens our relationships with clients, partners, and stakeholders who share our vision for a sustainable future.

**29 September 2023**

## ABOUT THIS REPORT

This 2023 Sustainability Report has been prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards 2021. The Group has chosen GRI as it is the most widely adopted global standards for sustainability reporting and it provides businesses and organisations worldwide a framework to measure, understand and communicate their critical sustainability issues on environmental, economic, and social impacts to stakeholders. This report is set out in accordance with Rule 711A and Rule 711B and Practice Note 7F of the SGX-ST Catalist Rules on Continuing Listing Obligations, save for the climate-related disclosures as explained in the Board Statement.

This report highlights the key EESG related initiatives conducted throughout FY2023. The Group’s sustainability report summarises the expectation from various stakeholders, general business environment that the Group is operating in and what the Group has done to ensure the sustainability of the Group over the years. The sustainability performance and targets in this report are in relation to the Group’s entire operations.

We have relied on our internal source of information and verification mechanisms to ensure the accuracy of this report and no external assurance was obtained. We will consider seeking an independent external assurance in future. We have planned for an internal review in the coming year, pursuant to Rule 711B (3) of the Catalist Rules.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your comments and suggestions to [info@lincotrade.com.sg](mailto:info@lincotrade.com.sg).

# SUSTAINABILITY REPORT

## SUSTAINABILITY APPROACH



Our process begins with planning & scope phase, where we identify our sustainability reporting goals and objectives. We then engage stakeholders to ensure that our efforts align with their expectations. Thirdly, we assess materiality to determine the most significant aspects of our operations and collect sustainability data to monitor our progress towards our goals. Finally, we report our sustainability practices through various channels, including this annual Sustainability Report.

## SUSTAINABILITY GOVERNANCE

Our sustainability governance structure has been designed to ensure the long-term success and growth of our organisation while simultaneously promoting environmental stewardship and social responsibility.

Our sustainability governance consists of a top-down approach, with our Board of Directors overseeing the overall strategy and providing direction for our sustainability reporting process and management approach.

The Board is supported by dedicated cross-functional teams throughout the Company to stage and implement sustainability initiatives in their daily operations. These cross-functional teams, comprising of senior management, operations, and human resources personnel work closely with our stakeholders to identify sustainability-related risks and opportunities for us to formulate our sustainability strategy.

We believe that our efforts in governing our sustainability reporting process and transparent communication with stakeholders are essential in building trust and fostering collaboration. As such, we regularly share our progress through annual sustainability report and updates on our website.

## STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to engage our stakeholders to identify material sustainability topics relevant to our business. Our key stakeholders include, but are not limited to, customers, suppliers, shareholders, employees, and regulators. It is important that we regularly conduct stakeholder engagement as it will actively nurture relationships instead of transactional ones. Our stakeholder engagement approach entails both formal and informal. Formal stakeholder engagement entails planned interactions such as project reviews, presentations, surveys, and Annual General Meeting (“**AGM**”), while informal involves flexible and ad-hoc conversation with stakeholders yet still allows information gathering. In FY2023, we have adopted informal stakeholder engagement to understand the topics of concerns the stakeholders might have, including sustainability. While we fully recognise the importance of formal stakeholder engagement, we face limitations in resource allocation to pursue it fully this year. We will plan to conduct a formal stakeholder engagement in the future and derive benefit of having impromptu engagement regularly with stakeholders for this year.



# SUSTAINABILITY REPORT

Our engagements with our key stakeholders are summarised in the table below.

KEY STAKEHOLDERS	ENGAGEMENT PLATFORMS	KEY CONCERNS RAISED	OUR RESPONSES
<b>Suppliers and sub-contractors</b>	<ul style="list-style-type: none"> <li>• Face-to-face/Virtual Meetings</li> <li>• Evaluation &amp; Feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Order volume</li> <li>• Timely payments</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing timely updates to address fluctuations in supply and demands</li> <li>• Establishing mutually agreed-upon payment terms</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual Report</li> <li>• Corporate and financial announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Dividends</li> <li>• Sustainability</li> <li>• Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Timely corporate announcements</li> <li>• Compliance to Corporate Governance</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• E-mails</li> <li>• Surveys</li> <li>• Face-to-face meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Product design and quality</li> <li>• Customer service</li> <li>• Product affordability</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings with customers to review requirements and preferences</li> <li>• Obtain timely feedback from customers</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>• Circulars</li> <li>• Inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to relevant laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Setting the tone of compliance by leadership</li> <li>• Ensuring key personnel stay informed with compliance development</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Face-to-face meetings / Company functions and trips</li> <li>• Emails</li> <li>• Virtual meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Employees welfare</li> <li>• Team camaraderie</li> <li>• Training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Engaging employee through team building activities</li> <li>• Providing targeted training programmes</li> </ul>

## MEMBERSHIP ASSOCIATIONS

Our commitment to sustainability is strengthened by our collaborations with industry leaders and associations. Together, we can make a greater impact toward a sustainable future. We are proud to work alongside the following organisations and believe that our memberships are essential in achieving our shared sustainable value creation goals.

# SUSTAINABILITY REPORT



The Singapore Contractors Association Limited (“SCAL”) is a not-for-profit organisation representing more than 3,000 construction firms and allied businesses in Singapore.

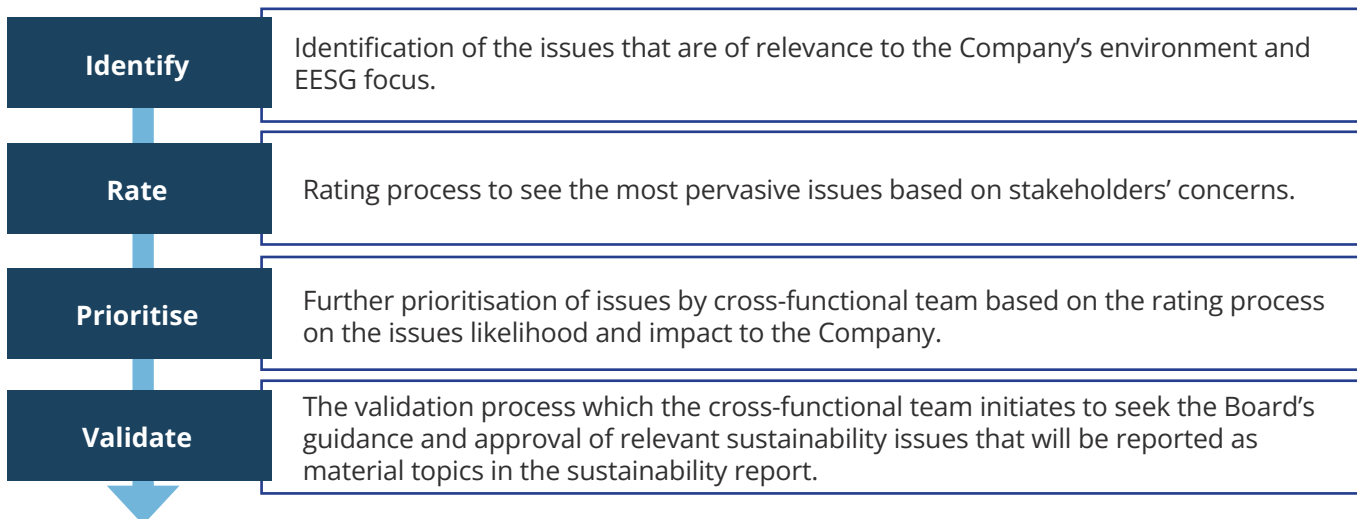
Since 1937, SCAL plays a pivotal role in being the voice of the construction industry in Singapore through facilitating in various platforms such as bridging closer working relationships between businesses and government agencies, networking events for members, recognition and awards platforms and administering programmes to drive business success.



The Singapore Business Federation (“SBF”) is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations. It represents more than 29,000 companies, as well as key local and foreign business chambers.

## MATERIALITY ASSESSMENT

Our sustainability reporting process begins with the identification of material EESG factors. We engaged our employees from different departments and sought their feedback for ranking of these topics according to priority. Materiality review is conducted every year, incorporating inputs gathered from stakeholders’ engagements. Processes are as shown below:





# SUSTAINABILITY REPORT

In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. We will perform a more formal materiality assessment in the next financial year. The formal materiality assessment will involve collecting inputs from stakeholder engagement and evaluating EESG impacts from the Group's perspective.

## MATERIAL EESG FACTORS



## ECONOMIC

### ECONOMIC PERFORMANCE

Economic growth and financial profitability are important to us as we can focus on better serving our stakeholders, invest in our employees, and contribute positively to the community in which we operate. Furthermore, it provides the financial stability and resources needed for research and development, allowing us to innovate and stay competitive in a rapidly changing global marketplace. It also opens doors for our strategic expansion into new markets, fostering resilience and long-term success.

For detailed financial results, please refer to the following sections in our Annual Report 2023:

- Financial highlights, page 7;
- Financial review, page 4 to 6; and
- Financial statements, page 65 to 114.

### ANTI-CORRUPTION

Lincotrade does not tolerate corruption in any form, including extortion and bribery, support key national legislation to fight corruption and champion a culture of zero tolerance. Anti-corruption presents a level playing field for us and creates a fair and competitive business environment for our growth.

As part of our commitment to anti-corruption, the Group has in place whistleblowing policy and arrangements by which staff of the Group and external parties such as the Group's business associates may, in confidence,

# SUSTAINABILITY REPORT

raise concerns about possible corporate improprieties in matters of financial reporting or other matters to ensure independent investigation of such matters and for appropriate follow up actions. All whistleblowing reports are to be sent to the Chairman of the Audit Committee, who oversees independent investigations of such matters and for appropriate follow up action.

An employee who discovers or suspects fraudulent activity will contact the Chairman of the Audit Committee immediately. The employee or other complainant may remain anonymous. The Chairman of the Audit Committee has the primary responsibility for the investigation of all suspected fraudulent acts and if the preliminary investigation substantiates those fraudulent activities, the Chairman of Audit Committee will issue reports to the Board. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with the senior management and legal counsel, if any, as will final decisions on disposition of the case.

Great care will be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

ANTI-CORRUPTION PERFORMANCE	FY2023	FY2022
<b>Total number and nature of confirmed incidents of corruption</b>	0	0
<b>Total number of confirmed incidents in which employees were dismissed or disciplined for corruption</b>	0	0
<b>Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption</b>	0	0
<b>Public legal cases regarding corruption brought against Lincotrade or its employees during the reporting period and the outcomes of such cases</b>	0	0

In FY2024, we strive to promote transparency and integrity in all our operations and ensuring zero incidents of corruption.

## ENVIRONMENTAL

### ENERGY

We understand the crucial role businesses play in mitigating the environmental impact of human activities. Our goal is to minimise energy consumption and contribute positively to the global effort towards a greener future. We have implemented various measures to achieve this, including optimising energy consumption in our facilities, and promoting eco-friendly practices among our employees.

#### Non-renewable Energy Consumption (Megajoules)





# SUSTAINABILITY REPORT

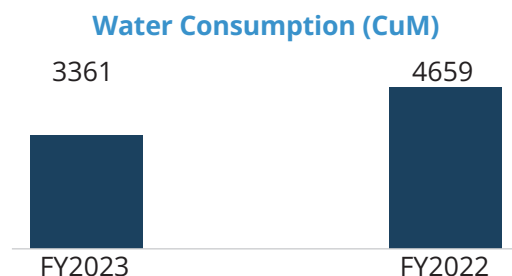
There was a reduction of 4.3% in non-renewable energy consumption in FY2023. This was due to our workers vacating the Company's dormitory for a period of one or two months to return to their home country on home leave.

In FY2024, we are committed to maintaining the same level of energy consumption.

## WATER

We believe that mindful water consumption is crucial for achieving sustainability. According to Principles for Responsible Investment (“PRI”), “the world’s fresh water supply is increasingly facing challenges of scarcity and contamination, and the situation is rapidly deteriorating. Given its importance for life on earth and to sustainable socio-economic development, the importance of water to human well-being cannot be overstated.”<sup>1</sup>

By being aware of our water consumption and making conscious efforts to conserve it, we can reduce negative impact on the environment and ensure that future generations have access to clean and safe water. As a group, we pledge to take responsibility for our individual water usage and promote mindful water consumption within our operations.



There was a 27.86% decrease in water consumption in FY2023 compared to previous year, which was attributed to fewer project sites, in particular showflats projects.

In FY2024, we strive to maintain the same level of water consumption.

## WASTE

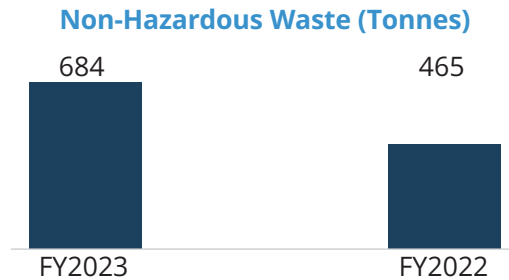
We are fully committed to reducing environmental impact, and waste management plays a crucial role in our efforts. We do not currently generate hazardous waste. Our non-hazardous waste generation tracking program which helps us organise the data of amount and types of waste that we generate and employee encouragement to adopt mindful consumption practices are some of the measures we have implemented.

We will continue to explore new ways to minimise negative impact due to generation of waste and promote sustainable practices within our operations.

In FY2023, there was an increase of generated non-hazardous waste. This increase was attributed to the growth in our business activities. As we continue to expand, there may be a corresponding increase in waste generation.

<sup>1</sup> Why care about supply chain water risks? (n.d.). PRI. <https://www.unpri.org/environmental-issues/why-care-about-supply-chain-water-risks/417>. article

# SUSTAINABILITY REPORT



In FY2024, we aim to implement better waste management practices by reporting quantity of waste generated and promoting sustainable consumption habits within our operations by detailing the percentage sent for waste recycling.

## SOCIAL

According to UN Global Compact, businesses have legal, moral and commercial obligations to promote, respect and protect human rights. Moreover, businesses have the responsibility to contribute to positive impacts in the areas of labour. To this extent, the Group pays close attention to its potential and actual human rights and labour rights impacts within our operations towards the individuals and groups who may be affected by the company's activities and business relationships. Aside from risks assessment to business, we also acknowledge the risks pose to people that are affected by our business operations and relationships.

We believe embedding the principles of human rights and labour rights and adhering to the Employment Act within our operations will translate into higher economic performance and productivity, increased stakeholders trust, lower employee turnover, and drives sustainable development for our Company.

We are proud to deploy a whistleblowing policy to embed our commitment to protecting human rights within our operations that ensures confidentiality and protection of whistle blower from any retaliation. Our whistleblowing policy is publicly available and can be found in <https://www.lincotrade.com.sg/whistle-blowing-policy>.

## EMPLOYMENT

We believe that employment should be based on merit and competitiveness, and we remain steadfastly committed to creating a fair and inclusive workplace where everyone has the opportunity to succeed.

As a responsible corporate citizen, we conduct frequent reviews of our turnover and new hire activities in order to identify areas where we can improve. The Group has 131 employees as at 30 June 2023 (as at 30 June 2022: 115 employees). Our ultimate objective is to establish a work culture that is both productive and sustainable, where our employees can flourish and advance in their careers.

The percentage of new hires and turnover rates are obtained by the number of New Hires or Turnover divided by the total workforce for the respective financial year. In FY2023, our annual turnover ratio is 15.27% (FY2022: 14.78%).

# SUSTAINABILITY REPORT

NEW HIRES RATE	FY2023		FY2022	
	NUMBER	%	NUMBER	%
<b>BY GENDER</b>				
Male	27	21%	32	28%
Female	7	5%	13	11%
<b>BY AGE</b>				
< 30 years old	16	12%	25	22%
30 - 50 years old	15	11%	19	17%
> 50 years old	3	2%	1	1%
<b>BY NATIONALITIES</b>				
Singapore	6	5%	11	10%
Malaysia	3	2%	4	3%
Myanmar	Nil	Nil	1	1%
Philippines	2	2%	2	2%
India	7	5%	6	5%
China	1	1%	1	1%

TURNOVER RATE	FY2023		FY2022	
	NUMBER	%	NUMBER	%
<b>BY GENDER</b>				
Male	17	13%	10	9%
Female	3	2%	7	6%
<b>BY AGE</b>				
< 30 years old	11	8%	5	4%
30 - 50 years old	8	6%	10	9%
> 50 years old	1	1%	2	2%
<b>BY NATIONALITIES</b>				
Singapore	3	2%	8	7%
Malaysia	Nil	Nil	1	1%
Myanmar	Nil	Nil	Nil	Nil
Philippines	Nil	Nil	Nil	Nil
India	2	2%	2	2%
China	3	2%	1	1%

In FY2024, we aim to maintain the same level of staff turnover ratio.

## DIVERSITY AND EQUAL OPPORTUNITY

### Board Diversity

The Board's aim is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender



# SUSTAINABILITY REPORT

or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the Board, when identifying nominees, is to avoid groupthink, foster constructive debate, and ensure that composition is optimal to support the Group's needs in the short and long term.

The Board has reviewed the present Board size and is satisfied that the current size facilitates effective decision making and is appropriate for the nature and scope of the Group's operations. Please refer to our Corporate Governance Report Page 30 to 31 for more detailed information.

As at the date of this Report, we have formalised and adopted a Board Diversity Policy that addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity and aim to achieve the objectives set out in the policy.

## Employee Diversity

Employee diversity is material to us as it can lead to increased productivity, improved company culture, access to a more robust talent pool, innovation and creativity, and better decision-making for the Group. The Group has a workforce of diverse cultural backgrounds, contributing to a dynamic and inclusive working environment. Below is the statistics of our Group's employee diversity:

FY2023						
Gender	Number	< 30 years old	Number	30 - 50 years old	Number	> 50 years old
Male	34	26%	56	43%	14	11%
Female	9	7%	15	11%	3	2%
FY2022						
Gender	Number	< 30 years old	Number	30 - 50 years old	Number	> 50 years old
Male	31	27%	51	44%	11	10%
Female	7	6%	12	10%	3	3%

	FY2023		FY2022	
	NUMBER	%	NUMBER	%
BY NATIONALITIES				
Singapore	29	22%	24	20%
Malaysia	9	7%	6	5%
Myanmar	1	1%	1	1%
Philippines	10	8%	8	7%
India	21	16%	16	14%
China	8	6%	10	9%
Bangladesh	50	38%	47	41%
Thailand	3	2%	3	3%

In FY2023, we selected the most qualified individuals for the job for all hiring opportunities regardless of race, sex, religion, or origin that has the effect of impairing treatment in employment. In FY2024, we strive to ensure that hiring preference will not be made on the basis of race, sex, religion, or origin that has the effect of impairing treatment in employment.

# SUSTAINABILITY REPORT

## OCCUPATIONAL HEALTH AND SAFETY

Our top priority is to ensure our employees' and customers' safety and well-being while providing high-quality service and products.

We have established EHS impact evaluation procedures. Risk management, emergency response under applicable laws and regulations requirements, including SGSecure, communication, participation and consultation procedures between our management, employees and subcontractors regarding any occupational health and safety concerns are also set up. Furthermore, we regularly review and update our Quality, Environmental, Health, and Safety ("QEHS") policies and procedures and management system to ensure a safe and healthy work environment.

We investigate incidents thoroughly to identify the underlying cause and prevent their recurrence. Regardless of the severity of the incident, we have a rigorous process to investigate and implement necessary measures to prevent any future workplace injury occurrences. Our ultimate objective is to establish a safe and secure work environment where everyone can always feel safe.

FOR ALL EMPLOYEES AND WORKERS WHO ARE NOT EMPLOYEES	FY2023	FY2022
<b>The number of fatalities as a result of work-related injury<sup>2</sup></b>	0	0
<b>The number of high-consequence work-related injuries (excluding fatalities)<sup>3</sup></b>	0	0
<b>The number of recordable work-related injuries<sup>4</sup></b>	6	6

The most common types of recordable work-related injuries are ergonomic as well as minor cuts. We have hierarchy of controls in place to manage occupational health and safety. Rules as well as applicable occupational health and safety laws and regulations are made known to the supervisors and safety managers on the project sites. The team that oversees safety is tasked to ensure that workers are abiding by the rules and regulations, properly trained and equipped to work safely. This includes wearing a proper outfit for all project workers.

In FY2024, we aim to achieve zero incidents of workplace fatality and non-fatal workplace injuries.

## TRAINING AND EDUCATION

In order to maintain a competitive edge and stay current with the latest industry developments, it is vital that employees are equipped with the necessary tools and resources to excel. This may include attending seminars, workshops, or online courses to broaden our knowledge and skill sets. In addition, we place emphasis on cross-training and opportunities for employees to learn from one another, as this can foster a more collaborative and productive work environment.

Aside from enhancing our employees' skills, training and education also display our unwavering commitment towards sustainability and our continuous efforts to enhance our practices. It is worth noting that our employees have received an average of 7.8 hours of training during FY2023 (FY2022: 7.7 hours).

<sup>2</sup> Fatalities: number of fatalities as a result of work-related injury during reporting period across the organization.

<sup>3</sup> High-consequence injuries: Number of high-consequence work-related injuries (injury that results in a fatality from which the worker cannot recover fully to pre-injury health status within 6 months) excluding fatalities during reporting period.

<sup>4</sup> Recordable Injuries: Number of recordable work-related injuries during reporting period.

# SUSTAINABILITY REPORT

AVERAGE HOURS OF EMPLOYEE TRAINING	FY2023	FY2022
<b>BY GENDER</b>		
Male	9.3 hours	8.6 hours
Female	3.6 hours	3.6 hours
<b>BY EMPLOYEE CATEGORY</b>		
Architectural Coordinator	Nil	14 hours
Finance, HR, Management ("FHMA")	12 hours	Nil
Project Team	9.8 hours	8.8 hours

Due to the nature of our industry, we have significantly more male workforce compared with female workforce. There were more training sessions being required for male employees due to construction related roles compared to female employees in office-based roles. We deploy the training programme on an as-needed basis, when they are required thus allowing them to apply the lessons.

In FY2024, we aim to maintain the same level of average training hours for our employees.

## GOVERNANCE

### CERTIFICATIONS

Our sustainability commitment is reinforced by several key compliance efforts such as certifications and licenses. BCA Certification from the Building and Construction Authority of Singapore signifies our compliance with industry standards and licenses, including specialist builder licenses. The SEC Green Label Certificate, awarded by the Singapore Environment Council, highlights our use of renewable and sustainable materials in our products. We also hold ISO certifications (ISO 9001:2015, ISO 45001:2018, ISO 14001:2015) for quality management, occupational health and safety, and environmental management. Additionally, our WSHC BizSafe STAR Certificate, showcases our dedication to a safe work environment. The following certifications embody our commitment to sustainability and responsible business practices.



### CORPORATE GOVERNANCE

The Board and the Management of Lincotrade are committed to implementing good corporate governance practices to ensure the sustainability of the Group's operations in creating long-term value for our stakeholders.

As part of our commitment to sustainability, the Board considers sustainability issues while overseeing and approving the formulation of the Group's overall long-term strategic objectives and directions. The Board also sets the Group's values and standards and ensures that obligations to stakeholders are understood and met.



# SUSTAINABILITY REPORT

Lincotrade recognises that sound corporate governance is essential to create long-term value for our stakeholders. We are committed to developing and implementing policies and procedures that will ensure good corporate governance and help us achieve our sustainability objectives.

In FY2023, there have been zero instances of non-compliance with the Code of Corporate Governance (the “Code”) requirements in FY2023, with the exception of provision 8.1 where explanation is provided. Please refer to the Annual Report 2023 pages 27 to 56 for details of the Group’s Corporate Governance Report.

In FY2024, we target to have zero cases of non-compliance related to the Code requirements.

## BUSINESS ETHICS AND COMPLIANCE

All our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group regularly updates relevant staff with development in international and local regulations.

COMPLIANCE WITH LAWS AND REGULATIONS	FY2023	FY2022
Instances for which fines were incurred	0	0
Instances for which non-monetary sanctions were incurred	0	0

In FY2024, we will ensure that our company is always following the highest ethical standards and strive for zero non-compliance with applicable laws and regulations.

## ENTERPRISE RISK MANAGEMENT

The Board acknowledges its responsibilities for the overall internal control framework and governance of risk, ensuring that the management maintains a sound system of risk management and internal controls to safeguard the interests of the Company and its shareholders.

The Board, assisted by the Audit Committee, reviews annually and ensures that a sound system of risk management and internal controls is maintained by the Group to safeguard shareholders’ interests and the Group’s assets and determines the nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives.

The Group has implemented a system of internal controls designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board, with the assistance of the Audit Committee, oversees the management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

In FY2023, we have developed our Enterprise Risk Management (“ERM”) Manual, established risk register and conducted risk workshop which we plan to conduct annually to review the adequacy and effectiveness of risk management and internal control systems.

In FY2024, we will evaluate the adequacy and effectiveness of the Group’s risk management and internal control systems.

# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>STATEMENT OF USE</b>	Lincotrade & Associates Holdings Limited has reported the information cited in this GRI content index for the period from 1 July 2022 to 30 June 2023 with reference to the GRI Standards.
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GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	1
	2-2 Entities included in the organization's sustainability reporting	11
	2-3 Reporting period, frequency and contact point	11
	2-4 Restatements of information	None
	2-5 External assurance	11
	2-6 Activities, value chain and other business relationships	1
	2-7 Employees	18 - 20
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	30 - 31
	2-10 Nomination and selection of the highest governance body	32 - 34
	2-11 Chair of the highest governance body	49
	2-12 Role of the highest governance body in overseeing the management of impacts	11 - 12
	2-13 Delegation of responsibility for managing impacts	12
	2-14 Role of the highest governance body in sustainability reporting	11 - 12
	2-15 Conflicts of interest	53
	2-16 Communication of critical concerns	12 - 13
	2-17 Collective knowledge of the highest governance body	11 - 12
	2-18 Evaluation of the performance of the highest governance body	35 - 36
	2-19 Remuneration policies	36 - 38
	2-20 Process to determine remuneration	36 - 39
	2-21 Annual total compensation ratio	Undisclosed due to confidentiality
	2-22 Statement on sustainable development strategy	11
	2-23 Policy commitments	18, 21 - 23
	2-24 Embedding policy commitments	18, 21 - 23
	2-25 Processes to remediate negative impacts	15 - 16
	2-26 Mechanisms for seeking advice and raising concerns	15 - 16
	2-27 Compliance with laws and regulations	22 - 23
2-28 Membership associations	13 - 14	
2-29 Approach to stakeholder engagement	12 - 13	
2-30 Collective bargaining agreements	None	

# SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	14 - 15
	3-2 List of material topics	15
	3-3 Management of material topics	15 - 23
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	15
<b>GRI 205: Anti-corruption</b>	205-3 Confirmed incidents of corruption and actions taken	15 - 16
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	16 - 17
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	17
<b>GRI 306: Waste 2020</b>	306-3 Waste Generated	17 - 18
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	18 - 19
<b>GRI 403: Occupational Health and Safety 2018</b>	403-9 Work-related injuries	21
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	21 - 22
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	19 - 20



# FINANCIAL CONTENTS

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	PROXY FORM

# CORPORATE GOVERNANCE REPORT

The board of directors (the “Board” or the “Directors”) and management (the “Management”) of Lincotrade & Associates Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) are committed to ensuring that high standards of corporate governance are practiced through the Group, as a fundamental part of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This report outlines the Group’s corporate governance practices that were in place during the financial year ended 30 June 2023 (“FY2023”) with specific reference made to the Principles of Code of Corporate Governance 2018 (“Code”) and the disclosure guide developed by SGX-ST in January 2015 (the “Guide”). The Group has complied with the principles and provisions set out in Code save for Provision 8.1 – Disclosure on Remuneration where the deviations and explanations are provided.

The Group also ensures that all applicable laws, rules and regulations including the Securities and Futures Act 2001 of Singapore (“Securities and Futures Act”) and the SGX-ST Listing Manual Section B: Rules of Catalist (“Catalist Rules”) are duly complied with.

## BOARD MATTERS

### THE BOARD’S CONDUCT OF AFFAIRS

*Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

The primary role of the Board is to protect and enhance long-term shareholders’ value. While the Board is collectively responsible for the success of the Company, the Board works hand in hand with the Management of the Company towards achieving this end. The Board reviews Management’s performance and Management remains accountable to the Board. Key roles of the Board include providing entrepreneurial leadership, approving the Company’s objectives, major strategic directions and corporate policies, monitoring and reviewing financial and operating performance, approving annual budgets, major funding and investment proposals, risks assessment and management and appointing any new member to the Board and key personnel. Matters which require Board’s decision include interested person transactions, material acquisitions and disposal of assets, corporate and financial restructuring, issuances of shares, dividends and other returns to shareholders. The Board manages the Group in the best interests of shareholders as well as the interest of other stakeholders and pursues the continual enhancement of the long-term shareholder value.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and consider at all times the best interests of the Company.

To assist the Board in the execution of its responsibilities, various Board Committees, namely the Audit Committee (“AC”), Remuneration Committee (“RC”) and Nominating Committee (“NC”) have been constituted with clearly defined terms of reference. Minutes of the Board Committees meetings are available to all Board members.

All the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group.

# CORPORATE GOVERNANCE REPORT

Please refer to Table 1 – Board and Board Committees.

The Board conducts regular scheduled meetings. Additional meetings may be convened as and when circumstances require. The Company's Constitution provides for meetings to be held via telephone and video conferencing. The Board and Board Committees may also make decisions through circulating resolutions.

Please refer to Table 2 – Attendance at Board and Board Committees meetings.

The Board's approval is required for the following matters that are likely to have a material impact on the Group's operations as well as matters other than in the ordinary course of business:

1. Major investment and funding
2. Interested Person Transactions
3. Material acquisition and disposal of assets
4. Corporate strategic direction and strategic action plans
5. Issuance of policies and key business initiatives
6. Issuance of shares
7. Declaration of interim dividends and proposal of final dividends
8. Announcement of the Group's half year and full year results and the release of the Annual Reports

The Board has adopted a set of internal controls which sets out authorization and approval limits governing operating and capital expenditure and investments and divestments.

A formal letter will be sent to newly-appointed Directors upon their appointment explaining their duties and obligations as Director. New Directors, upon appointment, will be briefed on the business and organisation structure of the Group, key areas of the Company's operations and on their duties and obligations as Directors.

Directors of the Company will also be updated from time to time of any news or changes to companies and securities legislation, rules and regulations. The Directors also received updates on the business of the Group through regular scheduled meetings and ad-hoc Board meetings.

The Directors are encouraged to attend other trainings, conferences and seminars which may have a bearing on their duties and contributions to the Board, organised by the professional bodies, regulatory institutions and corporations at the Company's expense.



# CORPORATE GOVERNANCE REPORT

During FY2023, the Directors have received briefing and updates which include:

- Developments in the Singapore Financial Reporting Standards briefed by the external auditors, RSM Chio Lim LLP;
- Updates on the business and strategic developments of the Group's businesses briefed by the Management; and
- Update on regulatory changes of the Companies Act and Catalist Rules by the Company Sponsor and the Company Secretary.

As at the date of this Report, all Directors have attended the mandatory sustainability training as prescribed by the SGX-ST.

The Company has an on-going budget for all Directors to attend appropriate courses, seminars and conferences for them to stay abreast of the relevant business developments. These include programmes organized by the Singapore Institute of Directors or other training institutions.

All Directors have unrestricted access to the Company's records and information. From time to time, they are furnished with accurate and detailed information in a timely manner concerning the Group to enable them to be fully cognisant of the decisions and actions of the Group's executive Management.

As a general rule, detailed Board papers prepared for each meeting are normally circulated in advance of each meeting. This is to give Directors sufficient time to review and consider the matters to be discussed so that discussion can be more meaningful and productive. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. The Board papers include sufficient background explanatory information from the Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board and Board Committees meetings. Such explanatory information may also be in the form of briefings to provide additional insights to the Directors or formal presentations made by senior management staff in attendance at the meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Group at all times in carrying out their duties.

The Management provides to the Board members with the management accounts on a quarterly basis, as well as adequate information prior to Board meetings and updates on initiatives and developments of the Group's business whenever possible, on an on-going basis.

The Board members have separate and independent access to the Company's senior management. The Board members (whether individually or as a group) have, in the furtherance of their duties, access to independent professional advice, if necessary, at the Company's expense.

The Company Secretary or her nominee administers and attends all Board and Board Committee meetings of the Company and prepares minutes of meetings. She is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The Company Secretary also assists the Chairman of the Board ("Chairman") and the Board in implementing and strengthening corporate governance practices and processes.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

# CORPORATE GOVERNANCE REPORT

## BOARD COMPOSITION AND GUIDANCE

*Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

Please refer to Table 1 – Board and Board Committees.

The NC reviews the size and composition of the Board and ensures that the Board has an appropriate balance of Independent Directors and that the size of the Board is conducive to effective discussions and decision-making. The Board currently comprises four Directors which include one Executive Director, one Non-Executive Non-Independent Director and two Independent and Non-Executive Directors. The Chairman is an Independent and Non-Executive Director and is not part of the Management team. All directors are also not related to each other.

The NC and the Board assess the independence of each Director in accordance with the guidance provided in Code as well as Rule 406(3)(d) of the Catalist Rules. An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company.

On an annual basis, each Independent Director is required to complete and submit a “Confirmation of Independence” form to confirm his independence. The said form was drawn up based on the definitions and guidelines set forth in the Code. In addition, the Directors are required to disclose to the NC and the Board any such relationship that could interfere or be reasonably perceived to interfere with the exercise of his independent business judgement in the best interests of the Company as and when it arises and the Board will state the reasons if it determines that a director is independent notwithstanding the existence of a relationship or circumstances which may appear relevant to the Board’s determination.

The NC has examined the different relationships identified by the Code that might impair each Independent Director’s independence and objectivity and concluded that all the Independent Directors are able to exercise independent business judgement in the best interests of the Company and its shareholders. The Independent Directors have confirmed their independence and the Board has determined, taking into account the views of the NC, that all Independent Directors are independent. There is no Director who is deemed to be independent by the Board notwithstanding the existence of a relationship set out in the Code, that would otherwise deem him not to be independent.

The NC is of the view that the Independent Directors, as a whole, represent a strong and independent element on the Board which is able to exercise objective judgement on corporate affairs independently from the non-independent and executive director(s).

All Directors have equal responsibility for the Group’s operations. The role of the two Independent Directors (Dr Tan Kok Heng and Mr Lu King Seng) are particularly important in ensuring that all the strategies and objectives proposed by the Management are fully discussed and examined, and that they take into account the long-term interests of the Group and the shareholders.

Provision 2.2 of the Code recommends that independent directors make up a majority of the Board where the Chairman is not independent and Provision 2.3 of the Code recommends that non-executive directors make up a majority of the Board. In the case of the Company, the Chairman is independent and he is not part of the Management team. The Independent Directors make up half of the Board and two out of three members of the Board Committees, thus providing a strong independent element on the Board, and there are adequate safeguards and checks in place to ensure that decision making process by the Board is independent.

# CORPORATE GOVERNANCE REPORT

The NC conducts review of the Board's composition annually and as and when there is a need for Board renewal. The Board has reviewed the present Board size and is satisfied that the current size facilitates effective decision making and is appropriate for the nature and scope of the Group's operations. The NC is of the view that the current Board and Board committees comprise high caliber individuals who are qualified with the appropriate mix of expertise, knowledge, skills and experience in areas relating to finance, accounting, relevant business experience, sustainability, corporate governance and business strategy which provide for the effective functioning of the Board. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making. Key information regarding the Directors is set out in "Board of Directors and Key Management".

As at the date of this Report, the Company has formalised and adopted a Board Diversity Policy ("Policy") that addresses diversity in terms of experience, skills, gender, age, tenure, and qualities, as well as any other relevant aspects of diversity. The Policy also sets out the approach which the Company takes towards diversity on its Board. The Company believes in diversity and values the benefits diversity can bring to the Board in its deliberations and the Board's effectiveness – in particular, it believes that a balance and mix of skills, experiences and individual attributes of Board members which shape the composition and promote the effectiveness of the Board as a whole and that of the Board committees, will support the Company's achievement of strategic objectives and long-term sustainable development and success.

The Board observes and applies the Policy to ensure that the Board will have an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. In this regard, the Board, supported by the NC, encourages the emergence of diverse candidates by ensuring that the Board is made up of a diversity of candidates (including consideration of a diversity of skills, knowledge, experience, gender, ethnicity and age). The Company continues to be receptive to achieving greater gender diversity and representation on the Board to complement the core competencies of the Board as a whole.

The Board is of the opinion that its current board size of four Directors is appropriate and provides sufficient diversity of expertise and knowledge, to lead and govern the Company effectively considering the scope and nature of its operations. The NC, having conducted its reviews, was satisfied that members of the Board possess the relevant core competencies in areas accounting, finance, strategic planning, business management, risk management and industry knowledge. In particular, the Managing Director of the Company, possess good industry knowledge while the Independent Directors, who are mostly professionals in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgment during Board deliberations.

Notwithstanding the above, the Board notes that it does not currently have a female representation on the Board. Accordingly, the Board targets of achieving at least one (1) female representative on the Board with the right skill sets, experience and/or industry knowledge, while maintaining an appropriate mix of Board members. The Company will tap the Directors' contacts, social networks for professionals and if necessary, engage external search firms, among others, in identifying suitable candidates when the need arises. The Board will seek to incorporate diversity aspects during the NC's annual review and as and when the opportunity arises, instead of adhering to a fixed timeline for diversity targets. The Board will ensure that it has the flexibility to improve its diversity without compromising board efficiency. The NC will deliberate and determine, from time to time, the results of its review and in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors, taking into account the need for progressive renewal of the Board composition and bearing in mind the salient factors set out under the Code and all other relevant provisions.

The Independent Directors communicate regularly to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development.

None of the independent directors have served for an aggregate period of nine years or more from the date of his first appointment.



# CORPORATE GOVERNANCE REPORT

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

*Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The Board had adopted the recommendation of the Code to have separate persons who are not related to each other in any manner, appointed as Chairman and the Chief Executive Officer (“CEO”). This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

There is a clear division of the roles and responsibilities of the Chairman and the Managing Director (“MD”) (equivalent to the position of a CEO). Different individuals assume the Chairman and the MD functions and the posts are, and will remain, separate. Dr Tan Kok Heng is the Chairman of the Board and Mr Tan Jit Meng is the MD, they are not related to each other and do not have any business relationship with each other.

Dr Tan Kok Heng assumes responsibility among others, in leading the Board to ensure its effectiveness and promoting high standards of corporate governance. The MD, Mr Tan Jit Meng assumes the executive responsibilities of the day-to-day management of the Company. This division of responsibilities has been agreed among the Board members.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable power or influence. Further, the AC, RC and NC are chaired by Independent Director.

Dr Tan Kok Heng will be available to shareholders where they have concerns for which contact through the normal channels of the MD has failed to resolve or is inappropriate. In addition, the Chairman will coordinate and lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. Where necessary, the Chairman will chair meeting with Independent Directors without Executive Director being present so as to facilitate well-balanced viewpoints to the Board.

## BOARD MEMBERSHIP

*Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

Please refer to Table 1 – Board and Board Committees – on the composition of the NC.

The NC will be responsible for (a) the selection and appointment of any new Directors and re-nomination of the Directors having regard to the Director’s contribution and performance, (b) determining annually whether or not a Director is independent and (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

In recommending new Directors to the Board, the NC takes into consideration the skills, experience required and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of Independent Directors as well as Directors with the right profile of expertise, skills, attributes and ability. Further, the NC takes into consideration a variety of factors such as attendance, preparedness, participation and candor in evaluating a Director’s contribution and performance for the purpose of re-nomination.

# CORPORATE GOVERNANCE REPORT

The principal functions of the NC is to establish a formal and transparent process for:

- (a) making recommendations to the Board on all board appointments (including alternate directors, if any), including re-nominations, having regard, to the Director's competencies, commitment, contribution and performance;
- (b) reviewing the structure, size and composition (balance of skills, knowledge, experience, independence, and diversity) of the Board and the Board Committees;
- (c) making recommendations to the Board in respect of its review of Board succession plans for Directors training and professional development programmes for the Board and the Directors, and the process and criteria for evaluation of the performance of the Board, the Board Committees and the Directors;
- (d) determining on an annual basis, whether or not a Director is independent and providing its views to the Board for the Board's consideration;
- (e) reviewing the performance of Directors having multiple board representations on various listed companies and other principal commitments, deciding whether or not such Director is able to and/or has been adequately carrying out his or her duties as Director;
- (f) assessing the performance and effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman of the Board and each individual Director to the Board, including the proposal of the objective performance criteria; and
- (g) generally undertaking such other functions and duties as may be required by statute, the SGX-ST Catalist Rules and/or the Code as may be amended, varied or supplemented from time to time.

We believe that Board renewal must be an ongoing process, to ensure good governance and to maintain relevance to the business and changing needs of the Company. The Company's Constitution requires at least one-third of the Directors to retire and subject themselves to re-election by shareholders at every Annual General Meeting ("AGM"). In other words, no Director stays in office for more than three years without being re-elected by shareholders.

Pursuant to Rule 720(4) of the Catalist Rules, all Directors must submit themselves for re-nomination and re-appointment at least once every three (3) years. Pursuant to Article 117 of the Company's Constitution, at each AGM, at least one-third of the Directors for the time being are required to retire by rotation and submit themselves for re-election at each annual general meeting of the Company at regular intervals and at least once every three (3) years. In addition, pursuant to Article 122 of the Company's Constitution, new Directors appointed during the financial year, either to fill a casual vacancy or as an additional Director, are required to submit themselves for re-election at the next AGM.

On the nomination of re-election of retiring Directors, the NC would assess the performance and contribution of the Director and subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Directors to the Board for its consideration and approval.

The NC has reviewed and recommended to the Board that Mr Lu King Seng and Mr Wee Shuo Siong Milton be nominated for retirement and re-election at the forthcoming AGM.

# CORPORATE GOVERNANCE REPORT

Mr Lu King Seng has indicated to the NC and the Board that he will not be seeking re-election as a Director at the forthcoming AGM. Accordingly, Mr Lu King Seng will retire as an Independent Director and cease to be the Chairman of AC and a member of NC and RC of the Company at the conclusion of the forthcoming AGM.

Mr Wee Shuo Siong Milton has consented to stand for re-election as Director. The Board had accepted the NC's recommendation and had tabled for shareholders' approval at the forthcoming AGM, Mr Wee Shuo Siong Milton be nominated for re-election as Director of the Company. Please refer to the Notice of AGM for the resolution put forth in relation to the re-election and details of Mr Wee Shuo Siong Milton including the information required under Appendix 7F of the Catalist Rules are disclosed in this Annual Report.

Mr Wee Shuo Siong Milton will, upon re-election as a Director of the Company, remain as the Non-Independent and Non-Executive Director of the Company, as well as a member of the AC, NC & RC.

Mr Wee Shuo Siong Milton being a member of the NC, has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own contributions and/or re-election as a Director.

Please refer to the Notice of AGM for the resolutions put forth for Director's proposed re-election.

New Directors are appointed by way of Board Resolution, after the NC has approved their nomination. In its search and selection process for new Directors, other than through formal search, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

All Directors are required to declare their board representations and other principal commitments. Although some of the Directors hold directorships in other companies, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company and each Director is able to and has been adequately carrying out his duties as a Director of the Company. Other than as disclosed under Table 2, there was full attendance and participation of the Directors at the Board and Board Committees meetings held in FY2023. Each of the Directors has also confirmed that he can allocate sufficient time and attention to the affairs of the Company.

The NC and the Board are of the standpoint that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many other factors such as whether they are in full time employment and their other responsibilities or principal commitments. In addition, the board representations presently held by its Directors do not impede the performance of their duties to the Company.

The NC will continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Currently, the Company does not have alternate Directors.

The profile of all Board members is set out in the section entitled 'Board of Directors'.

Please refer to Table 3 – Date of Directors' initial appointment and last re-election and their directorships.



# CORPORATE GOVERNANCE REPORT

## BOARD PERFORMANCE

*Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

The Board, through the NC, has used its best efforts to ensure that Directors appointed to the Board, whether individually or collectively, possess the background, experience, knowledge in the business, competencies in finance and management skills critical to the Group's business. It has also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC is responsible for assessing the effectiveness of the Board as a whole and the Board committees, and for assessing the contribution of the Chairman and each individual Director to the effectiveness of the Board. The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC assesses the Board's effectiveness as a whole, which takes into consideration factors such as the Board's structure, conduct of meetings, access to information, risk management and internal control, and the Board's relationship with the Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. The NC assesses the individual Directors' performance, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors. In view of the new Board, where circumstances deem it necessary for any of the performance criteria to be changed, the Board will justify such changes.

The Board and the NC have endeavoured to ensure that Directors appointed to the Board possess the background, experience, business knowledge, finance and management skills critical to the Group's business. They have also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Annually, the Directors will complete a board assessment checklist individually to facilitate the NC in its assessment of the performance and effectiveness of the Board as a whole as well as its Board Committees in its monitoring role and the attainment of the strategic objectives set by the Board. The performance is assessed based on criteria including the size, composition, processes of the Board, Board's access to information, strategic planning and accountability.

Each Director will also complete a self-assessment checklist individually to facilitate the NC in its assessment of the performance of the individual Directors based on factors which include their attendance, preparation and participation in the Board or Board Committees meetings, the quality of their intervention as well as their industry and business knowledge.

Each member of the NC has abstained from discussions and voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director. Evaluations of individual Directors aim to assess whether that individual has contributed effectively and demonstrated commitment to the role (including commitment of time for the meetings of Board and Board Committees, and any other duties).

The Chairman of the NC evaluates the assessment and shares the results with the rest of the Board members. Areas where the performance and effectiveness of the Board could be enhanced and recommendations for improvement are then submitted to the Board for discussion and implementation.

# CORPORATE GOVERNANCE REPORT

The Chairman of the NC, in consultation with its members, also acts on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of existing Directors.

The NC has performed the assessment for FY2023 and is of the view that the performance and effectiveness of the individual Directors, the Board Committees and the Board as a whole were satisfactory and the Board has met its performance objectives.

No external facilitator was used in the evaluation process.

## REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

*Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

Please refer to Table 1 – Board and Board Committees – on the composition of the RC.

According to the terms of reference of the RC, the role of the RC is to assist the Board with the following key terms:

- (a) review and recommend to the Board for approval a framework of remuneration for the Directors and Executive Officers as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments shall be covered, with the aim to be fair and avoid rewarding poor performance;
- (b) review annually the remuneration, bonuses, pay increments and/or promotions of employees who are related to the Directors or substantial shareholders to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities, and review and approve any new employment of related employees and the proposed terms of their employment, and review and recommend to the Board, for endorsement, the specific remuneration packages for each of the Directors and the Executive Officers;
- (c) review the terms of performance-related remuneration or incentive schemes (if any) and determine the eligibility criteria of the employees who can participate in such schemes;
- (d) review the Group's obligations arising in the event of termination of service contracts entered into between the Group and the Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- (e) if necessary, seek expert advice within and/or outside the Group on remuneration matters, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

# CORPORATE GOVERNANCE REPORT

- (f) propose, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of our key management personnel, individual Directors and of the Board as a whole;
- (g) perform an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate the Directors and the Executive Officers, and to align the interests of the Directors and the Executive Officers with the interests of the Shareholders and other stakeholders and promote the long-term success of the Group;
- (h) ensure that the remuneration of non-Executive Directors is appropriate in light of their level of contribution, taking into account factors such as effort, time spent, and responsibilities;
- (i) ensure the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies and are consistently being administered and adhered to within the Group;
- (j) reviewing the remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation and the statements in the annual report with a view to achieving clear disclosure of the same; and
- (k) generally undertake such other function and duties as may be required by statute or the Catalist Rules and by such amendments made thereto from time to time.

The RC meets at least once in every financial year.

Each member of the RC shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him. In the event that any member of the RC has an interest in a matter being deliberated upon by the RC, such member will abstain from participating in the review and approval process relating to that matter.

No independent consultant is engaged to conduct a review on the remuneration packages of the Company's Directors and key management personnel for FY2023. The Company will seek external expert advice should such a need arises. The Company has no termination benefits.

## **LEVEL AND MIX OF REMUNERATION**

*Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

In its deliberations, the RC will take into consideration industry practices and norms in compensation in addition to the Company's relative performance to the industry and the performance of the individual Directors. No Director will be involved in deciding his own remuneration.

The level of remuneration is structured such that consideration is given to each Director's corporate and individual performance. The RC ensures that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully. The performance related elements of remuneration are designed so as to align the interests of Executive Director with those of shareholders. These elements include (1) fixed component (i.e. basic salary); (2) variable component (i.e. performance bonus); (3) benefits provided are consistent with market practices including medical benefits, car allowance, club benefits and housing subsidy.

# CORPORATE GOVERNANCE REPORT

The Company has entered into a service contract with the Executive Director for an initial period of 3 years. The RC reviews the compensation commitments for early termination under the service contracts.

Executive Directors do not receive directors' fees.

The Company does not have long-term incentive scheme.

In setting remuneration packages, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals.

## DISCLOSURE ON REMUNERATION

*Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

Level and mix of remuneration of directors and key management personnel (who are not also directors or the CEO) for FY2023. Please refer to Table 4 – Remuneration Table.

The MD's remuneration comprises mainly his salary, allowances and bonuses.

The Company does not have employee share scheme.

The remuneration of the Directors (save for the MD) is in the form of a fixed fee. The Directors' fees are based on a scale of fees divided into basic retainer fees as a Director and additional fees for serving on Board Committees and their roles in the various Committees. Directors' fees are subject to the approval of shareholders at the annual general meeting.

Except as disclosed in Table 4 of this report, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

No employee of the Company and its subsidiary is an immediate family member of a Director and whose remuneration was paid more than S\$50,000 during FY2023.

Provision 8.1 of the Code recommends that the Company disclose in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual Director and the CEO; and (b) at least the top five (5) key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel, while Provision 8.2 of the Code recommends that the Company disclose the names and remuneration of employees who are substantial shareholders, or are immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report, and such disclosure to state clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder.



# CORPORATE GOVERNANCE REPORT

The Company has not fully adhered to the aforesaid Provisions 8.1 of the Code with respect to the disclosure of remuneration of the Directors (including the MD (equivalent to the position of a CEO)), the key management personnel (who are not Directors or the MD) and related employees. The Board has reviewed the disclosure of the remuneration of the Directors (including the MD), the key management personnel (who are not Directors or the MD) and related employees, and has decided not to disclose (i) the amount and breakdown of the remuneration of each individual Directors (including the MD); and (ii) the amount and breakdown of the remuneration of the key management personnel (who are not Directors or the MD).

The Board believes that such disclosure may be prejudicial to the Group's businesses given the competitive business environment that the Group operates in and the disadvantages that such disclosure may bring. The Board is of the view that the current disclosure of the remuneration presented herein in this Annual Report, which states (a) the level of remuneration (in remuneration bands of S\$250,000) as well as the mix of remuneration (in percentage terms) for each Director (including the MD); (b) the level of remuneration (in remuneration bands of S\$250,000) for the key management personnel (who are not Directors or the MD), as well as the total remuneration paid to the key management personnel (who are not Directors or the MD) is sufficient to provide shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration.

## ACCOUNTABILITY AND AUDIT

### RISK MANAGEMENT AND INTERNAL CONTROLS

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The Board has overall responsibility to provide a balance and understandable assessment of the Company's performance, position and prospects in respect of the Company's reports and financial statements and other price sensitive information to regulators and shareholders.

In line with the SGX-ST Catalist Rules, the Board has received assurance from the MD and Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the MD and CFO that they have evaluated the adequacy and effectiveness of the Group's risk management and internal control systems and assessed the internal auditors' reports on the Group's operations and external auditors' report on the financial statements and management letter of the Group, and noted that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise or report financial information.

The Board and the Board Committees are furnished with management reports containing complete, adequate and timely information, and papers containing relevant background or explanatory information required to support the decision-making process. Management team and the Company's auditors would also provide additional information on the matters for discussion.

# CORPORATE GOVERNANCE REPORT

## AUDIT COMMITTEE

*Principle 10: The Board has an Audit Committee which discharges its duties objectively.*

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board also acknowledges that no cost effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has received assurance from the MD and the CFO that (a) the financial records have been properly maintained and the financial statements for the financial year ended 30 June 2023 give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

Based on the assurance from the MD and the CFO referred to in the preceding paragraph, the framework of risk management and internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems were effective and adequate as at 30 June 2023.

The Company does not have a Risk Management Committee. However, in FY2023, the Management and the internal auditor have reviewed the Company's business and operational activities in order to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

In connection with risk management and setting risk tolerances, the Board determines the nature and extent of the significant risks it is willing to tolerate in achieving its strategic objectives and the conduct of its business activities. The risk appetite is translated into risk tolerances which are determined by establishing target control levels and target residual risk ratings for each identified risk. The decision can then be made to accept/tolerate the resulting residual risk level or implement treatment plans or strategies in addition to those already underway or planned to minimize the risk exposure.

Please refer to Table 1 – Board and Board Committees – on the composition of the AC.

Two members of the AC, Mr Lu King Seng, the AC Chairman and Dr Tan Kok Heng, have relevant accounting or related financial management expertise or experience to discharge the AC's responsibilities.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any Executive Director or key management personnel to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly. None of the AC members were previous partners or directors of the Company's existing auditing firm or auditing corporation of the Company: (a) within the previous 2 years commencing on the date of their ceasing to be a partner or director of the auditing firm or corporation, and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

# CORPORATE GOVERNANCE REPORT

The AC will provide a channel of communication between the Board, the Management, the internal auditor and external auditors on matters relating to audit. The AC shall meet periodically to perform the following functions:

- (a) assist the Board in the discharge of its responsibilities on financial reporting matters;
- (b) review the audit plans and scope of work of the external auditors and internal auditors, the results of the external and internal auditors' review and evaluation of the Group's system of internal controls, and their management letters on the internal controls and the management's response, and monitor the implementation of the internal control recommendations made by the external and internal auditors;
- (c) review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls (addressing financial, operational, compliance and information technology risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discuss issues and concerns, if any, prior to the incorporation of the Board's comments in the Group's annual report;
- (d) review the adequacy, effectiveness, independence, scope and results of the external audit and the Group's internal audit function;
- (e) make recommendations to the Board on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognized professional bodies;
- (f) review the interim financial results and annual audited financial statements and the external auditor's report on the annual audited financial statements, and review and discuss any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore financial reporting standards as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the internal and external auditors may wish to discuss in the absence of management, to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance, before submission to the Directors for approval;
- (g) meet with the external auditor, and with the internal auditor, in each case without the presence of the management, at least annually;
- (h) review and discuss with the Group's external and internal auditors, and if necessary, commission and review the findings of internal investigations in matters where there is any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and review the management's response thereto;
- (i) review and ensure the co-ordination among the Group's internal auditor, external auditor and management, including assistance given by management to the auditors;
- (j) consider the independence and objectivity of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services, if any;

# CORPORATE GOVERNANCE REPORT

- (k) review and approve transactions within the scope of Chapter 9 of the Catalist Rules (if any);
- (l) make recommendations to the Board on the proposals to the Company's Shareholders with regard to the appointment, re- appointment and removal of the external auditor, and the remuneration and terms of engagement of the external auditor;
- (m) review and approve the Group's hedging policies (if any), and conduct periodic reviews of the hedging policies, together with the transactions and hedging activities undertaken by the Group;
- (n) review the Group's compliance with such functions and duties as may be required by statute or the Catalist Rules or as recommended by the Code of Corporate Governance 2018, including such amendments as may be made thereto from time to time;
- (o) review any potential conflicts of interests and set out a framework to resolve or mitigate such potential conflicts of interests, and monitor compliance with such framework;
- (p) establish and review the policy and arrangements by which employees of the Group or any other persons may safely raise concerns about possible improprieties in financial reporting or other matters and ensure that there are arrangements in place for independent investigation of such concerns and appropriate follow-up actions in relation thereto, and ensure that the Group publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (q) review the assurance from the Chief Financial Officer on the financial records and financial statements;
- (r) review the Group's financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, with the outcome of such review to be disclosed in the annual reports, or if the findings are material, to be immediately announced via SGXNET;
- (s) review and establish procedures for receipt, retention and treatment of complaints received by the Group, inter alia, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;
- (t) review the risk profile of the Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;
- (u) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (v) review and approve transactions falling within the scope of Chapter 10 of the Catalist Rules (if any); and
- (w) undertake such other reviews and matters as may be requested by Board and report to the Board its findings from time to time on matters arising therefrom and which require the attention of the AC.



# CORPORATE GOVERNANCE REPORT

In the review of the financial statement for FY2023, the AC had discussed with the Management the accounting principles that were applied and their judgement of matters that might affect the integrity of the financial statements and also considered the appropriateness of the critical accounting estimates and judgements made in preparing the financial statements. The most significant matters had also been included in the Independent Auditor's Report to the members of the Company under "Key Audit Matters". In assessing the Key Audit Matters, the AC took into consideration the approach, methodology and the key assumptions applied in the review of the Key Audit Matters as provided in the Independent Auditor's Report. The AC concluded that Management's accounting treatment and estimates in the Key Audit Matters were appropriate.

The AC also meets up with the internal and external auditors without any executive of the Company being present at least once on an annual basis and as and when necessary during the year.

The AC has reviewed the independence of the Company's external auditors and is satisfied with the independence and objectivity of the external auditors. The aggregate amount of fees paid to the external auditors of the Group for audit services was S\$88,000. There was no non-audit services provided by the external auditors for FY2023. The AC has also recommended the re-appointment of the auditors to the Board.

The Company has in place whistle-blowing policies and arrangements by which the staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters to ensure independent investigation of such matters and for appropriate follow up action, all whistle-blowing reports are to be sent to the Chairman of the Audit Committee, who coordinates all investigations with the legal counsels and other affected areas, both internal and external.

The Company clearly communicates with employees, the existence of the whistle-blowing policy which is in compliance with Catalist Rule 1204(18B) as elaborated below:

- (a) the Company has procedures for raising such concerns to the AC Chairman and has an independent function comprising the AC Chairman who coordinates all investigations with the legal counsels and other affected areas, both internal and external to investigate whistleblowing reports made in good faith;
- (b) the Company has clear channels through which staff and other persons may, in confidence, raise their concerns about possible improprieties, fraudulent activities or malpractices within the Company in a responsible and effective manner;
- (c) the Company has arrangements and processes to facilitate independent investigation of such concerns and for appropriate follow-up action;
- (d) the Company has confidentiality clauses that protect identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential; and
- (e) the Company is committed to ensuring the protection of the whistleblower against any detrimental and unfair treatment, for reports made in good faith and without malice.

There were no reported incidents pertaining to whistle-blowing for FY2023.

# CORPORATE GOVERNANCE REPORT

The AC is kept abreast by the Management, internal auditors and the external auditors of changes to accounting standards, SGX-ST Catalist Rules and other regulations which could have an impact on the Group's business and financial statements. In FY2023, the Company's external auditors RSM Chio Lim LLP ("RSM") conducted a briefing session for the Board on the changes to the accounting standards, laws and regulations during the AC meetings. Continuing education is also provided to update and enhance the skills and knowledge of members in the AC.

After considering the adequacy of the resources and experience of the external auditors' firm and the audit partner-in-charge assigned to the audit, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the particular audit as well as the standard and quality of work performed by RSM for past financial years, the AC is satisfied with and has recommended to the Board the nomination and re-appointment of RSM as the external auditors for the Company's audit obligations for the financial year ending 30 June 2024, at the forthcoming annual general meeting of the Company.

The Company is in compliance with Rules 712 and 715 of the SGX-ST Catalist Rules with regard to the appointment of the external auditors for the Company and its subsidiary.

The Group has outsourced its internal audit function to BDO Advisory Pte. Ltd., a qualified professional firm which meets the standards set by internationally recognised professional bodies including the International Professional Practices Framework issued by The Institute of Internal Auditors. The AC is responsible for the hiring, removal and evaluation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The main objective of the internal audit function is to assist the Group in evaluating and assessing the effectiveness of internal controls and consequently to highlight the areas where control weaknesses exist, if any, and thus improvements could be made. The internal audit function is independent and it reports directly to the AC on audit matters and to the MD on administrative matters. The internal auditor assists the Board in monitoring and managing risks and internal controls of the Group.

The AC also reviews and approves the internal auditor's plan of each financial year to ensure that the scope of the plan is adequate and covers the review of the system of internal controls of the Group, including financial, operational, compliance and information technology controls. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company. The internal auditor will report their audit findings and recommendations to the AC.

The Management together with the Board will review all audit reports and findings from internal auditors and external auditors during the AC meetings.

The AC reviews the adequacy and effectiveness of the Company's internal financial controls, operational and compliance controls, information technology controls and risk management policies and systems established by the Management (collectively "internal controls"). The AC further confirms that the internal audit function is independent, effective, adequately resourced and has appropriate standing within the Company at the AC meeting held on 29 August 2023.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

*Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Company is committed to engaging in regular and timely communication with shareholders as part of the organisation's development to build systems and procedures that will enable the Group to compete internationally. The Company places great emphasis on investor relations and strives to maintain a high standard of transparency and to promote better investor communications. It aims to provide investors with clear, balanced and useful information, on a timely basis, about the Group's performance, financial position and prospects.

The Board supports the Code's principle to encourage shareholder participation. Shareholders are encouraged to attend the AGM and/or general meetings to stay informed of the Company's strategies and goals and take the opportunity and time to air their views and ask the Directors or Management questions regarding the Company.

Printed copies of the notice of AGM (the "Notice") and the Proxy Form will be sent to the shareholders but printed copy of the Company's annual report ("AR") will not be sent to shareholders. Instead, it will be sent to shareholders by electronic means via publication on the Company's website at the URL <https://www.lincotrade.com.sg> and made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). Members have the right to elect whether to receive the AR in physical copy by completing the request form which is sent together with the Notice ("Request Form"). Please refer to and read the instructions set out in the Request Form carefully.

The Board welcomes questions from shareholders either informally or formally before or at the AGM. The respective Chairman of the AC, RC and NC are available at the meeting to answer those questions relating to the work of the respective Board Committees. The Company's external auditors are also present to assist the Directors in addressing any relevant queries by shareholders. All Directors, Management, Company Secretary, and external auditors attended the Company's AGM physically in respect of FY2022 held on 26 October 2022. The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the Directors or the Management questions regarding the Company and its operations.

Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions. To promote greater transparency in the voting process and in accordance with the SGX-ST Catalist Rules, all resolutions put forth at the general meetings of the Company are put to vote by way of poll, and their detailed results including the total number and the respective percentage of votes cast for and against each resolution will be announced via the SGXNET.

# CORPORATE GOVERNANCE REPORT

The Company Secretary prepares minutes of the general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and the Management. These minutes are subsequently approved by the Board. On receipt of any request from shareholders, the minutes will also be made available to them at the registered office of the Company during office hours. The minutes of the AGM in respect of FY2023 will be published to the SGXNET and on the corporate website of the Company within one month from the AGM date.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Constitution of the Company allows each shareholder who is not a relevant intermediary to appoint up to two proxies to attend the Company's general meetings and vote on their behalf. Voting in absentia, including but not limited to by mail, electronic mail or facsimile may be possible at the Directors' discretion to approve or implement, subject to the security measures as may be deemed necessary or expedient to ensure that the integrity of the information and authentication of the identity of shareholder(s) is not compromised. The Proxy Form is included in the Annual Report and disseminated to all shareholders prior to the AGM via the SGXNET and will also be made available at the Company's corporate website <https://www.lincotrade.com.sg>.

The Group does not have a fixed dividend policy at present. No dividend has been declared/recommended for the current financial year reported on as the Company is making losses.

## **ENGAGEMENT WITH SHAREHOLDERS**

*Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

The Company believes in engaging a regular, effective and fair communication with its shareholders and is committed to conveying pertinent information to its shareholders on a timely basis. The Company takes care to ensure that information that is made publicly available on a timely basis. Disclosure of information is made through announcements released to the SGX-ST, the Company's annual reports, circulars, press releases, as well as on the corporate website <https://www.lincotrade.com.sg> which has a dedicated investor relations section.

In line with continuous obligations of the Company pursuant to the SGX-ST Catalist Rules and the Companies Act 1967, the Board's policy is that all shareholders should be equally and timely informed of all major developments that will impact the Company or the Group. Information is communicated to shareholders on a timely basis through the SGXNET and the press.

Shareholders and investors are also encouraged to contact the Group's investor relations contact, being Mr Alex Tan, at this email address: [alex.tan@8prasia.com](mailto:alex.tan@8prasia.com) or [info@lincotrade.com.sg](mailto:info@lincotrade.com.sg). This channel of communication is designed to facilitate regular and effective communication in an open and non-discriminatory approach on changes to the Company as well as its performance or business developments which would be likely to materially affect the price or value of the shares. The Group's investor relations contact endeavours to respond to shareholder queries promptly and effectively, and usually does so within a week of receiving such queries.



# CORPORATE GOVERNANCE REPORT

## MANAGING STAKEHOLDERS RELATIONSHIP

### ENGAGEMENT WITH STAKEHOLDERS

*Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

The Company's engagement with all stakeholders will be set out in detail in the Sustainability Report to be published annually on the Company's corporate website and SGXNET. The Company takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. Its key stakeholders include shareholders, investors, suppliers, customers, employees, government and regulators and the community. To understand stakeholders' expectations, the Company engages and fosters trusted relationships through listening to their views and responding to their concerns. The Company takes its corporate social responsibility seriously and it is not involved nor does it have any legal violation pertaining to future generation, employee, customer and community.

The Company's announcements, financial results and annual reports are available on the Company's website at <https://www.lincotrade.com.sg>.

The forthcoming AGM in respect of FY2023 ("2023 AGM") will be convened and held physically at 39 Sungei Kadut Loop Singapore 729494 on 25 October 2023. Shareholders will be able to raise questions and vote in person at the 2023 AGM. Arrangements relating to the attendance and voting at the 2023 AGM by shareholders or their duly appointed proxy(ies), are set out in the Notice of AGM and Proxy Form.

## OTHER CORPORATE GOVERNANCE MATTERS

### DEALING IN SECURITIES

The Company has adopted an internal code on dealings in securities. The Company and the Group's Directors and officers who have access to price sensitive, financial or confidential information, or unpublished price-sensitive information on the Group, are not permitted to deal in the Company's securities during the periods commencing one month before the announcement of the Group's half year and full year financial results and ending on the date of announcement of such results. In addition, the Company, its Directors and officers are advised not to deal in the Company's securities for a short term considerations and are expected to observe the insider trading laws at all times even when dealing in the Company's securities within the permitted trading periods. Directors and officers are to consult with the CFO before trading in Company's securities and to confirm annually that they have complied with and not in breach of the internal code on dealings in securities. The Board is kept informed when a Director trades in the Company's securities.

# CORPORATE GOVERNANCE REPORT

## MATERIAL CONTRACTS

On 26 April 2022, the Company entered into a loan agreement (“Loan Agreement”) with Triple Vision Pte. Ltd. (“Triple Vision”), a controlling shareholder of the Company as at 30 June 2022, for an aggregate amount of up to S\$1.0 million (“Loan”) at any time. The Loan is unsecured, interest-free and is repayable beginning from the maturity date, i.e. 12 months from the date of completion of the acquisition of Lincotrade & Associates Pte Ltd, or any other date as may be agreed upon in writing by Triple Vision and the Company (“Maturity Date”), in 8 equal monthly instalments spread over 8 consecutive calendar months, with the first monthly instalment payable on the Maturity Date. During FY2023, Triple Vision signed a Deed of Assignment and assigned the Loan to Mr. Wee Henry, the sole beneficial owner of Triple Vision. The terms of the Loan and the repayment schedule remain the same.

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that, except as disclosed above and in the Directors’ Report and financial statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests, direct or deemed, of the MD or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

## INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval. The Company did not obtain any general mandate from shareholders of the Company for interested person transactions.

		Aggregate value of all interested person transaction (excluding transactions less than \$100,000 and transactions conducted under a shareholders’ mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
		FY2023 S\$’000	FY2022 S\$’000	FY2023 S\$’000	FY2022 S\$’000
<b>Name of interested person</b>	<b>Nature</b>				
Triple Vision Pte. Ltd. (“Triple Vision”)	Disposal of Disposal Group <sup>(1)</sup>	-	18,000	-	-

Note:

- (1) On 19 March 2021, the Company entered into a conditional sales and purchase agreement with Triple Vision for the disposal of 100% equity interest (“Disposal”) in Shandong Yinguang Technology Co., Ltd and its subsidiaries (“Disposal Group”) for a consideration of S\$18.0 million. The Disposal was approved by the shareholders during the Extraordinary General Meeting on 14 October 2021 and was completed on 4 November 2021.

# CORPORATE GOVERNANCE REPORT

## NON-SPONSOR FEES

The Company appointed RHB Bank Berhad, through its Singapore branch (“RHB Singapore”), to act as the Company’s financial adviser and Catalist full sponsor pursuant to Catalist Rules 410(2) and 1015(1)(a) (“Appointment”), in connection with, inter alia, the Acquisition on 5 May 2021. Fees paid to RHB Singapore by the Group in connection with the Appointment amounted to approximately S\$70,000 during FY2023 and the issuance of 454,545 shares in the Company 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 was charged to the statement of profit or loss during FY2023. Save as disclosed, with reference to Catalist Rule 1204(21), there were no non-sponsor fees paid to RHB Singapore during FY2023.

## USE OF PROCEEDS

On 29 September 2022, the Company announced the full utilisation of proceeds raised from the placement shares.

## TABLE 1 – BOARD AND BOARD COMMITTEES

As at the date of this Annual Report, the composition of the Board and the Board Committees are as follows:-

Name of Director	Board Membership	Audit Committee	Remuneration Committee	Nominating Committee
Dr Tan Kok Heng*	Independent and Non-Executive Chairman	Member	Chairman	Chairman
Tan Jit Meng*	Managing Director	-	-	-
Lu King Seng*	Independent and Non-Executive Director	Chairman	Member	Member
Wee Shuo Siong Milton*	Non-Executive and Non-Independent Director	Member	Member	Member

\* Appointed as a Director of the Company on 3 August 2022 and re-elected on 26 October 2022.

## TABLE 2 – ATTENDANCE AT BOARD AND BOARD COMMITTEES MEETINGS

	BOARD		AUDIT		REMUNERATION		NOMINATING	
	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended	No. of Meetings	No of Meetings Attended
Dr Tan Kok Heng	2	2	2	2	1	1	1	1
Tan Jit Meng	2	2	2	2*	1	1*	1	1*
Lu King Seng	2	2	2	2	1	1	1	1
Wee Shuo Siong Milton	2	2	2	2	1	1	1	1

\* By invitation

# CORPORATE GOVERNANCE REPORT

**TABLE 3 – DATE OF DIRECTOR'S INITIAL APPOINTMENT & LAST RE-ELECTION & THEIR DIRECTORSHIPS**

<b>Name of Director</b>	<b>Age</b>	<b>Appointment</b>	<b>Date of initial appointment</b>	<b>Date of last re-election</b>	<b>Present directorships in other listed companies</b>	<b>Past (preceding 3 years) directorships in listed companies</b>	<b>Other principal commitments</b>
Dr Tan Kok Heng	59	Independent and Non-Executive Chairman	3 August 2022	26 October 2022	- Elite Commercial REIT (Alternate director)	Nil	Chief Executive Officer of Sunway RE Capital Pte Ltd
Tan Jit Meng	59	Managing Director	3 August 2022	26 October 2022	Nil	Nil	Nil
Lu King Seng	53	Independent and Non-Executive Director	3 August 2022	26 October 2022	- Geo Energy Resources Limited - Taka Jewellery Holdings Limited - Jlogo Holdings Limited	Nil	Managing Director of Orion Business Advisory Pte Ltd
Wee Shuo Siong Milton	32	Non-Executive and Non-Independent Director	3 August 2022	26 October 2022	Nil	Nil	Founder and director of Zennez Pte. Ltd.



# CORPORATE GOVERNANCE REPORT

**TABLE 4 – REMUNERATION TABLE**

**a) Directors' remuneration**

For competitive reasons, the Company is not disclosing the annual remuneration of each individual Director for FY2023. Instead, we are disclosing the bands of remuneration as follows:

Name of Director	Below S\$250,000	S\$250,000 to S\$500,000	Directors' Fees (%)	Percentage of Fixed Remuneration Salary (%)	Percentage of Variable Remuneration Salary (%)
<b>Executive Director</b>					
Tan Jit Meng	-	✓	-	86.7	13.3
<b>Independent Directors</b>					
Dr Tan Kok Heng	✓	-	100.0	-	-
Lu King Seng	✓	-	100.0	-	-
<b>Non-Executive Non-Independent Director</b>					
Wee Shuo Siong Milton	✓	-	100.0	-	-

**b) Key Management Personnel Remuneration**

The Group has only three (3) key management personnel (who are not Directors of the Company) during FY2023. Details of remuneration paid to the key management personnel (who are not Directors of the Company) of the Group for FY2023 are set out below. For competitive reasons, the Company is only disclosing the band of remuneration for each key management personnel for FY2023 under review as follows:

Name of Key Management Personnel	Below S\$250,000	S\$250,000 to S\$500,000	Percentage of Fixed Remuneration (%)	Percentage of Variable Remuneration (%)
Soh Loong Chow Jackie	-	✓	86.7	13.3
Tan Chee Khoon	-	✓	86.8	13.2
Kwek Wei Lee	✓	-	85.5	14.5

The annual aggregate remuneration paid to the top three key management personnel is approximately S\$1.2 million.

There are no termination, retirement and post-employment benefits granted to the Directors, the MD and the top three key management personnel (who are not Directors or MD) of the Group.

**c) Immediate families of Directors / CEO / substantial shareholders**

No employee of the Company and its subsidiary is an immediate family member of a Director, the CEO or a substantial shareholder and whose remuneration was paid more than S\$50,000 during FY2023.

# CORPORATE GOVERNANCE REPORT

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Wee Shuo Siong Milton is the Director seeking re-election at the forthcoming AGM of the Company to be convened on 25 October 2023 (“Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules, the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

	<b>Mr Wee Shuo Siong Milton</b>
Date of Appointment	03/08/2022
Date of last re-appointment	26/10/2022
Age	32
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr Wee Shuo Siong Milton as the Non-Independent and Non- Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his expertise, performance, overall contributions, and competencies in fulfilling his responsibilities.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive role.
Job Title (e.g. Lead ID, AC Chairman, AC Member, etc)	Non-Independent Non-Executive Director and a member of the Audit, Nominating and Remuneration Committees
Working experience and occupation(s) during the past 10 years	January 2015 to July 2015: Events and Association Executive, Enterprise Promotion Centre Pte Ltd 2015 to 2016: Experience Executive, Terrapinn Pte Ltd February 2017 to May 2017: Events Manager, SportSanity SG Pte Ltd June 2017 to February 2022: Business Development Manager, Imperium Crown Limited March 2022 to February 2023: Head of Marketing, Nature’s Farm Retail Pte Ltd. March 2023 to Present: Founder and director of Zenez Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	No

# CORPORATE GOVERNANCE REPORT

	<b>Mr Wee Shuo Siong Milton</b>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Wee is the son of Mr Wee Henry, who is a substantial shareholder of the Company, holding directly and indirectly 39,805,699 ordinary shares in the capital of the Company.
Conflict of Interests (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
<b>Other Principal Commitments* Including Directorships#</b>	
Past (for the last 5 years)	Edgem Pte Ltd
Present	Zennez Pte. Ltd.
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No

# CORPORATE GOVERNANCE REPORT

	<b>Mr Wee Shuo Siong Milton</b>
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No



# CORPORATE GOVERNANCE REPORT

	<b>Mr Wee Shuo Siong Milton</b>
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-  (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or  (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or  (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

# CORPORATE GOVERNANCE REPORT

	<b>Mr Wee Shuo Siong Milton</b>
<b>Disclosure applicable to the appointment of Director only</b>	
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable as this is for re-election of a director.</p>

The professional qualifications, working experience and other relevant information of the members of the Board are set out on pages 8 and 9 of the Annual Report.

# STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 30 June 2023.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Dr Tan Kok Heng	(Appointed on 3 August 2022)
Tan Jit Meng	(Appointed on 3 August 2022)
Lu King Seng	(Appointed on 3 August 2022)
Wee Shuo Siong Milton	(Appointed on 3 August 2022)

## 3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares or debentures of the Company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 ("the Act") except as follows:

<b>Name of directors and companies in which interests are held</b>	<b>At the date of appointment</b>	<b>At the end of the year</b>
The Company – <u>Lincotrade &amp; Associates Holding Limited</u>		
Tan Jit Meng	45,454,545	45,454,545

By virtue of section 7 of the Act, Mr Tan Jit Meng is deemed to have an interest in the Company above and in all the related body corporates of the Company.

The directors' interests as at 21 July 2023 were the same as those at the end of the reporting year.

# STATEMENT BY DIRECTORS

## 4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## 5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted and there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

## 6. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Lu King Seng (Chairman)	(Non-Executive and Independent Director)
Dr Tan Kok Heng	(Non-Executive and Independent Director)
Wee Shuo Siong Milton	(Non-Executive and Non-Independent Director)

The audit committee carried out its functions in accordance with section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the Company's officers to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded when the independent auditors provide non-audit services.



# STATEMENT BY DIRECTORS

## 6. Report of audit committee (cont'd)

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the next annual general meeting of the Company.

## 7. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

## 8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, with the concurrence of the audit committee, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 30 June 2023 to address the risks that the Company considers relevant and material to its operations.

## 9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 29 August 2023, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

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Dr Tan Kok Heng  
Director

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Tan Jit Meng  
Director

29 September 2023

# INDEPENDENT AUDITOR'S REPORT

to the Members of LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Lincotrade & Associates Holdings Limited, (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (SFRS (I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Accounting for construction and renovation contracts

Please refer to Note 2A "Revenue and income recognition" for relevant accounting policies, Note 2C "Estimation of contract costs for construction contracts", for discussion of significant accounting estimates, Note 5 on "Revenue" and Note 17 on "Contract assets and contract liabilities".

Key audit matter

For the reporting year ended 30 June 2023, construction and renovation contracts recognised on the percentage of completion ("POC") method amounted to \$69,875,000 as disclosed in Note 5 to the financial statements and comprise all of the Group's total revenue. As at 30 June 2023, the Group's construction assets and construction liabilities amounted to \$5,327,000 and \$469,000 respectively as disclosed in Note 17 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT

to the Members of LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

## Key audit matters (cont'd)

### (a) Accounting for construction and renovation contracts (cont'd)

#### Key audit matter (cont'd)

Construction and renovation contracts are recognised over time by reference to the Group's progress towards completing the contracts. The measurement of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs for the contracts.

Significant management's judgement is required to determine the estimated costs to completion for the construction and renovation contracts, based on their industry knowledge, past experiences on similar projects and current knowledge on the contracts. The determination of the estimated costs of completion is important as it in turn affects the percentage of completion computed for each contract, as well as the revenue and gross profit margin recognised for each contract.

#### How we addressed the matter in our audit

Our audit procedures consist of two parts, contract revenue and contract costs. We selected samples for testing.

For contract revenue, we (a) verified total contract sums to contracts and variation orders entered into by the Group and its customers; (b) recomputed the measurement of progress of the construction contracts which is determined based on the proportion of contract costs incurred to date to the estimated total contract costs; and (c) assessed the reasonableness of the revenue recognised through discussions with the project teams and obtaining corroborating evidence such as relevant correspondences with the Group's customers.

For contract costs, we (a) reviewed the actual costs incurred by verifying to supplier invoices or main-subcontractors progress billings; and (b) reviewed reasonableness of management's estimates of total construction costs and costs to complete the projects by substantiating estimates to contracts entered with sub-contractors for sub-contracting costs and reviewing the estimation of materials, labour and other construction costs with reference to the progress of the project.

We also recomputed the cumulative contract revenue and the contract revenue for the current reporting year for these projects, which were agreed to the accounting records.

### (b) Assessment of impairment of trade and retention receivables and contract assets

Please refer to Note 2A "Financial instruments" for relevant accounting policies, Note 2C "Allowance for trade and retention receivables and contract assets" for discussion of significant accounting estimates, Note 17 on "Contract assets and contract liabilities" and Note 18 on "Trade and other receivables".

#### Key audit matter

As at 30 June 2023, the Group had contract assets of \$5,327,000 and trade and retention receivables of \$14,175,000 as disclosed in Notes 17 and 18 respectively to the financial statements which accounted for approximately 56% of the total assets of the Group.

# INDEPENDENT AUDITOR'S REPORT

to the Members of LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

## Key audit matters (cont'd)

### (b) Assessment of impairment of trade and retention receivables and contract assets (cont'd)

#### Key audit matter (cont'd)

The estimated credit loss allowance is based on the historical and forward looking trends of the receivables from these customers, which includes an analysis of the age of these receivables and contract assets, credit worthiness of the customers and future collectability. Assessment of the determination of ECL requires management to exercise significant judgement and estimation. In determining the credit quality and whether any significant increase in credit risk occurs, both forward-looking and historical information need to be considered.

#### How we addressed the matter in our audit

We obtained an understanding of the Group's policies and procedures in assessing impairment of trade and retention receivables and contract assets and also discussed with management on the basis adopted by management in assessing the recoverability of the outstanding trade and retention receivables for the Group's major customers, including enquiring of management the respective customers' financial standing. We also obtained confirmations from the major customers for the outstanding trade and retention receivable and contract assets balances at the end of the reporting year.

We assessed the credit risks of the customers by analysing the payment history and receipts subsequent to reporting year end of selected customers and considered events or indicators which resulted in increase in credit risk of those customers; and also assessed the adequacy of the disclosures about those assumptions made in the financial statements.

## Other information

Management is responsible for the other information. Other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

# INDEPENDENT AUDITOR'S REPORT

to the Members of LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

## **Responsibilities of management and directors for the financial statements (cont'd)**

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



# INDEPENDENT AUDITOR'S REPORT

to the Members of LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

## **Auditor's responsibilities for the audit of the financial statements (cont'd)**

- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Derek How Beng Tiong.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

29 September 2023

Engagement partner - effective from year ended 30 June 2023.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2023

	Note	Group	
		2023	2022
		S\$'000	S\$'000
<b>Revenue</b>	5	69,875	39,254
Cost of sales	7	(62,623)	(34,575)
<b>Gross profit</b>		7,252	4,679
Interest income		71	6
Other income and gains	6	362	249
Administrative expenses	10	(3,113)	(1,895)
Finance costs	8	(98)	(134)
Other expenses	10	(1,464)	(1,237)
Other losses	6	(10,981)	(621)
<b>(Loss) profit before tax</b>		(7,971)	1,047
Income tax expense	12	(773)	(426)
<b>(Loss) profit, net of tax and total comprehensive (loss) income</b>		(8,744)	621
(Loss) earnings per share			
Basic and diluted (\$)	13	(5.24)	0.55

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Company	
		2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	1,353	1,473	3	-
Right-of-use assets	15	100	162	-	-
Other receivables	18	2,990	2,804	-	-
Investment in subsidiary	16	-	-	25,000	-
<b>Total non-current assets</b>		<b>4,443</b>	<b>4,439</b>	<b>25,003</b>	<b>-</b>
<b>Current assets</b>					
Contract assets	17	5,327	12,211	-	-
Other non-financial assets	19	1,389	670	17	44
Trade and other receivables	18	11,214	4,196	4	-
Cash and cash equivalents	20	12,706	6,214	1,204	289
<b>Total current assets</b>		<b>30,636</b>	<b>23,291</b>	<b>1,225</b>	<b>333</b>
<b>Total assets</b>		<b>35,079</b>	<b>27,730</b>	<b>26,228</b>	<b>333</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	21	13,050	1,500	33,614	6,237
Accumulated losses		(4,283)	4,461	(8,443)	(6,640)
<b>Total equity</b>		<b>8,767</b>	<b>5,961</b>	<b>25,171</b>	<b>(403)</b>
<b>Non-current liabilities</b>					
Lease liabilities	22	159	177	-	-
Other financial liabilities	23	1,572	3,097	-	500
<b>Total non-current liabilities</b>		<b>1,731</b>	<b>3,274</b>	<b>-</b>	<b>500</b>
<b>Current liabilities</b>					
Income tax provision		725	288	23	-
Trade and other payables	24	11,716	9,746	234	236
Contract liabilities	17	469	790	-	-
Lease liabilities	22	112	89	-	-
Other financial liabilities	23	11,559	7,582	800	-
<b>Total current liabilities</b>		<b>24,581</b>	<b>18,495</b>	<b>1,057</b>	<b>236</b>
<b>Total liabilities</b>		<b>26,312</b>	<b>21,769</b>	<b>1,057</b>	<b>736</b>
<b>Total equity and liabilities</b>		<b>35,079</b>	<b>27,730</b>	<b>26,228</b>	<b>333</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June 2023

Group	Total equity S\$'000	Share capital S\$'000	(Accumulated losses) / retained earnings S\$'000
<b>Current year:</b>			
At 1 July 2022	5,961	1,500	4,461
<b>Changes in equity:</b>			
Total comprehensive loss for the year	(8,744)	-	(8,744)
Consideration shares issued in relation to reverse acquisition (Note 21)	11,550	11,550	-
<b>At 30 June 2023</b>	8,767	13,050	(4,283)
<b>Previous year:</b>			
At 1 July 2021	6,440	1,500	4,940
<b>Changes in equity:</b>			
Total comprehensive income for the year	621	-	621
Dividend payable (Note 26)	(1,100)	-	(1,100)
<b>At 30 June 2022</b>	5,961	1,500	4,461
<b>Company</b>	<b>Total equity S\$'000</b>	<b>Share capital S\$'000</b>	<b>Accumulated losses S\$'000</b>
<b>Current year:</b>			
At 1 July 2022	(403)	6,237	(6,640)
<b>Changes in equity:</b>			
Total comprehensive loss for the year	(1,803)	-	(1,803)
Issuance of new shares pursuant to the RTO (Note 21)	27,377	27,377	-
<b>At 30 June 2023</b>	25,171	33,614	(8,443)
<b>Previous year:</b>			
At 1 July 2021	17,547	23,459	(5,912)
<b>Changes in equity:</b>			
Total comprehensive loss for the year	(728)	-	(728)
Capital reduction (Note 21)	(17,222)	(17,222)	-
<b>At 30 June 2022</b>	(403)	6,237	(6,640)

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2023

	Group	
	2023	2022
	S\$'000	S\$'000
<b><u>Cash flows from operating activities</u></b>		
(Loss) profit before tax	(7,971)	1,047
Adjustments for:		
Deemed reverse acquisition expenses	9,576	-
Depreciation of property, plant and equipment	591	566
Depreciation of right-of-use assets	62	62
Gain on disposal of plant and equipment	(7)	-
Interest income	(71)	(6)
Interest expense	500	261
Share-based payments – sponsor	89	-
Share-based payments – arranger	1,114	-
Operating cash flows before changes in working capital	3,883	1,930
Contract assets	6,884	(1,677)
Trade and other receivables	(7,204)	522
Other non-financial assets	(675)	(165)
Contract liabilities	(321)	526
Trade and other payables	2,834	465
Net cash flows from operations	5,401	1,601
Interest paid	(402)	(127)
Income taxes paid	(336)	(460)
Net cash flows from operating activities	4,663	1,014
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment (Note 20C)	(385)	(146)
Proceeds from disposal of plant and equipment	20	-
Interest received	71	6
Net cash flows used in investing activities	(294)	(140)
<b><u>Cash flows from financing activities</u></b>		
Net proceeds from issuance of new shares	1,174	-
Net cash inflows from reverse acquisition (Note 1)	289	-
Repayments of term loans	(1,496)	(1,406)
Increase of bill payables	3,148	3,096
Cash restricted in use	(2,692)	(317)
Lease liabilities – principal portion and interest paid	(105)	(103)
Increase in loan from a shareholder	300	-
Net movements in amounts due to directors and former shareholders of the subsidiary	(1,100)	-
Interest paid	(87)	(120)
Net cash flows (used in) from financing activities	(569)	1,150
<b>Net increase in cash and cash equivalents</b>	3,800	2,024
Cash and cash equivalents at beginning of the year	5,316	3,292
Cash and cash equivalents at end of the year (Note 20)	9,116	5,316

The accompanying notes form an integral part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 1. General

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited) (the “Company”) is incorporated and domiciled in Singapore with limited liability. The registered office is at 39 Sungei Kadut Loop Singapore 729494. The Company is an investment holding company. The principal activities of its subsidiary is described in Note 16. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The financial statements are presented in Singapore dollar and they cover the Company (referred to as “parent”) and the subsidiary. All information in these financial statement are rounded to the nearest thousand (S\$’000) except when otherwise indicated.

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

Uncertainties relating to the current economic conditions:

Management has considered the current economic conditions caused by commodities inflation and rising interest rates at the end of the reporting year and reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity’s ability to continue in operational existence for the near future.

### Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Singapore Accounting Standards Committee. They are in compliance with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

### Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 1. General (cont'd)

### Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and its subsidiary. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiary are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

### Reverse acquisition and presentation of historical financial information

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, on a collective basis, became the major shareholders of the Company and the name of the Company was changed to Lincotrade & Associates Holdings Limited.

Upon completion of the RTO, the Group comprises of:-

- (1) Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited)
- (2) Lincotrade PL

### At Group level

The consolidated financial statements of the Group 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 in the statement of profit or loss and other 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).

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 1. General (cont'd)

### Reverse acquisition and presentation of historical financial information (cont'd)

#### At Group level (cont'd)

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
  - (i) The consolidated statement of profit or loss and other comprehensive income for year ended 30 June 2023 ("FY2023") 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.
  - (ii) The comparative figures for the year ended 30 June 2022 ("FY2022") are the results of Lincotrade PL only.
- b. Consolidated statement of financial position of the Group
  - (i) 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.
  - (ii) The comparative figures as at 30 June 2022 are the statement of financial position of Lincotrade PL before the completion of the RTO.
- c. Statement of financial position of the Company
  - (i) 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.
  - (ii) The comparative figures as at 30 June 2022 is the statement of financial position of the Company before the completion of the RTO.
- d. Consolidated statement of changes in equity of the Group
  - (i) The consolidated statement of changes in equity of the Group for FY2023 are the consolidated changes in equity of the Group which include the changes arising from the RTO.
  - (ii) The comparative figures for FY2022 are the statement of changes in equity of Lincotrade PL only.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 1. General (cont'd)

### Reverse acquisition and presentation of historical financial information (cont'd)

#### At Group level (cont'd)

- e. Consolidated statement of cash flows of the Group
- (i) The consolidated statement of cash flows for FY2023 are the consolidated cash flows of the Group after the completion of the RTO.
  - (ii) The comparative figures for FY2022 are the cash flows of Lincotrade PL only.

#### 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, 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>
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 (Note A)	(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
Note A: Fair value of shares deemed issued	
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

Loss on reverse acquisition of S\$9,576,000 had been recorded in the consolidated statement of comprehensive income for the year ended 30 June 2023 as "deemed reverse acquisition expenses" (Note 6). The Group also incurred one-off RTO transaction related costs amounting to S\$196,000 (2022: S\$621,000) (Note 6).

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information

### 2A. Significant accounting policies

#### Revenue and income 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.

#### 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.

#### Interest income

Interest income is recognised using the effective interest method.

#### Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

#### Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

#### Foreign currency transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

#### Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Income tax (cont'd)

For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associates except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

#### Current and non-current classification

Assets and liabilities are presented in the statements of financial position based on current and non-current classification.

An asset is classified as current when: (i) it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; (ii) it is held primarily for the purpose of trading; (iii) it is expected to be realised within 12 months after the reporting year end; or (iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: (i) it is either expected to be settled in the Company's normal operating cycle; (ii) it is held primarily for the purpose of trading; (iii) it is due to be settled within 12 months after the reporting year end; or (iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Furniture and fitting	-	5 years
Leasehold property	-	Over remaining lease terms of 1.67 years
Leasehold improvement	-	5 years
Motor vehicles	-	5 years
Office equipment	-	3 to 5 years
Tools and equipment	-	5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The right-of-use assets are depreciated over 10 years.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

#### Subsidiary

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Carrying amount of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI); (3) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI); and (4) Financial asset classified as measured at fair value through profit or loss (FVTPL). At the end of the reporting year, the reporting entity had the following financial assets:

Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

#### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2B. Other explanatory information

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

#### 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 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.

### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### Revenue recognised over time

For revenue recognition arising from contracts with customers and the consequential financial performance of the Company, 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. The related account balances at the end of the reporting years are disclosed in the Note 5 on revenue and Note 17 on contract assets and contract liabilities.

#### Estimation of contract costs for construction contracts

The Company has significant ongoing construction contracts. For these contracts, revenue is recognised over time by reference to the Company'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.

As at 30 June 2023, \$5,327,000 of the Company's contract assets is subject to the estimation of progress towards completion using the input method. If the total contract cost of on-going contracts to be incurred had been higher/lower by 10% from management's estimates, the Company's revenue and contract assets would have been lower/higher by \$532,700.

#### Allowance for trade and retention receivables and contract assets

The entity has few customers and which can be graded as low risk individually. These trade and retention 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. The carrying amount is disclosed in Note 17 on contract assets and Note 18 on trade and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

Upon the completion of the reverse-take over acquisition on 3 August 2022, the then-existing shareholders of Lincotrade & Associates Pte Ltd became the major shareholders of the Company and the name of the Company was changed to Lincotrade & Associates Holdings Limited. Consequentially, Triple Vision Pte Ltd became the Company's former immediate and ultimate parent company.

### 3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

### 3B. Key management compensation

	Group	
	2023	2022
	S\$'000	S\$'000
Salaries and other short-term employee benefits	1,743	1,150 <sup>(i)</sup>

Included in the above amounts are following items:

	Group	
	2023	2022
	S\$'000	S\$'000
Remuneration of directors of the Company	487	– <sup>(i)</sup>
Remuneration of directors of the subsidiary	924	1,150
	1,411	1,150
Fees to directors of the Company	84	– <sup>(ii)</sup>

<sup>(i)</sup> Remuneration paid to a director of the Company amounting to S\$84,000 for the reporting year ended 30 June 2022 was not included in the comparative figure of the Group above as it was incurred by the Company prior to the completion of the RTO (see Note 1).

<sup>(ii)</sup> Fees paid to directors of the Company amounting to S\$92,000 for the reporting year ended 30 June 2022 was not included in the comparative figure of the Group above as it was incurred by the Company prior to the completion of the RTO (see Note 1).

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 3. Related party relationships and transactions (cont'd)

### 3B. Key management compensation

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The above amounts for key management compensation are for all directors and three key management persons (2022: all directors and key management personnel).

### 3C. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

#### Former parent company

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Other financial liabilities:</u>				
At beginning of the year	-	-	500	300
Additions arising from RTO (see Note 1)	500	-	-	-
Amount paid in and settlement on behalf of the Company	300	-	300	200
Assignment of debt to a shareholder (Note 23D)	(800)	-	(800)	-
At end of the year (Note 23)	-	-	-	500

#### Shareholder

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Other financial liabilities:</u>				
At beginning of the year	-	-	-	-
Assignment of debt from former parent company (Note 23D)	800	-	800	-
At end of the year (Note 23)	800	-	800	-

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 3. Related party relationships and transactions (cont'd)

### 3C. Other receivables from and other payables to related parties (cont'd)

Directors and former shareholders of the subsidiary

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Other payable:</u>				
At beginning of the year	1,100	-	-	-
Amount paid out and settlement on behalf of the directors and former shareholders of the subsidiary	(1,100)	-	-	-
Dividend payable (Note 26)	-	1,100	-	-
At end of the year (Note 24)	-	1,100	-	-

## 4. Financial information by operating segments

### 4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purpose the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) commercial, (2) residential and (3) showflats. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

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

- (1) Commercial – Provision of construction services to commercial buildings;
- (2) Residential – Provision of construction services to residential buildings; and
- (3) Showflats – Building of showflats.

Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## **4. Financial information by operating segment (cont'd)**

### **4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)**

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate a segment's operating results is gross profit.

Segment assets consist principally of trade receivables that are directly attributable to a segment.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 4. Financial information by operating segment (cont'd)

### 4B. Profit or loss from continuing operations and reconciliations

Group:	Commercial		Residential		Showflats		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segment	48,442	30,515	3,403	4,796	18,030	3,943	-	-	69,875	39,254
External revenue										
Segment results :-										
Gross profit	6,987	4,008	13	152	252	519	-	-	7,252	4,679
Interest income							71	6	71	6
Finance costs							(98)	(134)	(98)	(134)
Depreciation of property, plant and equipment							(591)	(566)	(591)	(566)
Depreciation of right-of-use asset							(62)	(62)	(62)	(62)
Employee benefits expenses							(2,577)	(1,760)	(2,577)	(1,760)
Unallocated corporate expenses							(1,347)	(744)	(1,347)	(744)
Other (losses) and income and gains							(10,619)	(372)	(10,619)	(372)
(Loss) profit before tax									(7,971)	1,047
Income tax expense									(773)	(426)
(Loss) profit after tax									(8,744)	621

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 4. Financial information by operating segment (cont'd)

### 4C. Assets, liabilities and reconciliations

Group:	Commercial		Residential		Showflats		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Reportable segment assets</b>										
Trade and other receivables	9,829	5,609	776	800	3,570	585	29	6	14,204	7,000
Contract assets	2,441	6,499	1,810	3,140	1,076	2,572	-	-	5,327	12,211
Cash and cash equivalents							12,706	6,214	12,706	6,214
Other assets							1,389	670	1,389	670
Property, plant and equipment							1,353	1,473	1,353	1,473
Right-of-use asset							100	162	100	162
Total assets									<u>35,079</u>	<u>27,730</u>
<b>Reportable segment liabilities</b>										
Trade and other payables	-	-	-	-	-	-	11,716	9,746	11,716	9,746
Contract liabilities	469	790	-	-	-	-	-	-	469	790
Income tax provision							725	288	725	288
Lease liabilities							271	266	271	266
Other financial liabilities							13,131	10,679	13,131	10,679
Total liabilities									<u>26,312</u>	<u>21,769</u>
Capital expenditure							(484)	(146)	(484)	(146)

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 4. Financial information by operating segments (cont'd)

### 4D. Geographical information

	Group Revenue		Group Non-current assets	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	69,875	39,254	4,443	4,439

### 4E. Information about major customers

	Group	
	2023	2022
	S\$'000	S\$'000
Top 1 customer in more than 1 segment	15,408	5,932
Top 2 customers in more than 1 segment	28,993	9,954
Top 3 customers in more than 1 segment	38,923	13,948

## 5. Revenue

	Group	
	2023	2022
	S\$'000	S\$'000
Revenue from long term construction contracts	69,875	39,254

Revenue from construction contracts is recognised over time and generated locally.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 6. Other income and gains and (other losses)

	Group	
	2023	2022
	S\$'000	S\$'000
Deemed reverse acquisition ("RTO") expenses <sup>(#)</sup>	(9,576)	-
Foreign exchange losses	(6)	-
Gain on disposal of plant and equipment	7	-
Government grants	348	208
Rental income	-	2
Reverse acquisition expenses (Note 1)	(196)	(621)
Share-based payment – sponsor	(89)	-
Share-based payment – arranger	(1,114)	-
Others	7	39
Net	<u>(10,619)</u>	<u>(372)</u>
Presented in profit or loss as:		
Other income and gains	362	249
Other losses	(10,981)	(621)
Net	<u>(10,619)</u>	<u>(372)</u>

<sup>(#)</sup> During the reporting year ended 30 June 2023, the Group recognised loss on reverse acquisition of S\$9,576,000 as deemed reverse acquisition ("RTO") expenses which include the fair value of the Company's shares of S\$0.196 per share deemed issued (Company's last transacted share price prior to RTO completion date on 3 August 2022), amounting to \$9,173,000. (Also see Note 1 on "Reverse acquisition and presentation of historical financial information").

## 7. Cost of sales

Included in the cost of sales is interest on bill payables amounting to S\$402,000 (2022: S\$127,000).

## 8. Finance costs

	Group	
	2023	2022
	S\$'000	S\$'000
Interest on lease liabilities	11	14
Interest on term loans	87	120
Total	<u>98</u>	<u>134</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 9. Employee benefits expense

	Group	
	2023	2022
	S\$'000	S\$'000
Employee benefits expense	6,596	4,545
Contributions to defined contribution plans	316	694
Other benefits	595	203
Total employee benefits expense	<u>7,507</u>	<u>5,442</u>
The employee benefits expense is charged under:		
Administrative expenses (Note 10)	2,578	1,760
Cost of sales	4,929	3,682
	<u>7,507</u>	<u>5,442</u>

## 10. Administrative and other expenses

The major components and other selected components include the following:

	Group	
	2023	2022
	S\$'000	S\$'000
<u>Administrative expenses:</u>		
Employee benefits expense (Note 9)	<u>2,578</u>	<u>1,760</u>
<u>Other expenses:</u>		
Depreciation of property, plant and equipment (Note 14)	576	557
Depreciation of right-of-use assets (Note 15)	62	62

## 11. Items in the profit or loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Group	
	2023	2022
	S\$'000	S\$'000
Audit fees paid to auditors of the Company <sup>(a), (b)</sup>	120	30
Non-audit fees paid to auditors of the Company	<u>-</u>	<u>13</u>

<sup>(a)</sup> Fees paid to auditors of the Company for acting as Reporting Accountant for the acquisition amounting to S\$178,000 for the reporting year ended 30 June 2022 were not included in the comparative figure of the Group above as it was incurred prior to the completion of the RTO (see Note 1).

<sup>(b)</sup> Audit fees paid to auditors of the Company for the reporting year ended 30 June 2022 were not included in the comparative figure of the Group above as the amounts was incurred prior to the completion of the RTO (see Note 1).

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 12. Income tax

### 12A. Components of income tax recognised in profit or loss

	Group	
	2023	2022
	S\$'000	S\$'000
<u>Current tax expense:</u>		
Current tax expense	725	299
Under adjustments in respect of prior periods	48	127
Total income tax expense	<u>773</u>	<u>426</u>

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax on profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2022: 17.0%) to profit before income tax as a result of the following differences:

	Group	
	2023	2022
	S\$'000	S\$'000
(Loss) profit before tax	<u>(7,971)</u>	<u>1,047</u>
Income tax (income) expense at the above rate	(1,356)	178
Expenses not deductible for tax purposes	2,105	175
Income not subject to tax	(7)	(31)
Tax exemption and rebate	(17)	(17)
Unrecognised deferred tax	-	(10)
Under adjustments in respect of prior periods	48	127
Others	-	4
Total income tax expense	<u>773</u>	<u>426</u>

There are no income tax consequences of dividends to owners of the Company.

### 12B. Deferred tax expense recognised in profit or loss include:

	Group	
	2023	2022
	S\$'000	S\$'000
Excess of book value of plant and equipment over tax values	(1)	(27)
Deferred tax relating to depreciation expense on right-of-use asset and interest on lease liabilities	(1)	(1)
Unrecognised deferred tax assets	-	10
Unrecognised deferred tax liabilities	2	18
Net	<u>-</u>	<u>-</u>



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 12. Income tax (cont'd)

### 12C. Deferred tax balance in the statement of financial position

The amount of each type of the deferred tax income or expense recognised in profit or loss is not presented because it is apparent from the changes in the amounts recognised in the statements of financial position as below:

	Group	
	2023	2022
	S\$'000	S\$'000
<u>Deferred tax (liabilities) assets:</u>		
Excess of book value of plant and equipment over tax values	(22)	(21)
Deferred tax relating to depreciation expense on right-of-use asset and interest on lease liabilities	2	3
Unrecognised deferred tax liabilities	20	18
Net	-	-

## 13. (Loss) earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted loss per share of no par value:

	Group	
	2023	2022
	S\$'000	S\$'000
Numerators: (Loss) earnings attributable to equity holders of the Company	(8,744)	621
	<b>2023</b>	<b>2022</b>
	<b>No: '000</b>	<b>No: '000</b>
Denominators: Weighted average number of ordinary shares Basic and diluted	166,749	113,636

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

There is no dilution of loss per share as there are no shares under options. The denominators used are the same as those detailed above for both basic and diluted earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 14. Property, plant and equipment

Group	Leasehold property	Leasehold improvement	Furniture and fitting	Motor vehicles	Office equipment	Tools and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<u>Cost:</u>							
At 1 July 2021	4,205	181	103	640	336	424	5,889
Additions	-	-	11	20	115	-	146
Disposals	-	-	-	-	(28)	(192)	(220)
At 30 June 2022	4,205	181	114	660	423	232	5,815
Additions	-	-	-	206	84	194	484
Disposals	-	-	-	(99)	(124)	(32)	(255)
At 30 June 2023	4,205	181	114	767	383	394	6,044
<u>Accumulated depreciation:</u>							
At 1 July 2021	2,554	176	101	450	306	409	3,996
Depreciation for the year	451	4	2	56	44	9	566
Disposal	-	-	-	-	(28)	(192)	(220)
At 30 June 2022	3,005	180	103	506	322	226	4,342
Depreciation for the year	450	1	2	64	59	15	591
Disposal	-	-	-	(86)	(124)	(32)	(242)
At 30 June 2023	3,455	181	105	484	257	209	4,691
<u>Net book value:</u>							
At 1 July 2021	1,651	5	2	190	30	14	1,893
At 30 June 2022	1,200	1	11	154	101	6	1,473
At 30 June 2023	750	-	9	283	126	185	1,353

Allocation of the depreciation expense as follows:

	Group	
	2023	2022
Cost of sales	\$'000	\$'000
Other expenses (Note 10)	15	9
	576	557
	591	566

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 14. Property, plant and equipment (cont'd)

Leasehold property with carrying value of \$750,000 (2022: \$1,200,000) are pledged to the bank for credit facilities (see Note 23).

Motor vehicles with carrying value of \$255,000 (2022: \$122,000) are under hire purchase agreements as disclosed in Note 22.

<b>Company</b>	<b>Plant and equipment S\$'000</b>
<u>Cost:</u>	
At 31 July 2021	45
Disposal	(9)
At 30 June 2022	<u>36</u>
Additions	4
Disposal	(35)
At 30 June 2023	<u><u>5</u></u>
<u>Accumulated depreciation:</u>	
At 31 July 2021	45
Disposal	(9)
At 30 June 2022	<u>36</u>
Depreciation for the year	1
Disposal	(35)
At 30 June 2023	<u><u>2</u></u>
<u>Carrying value:</u>	
At 30 June 2021	<u>-</u>
At 30 June 2022	<u>-</u>
At 30 June 2023	<u><u>3</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 15. Right-of-use assets

The right-of-use assets in the statements of financial position are as follows:

	<b>Group S\$'000</b>
<u>Cost:</u>	
At 1 July 2021, 30 June 2022 and 30 June 2023	586
<u>Accumulated depreciation:</u>	
At 1 July 2021	362
Depreciation for the year	62
At 30 June 2022	424
Depreciation for the year	62
At 30 June 2023	486
<u>Carrying value:</u>	
At 1 July 2021	224
At 30 June 2022	162
At 30 June 2023	100

Land lease from the Jurong Town Corporation ("JTC Land") is amortised over the lease period commencing from 31 August 2015 and to expiring on 28 February 2025.

	<b>Company S\$'000</b>
<u>Cost:</u>	
At 1 July 2021 and 30 June 2022	130
Written off	(130)
At 30 June 2023	-
<u>Accumulated depreciation:</u>	
At 1 July 2021	92
Depreciation for the year	38
At 30 June 2022	130
Written off	(130)
At 30 June 2023	-
<u>Carrying value:</u>	
At 30 June 2021	38
At 30 June 2022 and 30 June 2023	-

For lease of office space, there are restrictions or covenants imposed by the leases to sublet the asset to another party.

The depreciation expense is charged to administrative expenses.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 16. Investment in subsidiary

	Company	
	2023	2022
	S\$'000	S\$'000
<u>Movement in carrying value:</u>		
At beginning of the year	-	-
Addition <sup>(b)</sup>	25,000	-
At end of the year	25,000	-

The subsidiary held by the Company and the Group is listed below:

Name of subsidiary, country of incorporation, places of operation and principal activities	Cost in books of Company		Effective percentage of equity held by Group and Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	%	%
<u>Held by the Company</u>				
Lincotrade & Associates Pte Ltd <sup>(a), (b)</sup>				
Singapore				
Provision of interior design, renovation, carpentry and joinery services, carrying over interior fitting-out works and manufacturing of builders' carpentry and joinery	25,000	-	100	-

<sup>(a)</sup> Audited by RSM Chio Lim LLP.

<sup>(b)</sup> On 3 August 2022, the Company completed the RTO of Lincotrade PL for a consideration of S\$25,000,000 at the issue price of S\$0.22 per share for 113,636,363 ordinary shares as disclosed in Note 1.

## 17. Contract assets and contract liabilities

	Group	
	2023	2022
	\$'000	\$'000
Contract assets (Note 17A)	5,327	12,211
Contract liabilities (Note 17B)	469	790

### 17A. Contract assets

The contract assets are for the Group's rights to consideration for work completed but not billed at the reporting date on construction 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 Group invoices the customers.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 17. Contract assets and contract liabilities (cont'd)

### 17A. Contract assets (cont'd)

The movements in contract assets are as follows:

	Group	
	2023	2022
	\$'000	\$'000
At beginning of the year	12,211	10,534
Revenue recognised for performance obligation satisfied overtime	69,875	37,299
Transferred to trade receivables	(76,759)	(35,622)
At end of the year	5,327	12,211

### 17B. Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for which transfer of control has not occur, and therefore revenue is not recognised. The entity recognises revenue from the satisfaction of the performance obligation.

The movements in contract liabilities are as follows:

	Group	
	2023	2022
	\$'000	\$'000
At beginning of the year	790	264
Performance obligation satisfied – revenue recognised during the reporting year	(921)	(1,955)
Additions of contract liabilities from deposits paid by customers during the year	600	790
Consideration received or receivable	–	1,691
At end of the year	469	790

Transaction price allocated to the remaining performance obligations (over time method): Management expects that the aggregate amount of the transaction price allocated to unsatisfied performance obligations as of 30 June 2023 is approximately \$58,405,000 (2022: \$78,412,000) will be recognised as revenue as the Group continues to perform to complete the contracts, which is expected to occur over the next 3 years. The amount disclosed above does not include variable consideration which may be subject to significant risk of reversal.

The Group has applied the practical expedient not to disclose information about its remaining performance obligations if:

- a) The performance obligation is part of a contract that has an original expected duration for one year or less, or
- b) The Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customers of the Group's performance completed to date.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 18. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current</u>				
<u>Trade receivables:</u>				
Outside parties	5,974	3,655	-	-
Retention receivables	5,211	536	-	-
Net trade receivables – subtotal	11,185	4,191	-	-
<u>Other receivables:</u>				
Outside parties	29	5	4	-
Net other receivables – subtotal	29	5	4	-
Total trade and other receivables	11,214	4,196	4	-
<u>Non-current</u>				
Retention receivables	2,990	2,804	-	-

Retention receivables is intended to provide the customer with security against the Group failing to adequately complete its obligations under the contract. The retention receivables are generally on 12 to 24 months' term.

The expected credit losses ("ECL") on the trade receivables, and contract assets are based on the simplified approach to measuring expected credit losses which uses a lifetime ECL allowance approach for all trade receivables and contract assets recognised from initial recognition of these assets. The Group has only a few customers and which can be credit risk graded individually and these are recorded at inception net of expected lifetime ECL. These customers were graded as low risk individually and no significant increase in credit risk since initial recognition. No loss allowance was necessary.

At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 18. Trade and other receivables (cont'd)

The ageing are as follows:

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Gross trade receivables:				
Not past due	13,426	5,918	-	-
Less than 30 days	442	1,061	-	-
31 to 60 days	150	-	-	-
Over 60 days	157	16	-	-
Total	14,175	6,995	-	-

The total is for trade receivables generated under the financial reporting standard on revenue recognition.

There are no collaterals held as security (except for retention monies) and other credit enhancements for the trade receivables.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 days (2022: 30 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivable customers (including retention receivables) at end of reporting year is as follows:

	Group	
	2023	2022
	\$'000	\$'000
Top 1 customer	2,109	1,442
Top 2 customers	2,992	2,642
Top 3 customers	3,815	3,526

Other receivables at amortised cost set out above are subject to the ECL model under the financial reporting standard on financial instruments. Other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12-month ECL because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made as to whether there is 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 reporting date. Adjustment to loss allowance is made for any increase or decrease in credit risk. No allowance is necessary.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 19. Other non-financial assets

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Advances paid to suppliers	867	287	-	13
Deposits to secure services	273	282	-	-
Prepayment	249	101	17	31
	<u>1,389</u>	<u>670</u>	<u>17</u>	<u>44</u>

## 20. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Not restricted in use	8,016	5,316	104	-
Fixed deposits	1,100	-	1,100	289
Cash pledged for bank facilities <sup>(a)</sup>	3,590	898	-	-
	<u>12,706</u>	<u>6,214</u>	<u>1,204</u>	<u>289</u>

<sup>(a)</sup> Bank balances held by banks to cover bank facilities issued.

The rates of interest for the cash on interest earning balances ranged between 0.05% and 4.00% (2022: 0.05% and 0.85%) per annum.

## 20A. Cash and cash equivalents in the statement of cash flows

	Group	
	2023	2022
	\$'000	\$'000
Amount as shown above	12,706	6,214
Fixed deposits pledged for bank facilities	(3,590)	(898)
Cash and cash equivalents for statements of cash flows purposes at end of the years	<u>9,116</u>	<u>5,316</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 20. Cash and cash equivalents (cont'd)

### 20B. Reconciliation of liabilities arising from financing activities:

Group:	At beginning of the year	Cash flows	Non-cash changes		At end of the year
	\$'000	\$'000	\$'000		\$'000
<u>2023:</u>					
Lease liabilities	266	(105)	110	(a)	271
Other financial liabilities	10,679	1,652	800	(b)	13,131
Total liabilities from financing activities	10,945	1,547	910		13,402
<u>2022:</u>					
Lease liabilities	355	(103)	14	(a)	266
Other financial liabilities	8,989	1,690	-		10,679
Total liabilities from financing activities	9,344	1,587	14		10,945

(a) Accretion of interest and acquisition of motor vehicles under hire purchase arrangements.

(b) Loan from shareholder to the Company consolidated to the Group following the completion of the RTO. (see Note 1)

### 20C. Non-cash transactions

	Group	
	2023	2022
	\$'000	\$'000
Acquisition of plant and equipment (Note 14)	484	146
Acquisitions under hire purchase agreements (Note 20B)	(99)	-
Cash disbursed to purchase plant and equipment	385	146

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 21. Share capital

	Note	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	21.1	-	(17,222)
At 30 June 2022		46,800,000	6,237
Issuance of new shares pursuant to the RTO:			
- Acquisition of entire share capital of Lincotrade PL	21.2	113,636,363	25,000
- Share-based payment – Sponsor shares	21.3	454,545	89
- Share-based payment – Arranger shares	21.4	5,681,818	1,114
- Issuance of ordinary shares	21.5	5,455,000	1,200
- Share issue expenses	21.5	-	(26)
Subtotal		125,227,726	27,377
At 30 June 2023		172,027,726	33,614

	Note	Group Share capital 2023 S\$'000	2022 S\$'000
<u>Ordinary shares of no par value:</u>			
At 1 July		1,500	1,500
Issuance of new shares pursuant to the RTO:			
- Acquisition of entire share capital of Lincotrade PL		9,173	-
- Share-based payment – Sponsor shares	21.3	89	-
- Share-based payment – Arranger shares	21.4	1,114	-
- Issuance of ordinary shares	21.5	1,200	-
- Share issue expenses	21.5	(26)	-
Subtotal		11,550	-
At 30 June		13,050	1,500

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 21. Share capital (cont'd)

The ordinary shares of no par value which are fully paid carry no right to fixed income. The Company is not subject to any externally imposed capital requirements.

21.1 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.

### Shares issued pursuant to the RTO

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

- 21.2 allotted and issued 113,636,363 ordinary shares at an issue price of S\$0.22 per share, in full satisfaction of the total consideration of S\$25,000,000;
- 21.3 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 financial year ended 30 June 2023;
- 21.4 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\$1,114,000 and this was charged to the statement of profit or loss during the financial year ended 30 June 2023; and
- 21.5 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\$1,200,000. Net proceeds received after deducting direct expenses relating to the placement of approximately S\$26,000 was approximately S\$1,174,000.

### **Capital management**

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 21. Share capital (cont'd)

### Capital management (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2023	2022
	\$'000	\$'000
Net debt:		
All current and non-current borrowings including leases	13,402	10,945
Less cash and cash equivalents	(12,706)	(6,214)
Net debt	696	4,731
Adjusted capital:		
Total equity	8,767	5,961
Debt-to-adjusted capital ratio	7.9%	79.4%

The favourable change as shown by the decrease in the debt-to-adjusted capital ratio resulted primarily from the increase in equity and increase in cash and cash equivalents.

## 22. Lease liabilities

Lease liabilities are presented in the statements of financial position as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Lease liabilities, current	112	89	-	-
Lease liabilities, non-current	159	177	-	-
Subtotal	271	266	-	-
<u>Movements of lease liabilities:</u>				
At beginning of the year	266	355	-	40
Additions	99	-	-	-
Accretion of interest	11	14	-	1
Lease payments	(105)	(103)	-	(41)
At end of the year	271	266	-	-

The Group has a few leases relating to the land and motor vehicles. The land lease from the Jurong Town Corporation ("JTC Land") commenced on 31 August 2015 and will expire on 28 February 2025.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 22. Lease liabilities (cont'd)

The JTC Land lease terms are negotiated and amounts payable are subject to an escalation clause but the amount of the increase is not to exceed a certain percentage and subject to following:

- (i) the lease prohibits the Group from selling or pledging the underlying leased asset as security unless permitted by the owner; and
- (ii) there is no option to purchase the underlying leased asset outright at the end of the lease.

Other information about the leasing activities relating to the right-of-use asset are summarised as follows:

	Group	
	JTC Land	Motor vehicles
Number of right-of-use assets:		
- 2022	1	3
- 2023	1	5
Remaining term - range:		
- 2022	2.7 years	1 to 4 years
- 2023	1.7 years	1 to 5 years

The interest rates applied to lease liabilities are as follows:

	Group	
	JTC Land	Motor vehicles
Weighted average incremental borrowing rate:		
- 2022	5.25%	-
- 2023	5.25%	-
Weighted effective interest rate:		
- 2022	-	2.79%
- 2023	-	2.79%

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 22. Lease liabilities (cont'd)

Only variable lease payments that depend on an index or a rate; payments that vary to reflect changes in market rental rates are included in the measurement of the lease liability. Such variable amounts that are unpaid at the commencement date are included in the measurement of lease liabilities. Variable lease payments would also include extension options and termination options; residual value guarantees; and leases not yet commenced to which the lessee is committed. The variable lease payments that are based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

A summary of the maturity analysis of lease liabilities is disclosed in Note 27E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use-assets are disclosed in Note 15.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

Certain motor vehicles under hire purchase agreements are secured by a legal charge over the leased assets and guarantee from a director.

At reporting year date there were no commitments on leases which had not yet commenced.

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Expense relating to short-term leases	152	107

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 23. Other financial liabilities

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Term loan A (Note 23A)	2,534	3,781	-	-
Term loan B (Note 23B)	563	813	-	-
Bill payables (Note 23C)	9,234	6,085	-	-
Loan from shareholder (Notes 3D and 23D)	800	-	800	500
	<u>13,131</u>	<u>10,679</u>	<u>800</u>	<u>500</u>
Presented in statements of financial position:				
- Non-current	1,572	3,097	-	500
- Current	11,559	7,582	800	-
Total	<u>13,131</u>	<u>10,679</u>	<u>800</u>	<u>500</u>

### 23A. Term loan A

Term loan A was obtained to finance working capital at a fixed rate of 2.25% (2022: 2.25%) per annum. The loan has 5 years maturity period (from the date of first drawdown) and repayment terms are as below:

- (i) Repayment of principal shall commence on 1 July 2022; and
- (ii) Monthly interest repayments shall commence from 1 July 2021 until the loan matures.

Term loan A is secured by corporate guarantee from the Company.

Term loan A is carried at amortised cost using the effective interest method over 5 years. The fair value of \$2,534,000 (2022: \$3,781,000) is measured using the cash flows method at an effective interest rate ranging 2.27% to 2.36% (2022: 2.28% to 3.04%) per annum. The carrying amount is a reasonable approximation of fair value (Level 2).

### 23B. Term loan B

Term loan B was obtained to finance working capital at a fixed rate of 2.00% (2022: 2.00%) per annum. The loan has 5 years maturity period (from the date of first drawdown) and repayment terms are as below:

- (i) Repayment of principal shall commence on 24 October 2023 (1 year after the date of first drawdown); and
- (ii) Monthly interest repayments shall commence from 4 September 2022 until the loan matures.

Term loan B is secured by corporate guarantee from the Company and charge over all term deposit accounts of Lincotrade PL.

Term loan B is carried at amortised cost using the effective interest method over 5 years. The fair value of \$563,000 (2022: \$813,000) is measured using the cash flows method at an effective interest rate of 2.34% (2022: 2.02%) per annum. The carrying amount is a reasonable approximation of fair value (Level 2).

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 23. Other financial liabilities (cont'd)

### 23C. Bill payables

Bill payables are on 15 to 108 days (2022: 7 to 113 days) terms and are charged at floating interest rates ranging from 5.03% to 5.54% (2022: 2.27% to 3.87%) per annum.

These bill payables under the bank facilities were secured by:

1. Corporate guarantee from the Company;
2. A legal mortgage over the properties; and
3. Charge over certain term deposits of Lincotrade PL.

### 23D. Loan from shareholder

On 23 February 2021, the Company entered into a loan agreement with its former ultimate parent company, Triple Vision Pte. Ltd. ("Triple Vision") for an aggregate amount of up to S\$1,000,000 ("First Loan"). Any disbursement will be used for the payment of professional fees and expenses of the Company's corporate actions. The loan is unsecured, interest-free and is repayable at the earlier of the date falling (i) on 30 November 2021, or (ii) on the completion of the Proposed Disposal, or (iii) on any other date as may be agreed upon in writing by the Parties.

As at 30 June 2021, the Company had drawn down S\$300,000 from the First Loan. The Company completed the Disposal during the year ended 30 June 2022 and the loan of S\$300,000 was used to offset against the Disposal Consideration.

On 26 April 2022, the Company entered into another loan agreement with Triple Vision for an aggregate amount of up to S\$1,000,000 ("Second Loan") at any time. Any disbursement will be used for the payment of professional fees and expenses incurred for the Proposed Acquisition of Lincotrade & Associates Pte Ltd ("Proposed Acquisition"). The loan is unsecured, interest-free and is repayable beginning from the Maturity Date, i.e. 12 months from the date of completion of the Proposed Acquisition, 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.

As disclosed in Note 1, the Proposed Acquisition was completed after the reporting year on 3 August 2022. Subsequent to the date of completion of the Proposed Acquisition, Triple Vision became the Company's former immediate and ultimate parent company (as disclosed in Note 3).

During the reporting year ended 30 June 2023, Triple Vision signed a Deed of Assignment ("Deed") and assigned the Loan to Mr. Wee Henry, the sole beneficial owner of Triple Vision. The terms of the Loan and the repayment schedule remain the same.

As at 30 June 2023, the Company had drawn down S\$800,000 from the Loan (2022: S\$500,000) and the first repayment of S\$100,000 per month has commenced in August 2023.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 24. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	9,604	8,135	206	208
Retention payables	2,071	509	-	-
Subtotal	11,675	8,644	206	208
<u>Other payables:</u>				
Dividend payable to directors and former shareholders of the subsidiary (Notes 3 and 26)	-	1,100	-	-
Outside parties	41	2	28	28
Subtotal	41	1,102	28	28
Total trade and other payables	11,716	9,746	234	236

## 25. Bank guarantees

The Group has bank guarantees given to third parties as a result of construction contract undertaken. The management is of the view that no material liabilities will arise from these bank guarantees at the date of authorisation for the release of these financial statements.

	Group	
	2023	2022
	\$'000	\$'000
Performance guarantee issued in favour of customers	4,482	1,731

## 26. Dividends on equity shares

The shareholders of Lincotrade PL had approved a final dividend of \$0.73 per share with a total of \$1,100,000 be paid to shareholders of the Group in respect of the reporting year ended 30 June 2021 at the annual general meeting on 10 March 2022. There were no income tax consequences on the reporting entity. This dividend had been included as a liability in these financial statements as at reporting year ended 30 June 2022. The dividend was payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable.

The dividend payment was subsequently made during the financial year ended 30 June 2023.



# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 27. Financial instruments: information on financial risks

### 27A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year.

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	26,910	13,214	1,208	289
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	25,118	20,691	1,034	736

Further quantitative disclosures are included throughout these financial statements.

### 27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposure to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## **27. Financial instruments: information on financial risks (cont'd)**

### **27C. Fair values of financial instruments**

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However, these are not formally documented in written form. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

The Group is exposed to currency and interest rates risks. There are no arrangements to manage such risk exposure through derivatives and other hedging instruments.

### **27D. Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 20 discloses the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

### **27E. Liquidity risk – financial liabilities maturity analysis**

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 180 days (2022: 180 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivate financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 27. Financial instruments: information on financial risks (cont'd)

### 27E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Group:	Less than one year \$'000	Between two to five years \$'000	More than five years \$'000	Total \$'000
<u>2023:</u>				
Gross lease liabilities	121	178	3	302
Gross other financial liabilities	11,685	1,591	-	13,276
Trade and other payables	11,716	-	-	11,716
At end of the year	23,522	1,769	3	25,294
<u>2022:</u>				
Gross lease liabilities	100	188	-	288
Gross other financial liabilities	7,686	3,169	-	10,855
Trade and other payables	9,746	-	-	9,746
At end of the year	17,532	3,357	-	20,889

Company:	Less than one year S\$'000	One to three years S\$'000	Total S\$'000
<u>2023:</u>			
Trade and other payables	234	-	234
Other financial liabilities	800	-	800
At end of the year	1,034	-	1,034
<u>2022:</u>			
Trade and other payables	236	-	236
Other financial liabilities	-	500	500
At end of the year	236	500	736

The undiscounted amounts on the bank borrowings with fixed interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk. The unused bank facilities as at year end were \$4,409,000 (2022: \$3,820,000).

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 27. Financial instruments: information on financial risks (cont'd)

### 27F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial liabilities:</u>				
Fixed rate	3,368	4,860	-	-
Floating rate	9,234	6,085	-	-
Total at end of year	12,602	10,945	-	-

The floating rate debt instruments are with interest rates that are re-set regularly. The interest rates are disclosed in Note 23.

There is exposure to interest rate risk as part of its normal business.

Sensitivity analysis: The effect on pre-tax loss is not significant.

### 27G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis: The effect on post tax profit is not significant.

## 28. Event after the end of the reporting year

On 14 August 2023, the Company incorporated Lincotrade & Associates (Malaysia) Sdn. Bhd., a 60% owned subsidiary in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

Year Ended 30 June 2023

## 29. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Committee. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<b>SFRS(I) No.</b>	<b>Title</b>
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments to
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)
SFRS (I) 16	Covid-19 Related Rent Concessions beyond 30 June 2021 – Amendments to
Various	Annual Improvements to SFRS (I)s 2018-2020 – Amendments to SFRS(I) 1 First-time Adoption of SFRS(I); IFRS 9 Financial Instruments; SFRS(I) 16 Leases; and SFRS(I) 1-41 Agriculture

## 30. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Committee and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity’s financial statements in the period of initial application.

<b>SFRS(I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS (I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS (I) 1-1 and SFRS (I) Practice Statement 2 Making Materiality Judgements	1 January 2023
SFRS (I) 1-8	Definition of Accounting Estimates – Amendments	1 January 2023
SFRS (I) 1-12, SFRS (I) 1	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to	1 January 2023

# STATISTICS OF SHAREHOLDINGS

As at 15 September 2023

Issued and fully paid-up capital	:	S\$33,613,730
No. of shares issued	:	172,027,726
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share
No. / % of treasury shares	:	Nil
No. / % of subsidiary holdings	:	Nil

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	-	-	-	-
100 - 1,000	125	27.53	83,700	0.05
1,001 - 10,000	257	56.61	1,008,800	0.59
10,001 - 1,000,000	65	14.32	6,679,101	3.88
1,000,001 AND ABOVE	7	1.54	164,256,125	95.48
<b>TOTAL</b>	<b>454</b>	<b>100.00</b>	<b>172,027,726</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TAN JIT MENG	45,454,545	26.42
2	SOH LOONG CHOW JACKIE	45,454,545	26.42
3	WEE HENRY	24,411,499	14.19
4	TAN CHEE KHOON	23,181,818	13.48
5	IFAST FINANCIAL PTE. LTD.	10,359,518	6.02
6	FORTSMITH INVESTMENTS LIMITED	8,540,000	4.96
7	NOMURA SINGAPORE LIMITED	6,854,200	3.98
8	CITIBANK NOMINEES SINGAPORE PTE LTD	1,000,000	0.58
9	SEOW MING LIANG	775,700	0.45
10	HO WENG KUM	455,000	0.26
11	CHUA SEK HOW	281,400	0.16
12	GOH KIAN SOON (WU JIANSHUN)	279,200	0.16
13	LEOW KIM HOW	272,200	0.16
14	TAN KAY CHENG	236,200	0.14
15	NG CHONG LAY	216,000	0.13
16	TIGER BROKERS (SINGAPORE) PTE. LTD.	206,600	0.12
17	FONG LAI FANG	205,000	0.12
18	NG CHONG LIANG	205,000	0.12
19	SIM LAI HEE	199,600	0.12
20	RAFFLES NOMINEES (PTE.) LIMITED	171,200	0.10
	<b>TOTAL</b>	<b>168,759,225</b>	<b>98.09</b>

# STATISTICS OF SHAREHOLDINGS

As at 15 September 2023

## SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as of 15 September 2023.

	No. of Ordinary Shares			
	Direct Interest	%	Indirect Interest	%
Tan Jit Meng	45,454,545	26.42	-	-
Soh Loong Chow Jackie	45,454,545	26.42	-	-
Wee Henry <sup>(1)</sup>	24,411,499	14.19	15,394,200	8.95
Tan Chee Khoon	23,181,818	13.48	-	-

Note:

<sup>(1)</sup> Mr Wee Henry is deemed to be interested in the shares held by Fortsmith Investments Limited by virtue of Section 7 of the Singapore Companies Act 1967. Mr Wee Henry is also deemed to be interested in the shares held by a nominee, Nomura Singapore Limited.

## FREE FLOAT

As at 15 September 2023, approximately 10.54% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company had complied with Rule 723 of the SGX-ST Listing Manual Section B: Rules of the Catalist.



# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“**AGM**”) of LINCOTRADE & ASSOCIATES HOLDINGS LIMITED (“**Company**”) will be held at 39 Sungei Kadut Loop Singapore 729494 on Wednesday, 25 October 2023 at 2.00 p.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Statement by Directors and Auditors’ Report thereon. Resolution 1
2. To approve the payment of Directors’ Fees of S\$84,000 for the financial year ended 30 June 2023 (2022: S\$92,400). Resolution 2
3. To approve the payment of Directors’ Fees of S\$84,000 for the financial year ending 30 June 2024 payable half yearly (2023: S\$84,000). Resolution 3
4. To re-elect Mr Wee Shuo Siong Milton who is retiring under Article 117 of the Company’s Constitution.  
*(See Explanatory Note 1)* Resolution 4
5. To note the retirement of Mr Lu King Seng as a Director, who is retiring under Article 117 of the Company’s Constitution and will not be seeking re-election and will retire as a Director at the conclusion of the AGM.  
*(See Explanatory Note 2)*
6. To re-appoint Messrs RSM Chio Lim LLP, as auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 5
7. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution (with or without amendments) as an Ordinary Resolution:

8. AUTHORITY TO ALLOT AND ISSUE SHARES Resolution 6

“That pursuant to Section 161 of the Companies Act 1967 (the “Act”) and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) (“Catalist Rules”), the Directors of the Company be authorised and empowered to:

- (l) (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (II) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed one hundred per cent (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing members of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new Shares arising from the exercise of share options or vesting of share awards which are outstanding and/or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of Shares;

Any adjustments made in accordance with sub-paragraphs (b)(i) or (b)(ii) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

# NOTICE OF ANNUAL GENERAL MEETING

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and
- (d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.  
*(See Explanatory Note 3)*

BY ORDER OF THE BOARD

Nor Hafiza Alwi  
Company Secretary  
10 October 2023  
Singapore

## **Explanatory Notes:**

- (1) Ordinary Resolution 4 - Mr Wee Shuo Siong Milton will, upon re-election as a Director of the Company, remain as the Non-Independent and Non-Executive Director of the Company, as well as a member of Audit, Nominating and Remuneration Committees. Detailed information on Mr Wee Shuo Siong Milton can be found in the Annual Report 2023. Mr Wee Shuo Siong Milton is considered by the Board to be non-independent for the purposes of Rule 704(7) of the Catalist Rules. Save as disclosed therein, there are no other relationships (including immediate family relationships) between Mr Wee Shuo Siong Milton and the other Directors of the Company, the Company or its substantial shareholders.
- (2) Mr Lu King Seng will retire as an Independent Director of the Company at the conclusion of the AGM and concurrently relinquish his position as the Chairman of Audit Committee and a member of Nominating and Remuneration Committees of the Company.
- (3) Ordinary Resolution 6 above, is to authorise the Directors of the Company from the date of the forthcoming AGM until the next AGM of the Company to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the total number of issued shares excluding treasury shares and subsidiary holdings of which the total number of shares issued other than on a pro-rata basis to existing members shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings for such purposes as they consider would be in the interests of the Company. Rule 806(3) of the Catalist Rules currently provides for the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings to be calculated on the basis of the total number of issued shares at the time that the Resolution is passed (taking into account the conversion or exercise of any convertible securities or employee share options at the time that the Resolution is passed, which were issued pursuant to previous member approval), adjusted for any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

## **Notes:**

- 1. A printed copy of this notice of AGM (the "Notice") will be sent to the members. Printed copy of the Company's annual report ("AR") will not be sent to members, instead, it will be sent to members by electronic means via publication on the Company's website at the URL <https://www.lincotrade.com.sg/> and made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Members have the right to elect whether to receive the AR in physical copy by completing the Request Form sent together with the Notice. Please refer to and read the instructions set out in the Request Form carefully.
- 2. A proxy need not be a member of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

3. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
  - (a) if sent personally or by post, to the registered office of the Company at 39 Sungei Kadut Loop Singapore 729494; or
  - (b) if submitted by email, be received by the Company at [wlkwek@lincotrade.com.sg](mailto:wlkwek@lincotrade.com.sg)in either case, by 2.00 p.m. on 22 October 2023 being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.
4. For investors who hold shares through relevant intermediaries, including CPF and SRS investors, who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes, at least seven (7) working days before the time appointed for the holding of the AGM (ie. by 2.00 p.m. on 16 October 2023). CPF investors and/or SRS investors are requested to contact their respective CPF and/or SRS Operators for any queries they may have with regard to the appointment of the Chairman of the Meeting as proxy for the AGM.
5. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.
6. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
7. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at this Meeting, but each proxy must be appointed to exercise the rights attached to a different share held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
8. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
9. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
10. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the AGM.

## IMPORTANT INFORMATION

### 1. Attendance

The AGM is being convened and will be held physically ("Physical Meeting").

### 2. Voting

Voting on the resolutions tabled at the AGM will be by poll in accordance with the Constitution of the Company.

### 3. Submission of Questions in Advance

Members may submit their questions in relation to the resolutions of the AGM by :

- (a) email to: [wlkwek@lincotrade.com.sg](mailto:wlkwek@lincotrade.com.sg); or
- (b) post to the registered office at 39 Sungei Kadut Loop Singapore 729494

When submitting questions by post or via email, members should also provide the following details: (i) the member's full name; (ii) the member's email address; and (iii) the manner in which the member holds shares in the Company (e.g., via CDP, CPF/SRS and/or physical scrip), for verification purposes.

All questions must be submitted by 2.00 p.m. on 18 October 2023 ("Cut-Off Time").

# NOTICE OF ANNUAL GENERAL MEETING

The Company will endeavor to address all substantial and relevant questions received from members by the Cut-Off Time and publish its response on the SGXNet at URL <https://www.sgx.com/securities/company-announcements> and at the Company's website at URL <https://www.lincotrade.com.sg/> not later than 2.00 p.m. on 20 October 2023. Where substantial and relevant questions are unable to be answered prior to the AGM, the Company will address them at the AGM.

Verified members and proxy(ies) attending the Physical Meeting will be able to ask questions in person at the AGM venue.

The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET and the Company's website and the minutes will include the responses to the questions referred to above.

## Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representatives(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representatives(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This Notice 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. This Notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this presentation, including the correctness of any of the statements or opinions made or reports contained in this presentation. 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

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200413128G)

## IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

## PROXY FORM

\*I/We \_\_\_\_\_ (NRIC/Passport No./Company Registration Number)\* \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the above-mentioned Company, hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at 39 Sungei Kadut Loop Singapore 729494 on Wednesday, 25 October 2023 at 2.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the Meeting as hereunder indicated. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

The ordinary resolutions put to the vote at the AGM shall be decided by way of poll. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for, against or abstain the Resolutions as set out in the Notice of AGM.

No.	Ordinary Resolutions	For	Against	Abstain
1.	To adopt the Audited Financial Statements, Directors' Statement and Auditors' Report of the Company for the financial year ended 30 June 2023.			
2.	To approve the payment of Directors' Fees for the financial year ended 30 June 2023.			
3.	To approve the payment of Directors' Fees for the financial year ending 30 June 2024 payable half yearly.			
4.	To re-elect Mr Wee Shuo Siong Milton as a Director under Article 117.			
5.	To re-appoint RSM Chio Lim LLP as Auditors and authorise Directors to fix their remuneration.			
6.	Approval of Authority to allot and issue shares.			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Total no. of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of member(s)/Common Seal of Corporate member(s)

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF**





## Notes to the Proxy Form

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 (the “**Companies Act**”) a member entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
4. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediaries is entitled to appoint more than two proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967.
7. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
  - (a) if sent personally or by post, to the registered office of the Company at 39 Sungei Kadut Loop Singapore 729494; or
  - (b) if submitted by email, be received by the Company at [wlkwek@lincotrade.com.sg](mailto:wlkwek@lincotrade.com.sg)in either case, by 2.00 p.m. on 22 October 2023 being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.
8. Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be for, against or abstain the Resolutions as set out in the Notice of AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.
11. An investor who buys shares using CPF monies (“**CPF Investor**”) and/or SRS monies (“**SRS Investor**”) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
12. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the AGM. If a member attends the AGM in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the AGM.

## Personal data privacy

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 October 2023.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dr Tan Kok Heng**

*Independent and Non-Executive Chairman*

**Tan Jit Meng**

*Managing Director*

**Lu King Seng**

*Independent and Non-Executive Director*

**Wee Shuo Siong Milton**

*Non-Executive and Non-Independent Director*

### NOMINATING COMMITTEE

Dr Tan Kok Heng *Chairman*  
Lu King Seng  
Wee Shuo Siong Milton

### REMUNERATION COMMITTEE

Dr Tan Kok Heng *Chairman*  
Lu King Seng  
Wee Shuo Siong Milton

### AUDIT COMMITTEE

Lu King Seng *Chairman*  
Dr Tan Kok Heng  
Wee Shuo Siong Milton

### JOINT COMPANY SECRETARIES

Nor Hafiza Alwi  
Loh Mei Ling

### REGISTERED AND MAILING ADDRESS

39 Sungei Kadut Loop  
Singapore 729494  
Tel: (65) 6366 8500  
Fax: (65) 6367 7003

### CATALIST SPONSOR

RHB Bank Berhad,  
through its Singapore branch  
90 Cecil Street  
#03-00 RHB Bank Building  
Singapore 069531

### PRINCIPAL BANKERS

The Hongkong and Shanghai  
Banking Corporation Limited  
10 Marina Boulevard  
Marina Bay Financial Centre  
Tower 2  
#47-01  
Singapore 018983

Standard Chartered Bank  
(Singapore) Limited  
8 Marina Boulevard  
Marina Bay Financial Centre  
(Tower 1)  
Level 23  
Singapore 018982

Maybank Singapore Limited  
2 Battery Road  
Maybank Tower  
#16-01  
Singapore 049907

Oversea-Chinese Banking  
Corporation Limited  
65 Chulia Street  
OCBC Centre  
Singapore 049513

### COMPANY REGISTRATION NUMBER

200413128G

### REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate &  
Advisory Services Pte. Ltd.  
1 Harbourfront Avenue,  
#14-07 Keppel Bay Tower  
Singapore 098632

### INDEPENDENT AUDITORS

RSM Chio Lim LLP  
Certified Public Accountants,  
Singapore  
(Member of RSM International)  
8 Wilkie Road  
#03-08  
Wilkie Edge  
Singapore 228095

Partner-in-charge:  
Derek How Beng Tiong  
Appointment with effect from  
financial year ended 30 June  
2023

### INVESTOR RELATIONS

8PR Asia Pte Ltd  
Alex Tan  
Tel: (65) 9451 5252  
Email: alex.tan@8prasia.com



LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

Tel: (65) 6366 8500

Fax: (65) 6367 7003

39 Sungei Kadut Loop  
Singapore 729494

[www.lincotrade.com.sg](http://www.lincotrade.com.sg)