



LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

## **Lincotrade & Associates Holdings Limited**

(Company Registration Number: 200413128G)

# **Condensed Interim Financial Statements for the 6-month period and full year ended 30 June 2024**

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*This announcement has been reviewed by the Company's sponsor, RHB Bank Berhad, through its Singapore branch (the "Sponsor") in accordance with Rule 226(2)(b) of the Catalist Rules. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr. Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, Singapore branch, at 90 Cecil Street, #03-00 Singapore 069531, Telephone: +65 6320 0627*

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

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

**Reverse Acquisition and Presentation of Historical Financial Information for FY2023**

At Group level

The consolidated financial statements of the Group for the 6-month period ended 30 June 2023 (“**6M2023**”) and full year ended 30 June 2023 (“**FY2023**”) have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 3 Business Combinations, but it does not result in the recognition of goodwill, as the Company was deemed as a cash company and did not meet the definition of a business as set out in SFRS(I) 3. The transaction falls within the scope of SFRS(I) 2 Share-based Payment, which requires the shares deemed issued by the accounting acquirer to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company’s identifiable net assets represents a service received by the accounting acquirer, which is recognised as an expense or income in the statement of comprehensive income. For the purpose of reverse acquisition accounting, Lincotrade PL was deemed as the accounting acquirer (legal acquiree) and the Company was deemed to be the accounting acquiree (legal acquirer).

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

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

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

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

The comparative figures for the consolidated statement of profit or loss and other comprehensive income for 6M2023 and 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.

- b. Consolidated statement of financial position of the Group

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

- c. Statement of financial position of the Company

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

- d. Consolidated statement of changes in equity of the Group

The comparative figures for the consolidated statement of changes in equity of the Group for 6M2023 and FY2023 are the consolidated changes in equity of the Group which include the changes arising from the RTO.

- e. Consolidated statement of cash flows of the Group

The comparative figures for the condensed interim consolidated statement of cash flows for FY2023 are the consolidated cash flows of the Group after the completion of the RTO.

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**Reverse Acquisition and Presentation of Historical Financial Information for FY2023**  
**(cont'd)**

At Company level

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

Identifiable assets acquired and liabilities assumed

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

**Lincotrade & Associates Holdings Limited**  
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**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

		Group					
Note	Unaudited 6 months from 1 Jan 2024 to 30 Jun 2024 S\$'000	Unaudited 6 months from 1 Jan 2023 to 30 Jun 2023 S\$'000	Increase/ (Decrease) %	Unaudited 12 months from 1 Jul 2023 to 30 Jun 2024 S\$'000	Audited 12 months from 1 Jul 2022 to 30 Jun 2023 S\$'000	Increase/ (Decrease) %	
	<b>Revenue</b>	25,136	29,011	(13.4%)	67,862	69,875	(2.9%)
	Cost of sales	(21,796)	(26,070)	(16.4%)	(59,986)	(62,623)	(4.2%)
	Gross profit	3,340	2,941	13.6%	7,876	7,252	8.6%
	Interest income	105	59	78.0%	189	71	166.2%
	Other income and gains	96	333	(71.2%)	168	362	(53.6%)
	Administrative expenses	(1,731)	(1,565)	10.6%	(3,262)	(3,113)	4.8%
	Finance costs	(79)	(45)	75.6%	(115)	(98)	17.3%
	Other expenses	(1,070)	(660)	62.1%	(2,027)	(1,464)	38.5%
	Other losses	-	-	-	-	(10,981) <sup>(1)</sup>	(100.0%)
	<b>Profit / (loss) before tax</b>	661	1,063	(37.8%)	2,829	(7,971)	N.M.
	Income tax expense	(185)	(325)	(43.1%)	(566)	(773)	(26.8%)
	<b>Profit / (loss) for the year and total comprehensive income / (loss)</b>	<b>476</b>	<b>738</b>	<b>(35.5%)</b>	<b>2,263</b>	<b>(8,744)</b>	<b>N.M.</b>
	<b>Other Comprehensive Loss:</b>						
	<b>Items that may be reclassified subsequently to profit or loss:</b>						
	Exchange differences on translating foreign operations, net of tax	-	-	-	(2)	-	N.M.
	<b>Other comprehensive loss for the period</b>	-	-	-	(2)	-	N.M.
	<b>Total Comprehensive Income / (Loss) for the period</b>	<b>476</b>	<b>738</b>	<b>(35.5%)</b>	<b>2,261</b>	<b>(8,744)</b>	<b>N.M.</b>
	<b>Profits / (Loss) Attributable to:</b>						
	- Owners of the Company, net of tax	502	738	(32.0%)	2,293	(8,744)	N.M.
	- Non-controlling interests, net of tax	(26)	-	N.M.	(30)	-	N.M.
		<b>476</b>	<b>738</b>	<b>(35.5%)</b>	<b>2,263</b>	<b>(8,744)</b>	<b>N.M.</b>
	<b>Other Comprehensive Income / (Loss) Attributable to:</b>						
	- Owners of the Company, net of tax	501	738	(32.1%)	2,291	(8,744)	N.M.
	- Non-controlling interests, net of tax	(25)	-	N.M.	(30)	-	N.M.
		<b>476</b>	<b>738</b>	<b>(35.5%)</b>	<b>2,261</b>	<b>(8,744)</b>	<b>N.M.</b>
	<b>Earnings / (Loss) per share</b>	<b>Singapore Cents</b>	<b>Singapore Cents</b>		<b>Singapore Cents</b>	<b>Singapore Cents</b>	
	Basic	0.29	0.43	(32.6%)	1.33	(5.24)	N.M.
	Diluted	0.29	0.43	(32.6%)	1.33	(5.24)	N.M.

<sup>(1)</sup> Included in other losses for FY2023 are one-off non-cash RTO expenses and share-based payment to the Sponsor and Arranger of approximately S\$10.8 million. Refer to Note 6 and 19A for more details.

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

	Note	Group		Company	
		Unaudited 30 June 2024 S\$'000	Audited 30 June 2023 S\$'000	Unaudited 30 June 2024 S\$'000	Audited 30 June 2023 S\$'000
<b>ASSETS</b>					
<b>Non-current assets :</b>					
Investment in subsidiaries	13	-	-	25,340	25,000
Property, plant and equipment	14	10,852	1,353	2	3
Right-of-use assets	15	39	100	-	-
Trade receivables, non-current	16	4,613	2,990	-	-
<b>Total non-current assets</b>		<b>15,504</b>	<b>4,443</b>	<b>25,342</b>	<b>25,003</b>
<b>Current assets :</b>					
Inventories		156	-	-	-
Contract assets		2,371	5,327	-	-
Other non-financial assets		915	1,389	16	17
Trade and other receivables, current	16	9,332	11,214	355	4
Cash and cash equivalents		11,527	12,706	286	1,204
<b>Total current assets</b>		<b>24,301</b>	<b>30,636</b>	<b>657</b>	<b>1,225</b>
<b>Total assets</b>		<b>39,805</b>	<b>35,079</b>	<b>25,999</b>	<b>26,228</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves :</b>					
Share capital	19	13,050	13,050	33,614	33,614
Accumulated losses		(2,644)	(4,283)	(7,851)	(8,443)
Foreign currency reserves		(2)	-	-	-
Equity attributable to owners of the Company		10,404	8,767	25,763	25,171
Non-controlling interest		113	-	-	-
<b>Total equity</b>		<b>10,517</b>	<b>8,767</b>	<b>25,763</b>	<b>25,171</b>
<b>Non-current liabilities :</b>					
Lease liabilities, non-current		70	159	-	-
Other financial liabilities, non-current	18	6,978	1,572	-	-
Deferred tax liabilities		28	-	-	-
<b>Total non-current liabilities</b>		<b>7,076</b>	<b>1,731</b>	<b>-</b>	<b>-</b>
<b>Current liabilities :</b>					
Income tax provision		696	725	31	23
Trade and other payables	17	11,088	11,716	205	234
Contract liabilities		-	469	-	-
Lease liabilities, current		90	112	-	-
Other financial liabilities, current	18	10,338	11,559	-	800
<b>Total current liabilities</b>		<b>22,212</b>	<b>24,581</b>	<b>236</b>	<b>1,057</b>
<b>Total liabilities</b>		<b>29,288</b>	<b>26,312</b>	<b>236</b>	<b>1,057</b>
<b>Total liabilities and equity</b>		<b>39,805</b>	<b>35,079</b>	<b>25,999</b>	<b>26,228</b>

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

Group (\$S'000)	Total equity	Non-controlling interests	Equity attributable to owners of the Company	Share capital	Foreign currency reserves	(Accumulated losses) / Retained earnings
<b>Current year</b>						
Balance at 1 July 2023	8,767	-	8,767	13,050	-	(4,283)
Total comprehensive income / (loss) for the year	2,261	(30)	2,291	-	(2)	2,293
Dividend declared during the year	(654)	-	(654)	-	-	(654)
	<u>10,374</u>	<u>(30)</u>	<u>10,404</u>	<u>13,050</u>	<u>(2)</u>	<u>(2,644)</u>
<b>Changes in ownership interests in subsidiaries</b>						
Capital contribution in subsidiaries by non-controlling interests	143	143	-	-	-	-
Total changes in ownership interests in subsidiaries	<u>143</u>	<u>143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 30 June 2024</b>	<b><u>10,517</u></b>	<b><u>113</u></b>	<b><u>10,404</u></b>	<b><u>13,050</u></b>	<b><u>(2)</u></b>	<b><u>(2,644)</u></b>
<b>Previous period</b>						
Balance at 1 July 2022	5,961	-	5,961	1,500	-	4,461
Consideration shares issued in relation to reverse acquisition	9,173	-	9,173	9,173	-	-
Share-based payment – Sponsor shares	89	-	89	89	-	-
Share-based payment – Arranger shares	1,114	-	1,114	1,114	-	-
Issuance of ordinary shares	1,200	-	1,200	1,200	-	-
Share issue expenses	(26)	-	(26)	(26)	-	-
	<u>1,174</u>	<u>-</u>	<u>1,174</u>	<u>1,174</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>(8,744)</u>	<u>-</u>	<u>(8,744)</u>	<u>-</u>	<u>-</u>	<u>(8,744)</u>
<b>Balance at 30 June 2023</b>	<b><u>8,767</u></b>	<b><u>-</u></b>	<b><u>8,767</u></b>	<b><u>13,050</u></b>	<b><u>-</u></b>	<b><u>(4,283)</u></b>
<b>Company (\$S'000)</b>						
			<b>Total equity / (Net capital deficit)</b>	<b>Share capital</b>		<b>Accumulated losses</b>
<b>Current year</b>						
Balance at 1 July 2023			25,171	33,614		(8,443)
Total comprehensive income for the year			1,246	-		1,246
Dividend declared during the year			(654)	-		(654)
<b>Balance at 30 June 2024</b>			<b><u>25,763</u></b>	<b><u>33,614</u></b>		<b><u>(7,851)</u></b>
<b>Previous year</b>						
Balance at 1 July 2022			<b>(403)</b>	<b>6,237</b>		<b>(6,640)</b>
Issuance of new shares pursuant to the RTO:						
- Acquisition of entire share capital of Lincotrade PL			25,000	25,000		-
- Share-based payment – Sponsor shares			89	89		-
- Share-based payment – Arranger shares			1,114	1,114		-
- Issuance of ordinary shares			1,200	1,200		-
- Share issue expenses			(26)	(26)		-
			<u>1,174</u>	<u>1,174</u>		<u>-</u>
Total comprehensive loss for the year			<u>(1,803)</u>	<u>-</u>		<u>(1,803)</u>
<b>Balance at 30 June 2023</b>			<b><u>25,171</u></b>	<b><u>33,614</u></b>		<b><u>(8,443)</u></b>

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**D. Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>Unaudited 12 months from 1 Jul 2023 to 30 Jun 2024 S\$'000</b>	<b>Audited 12 months from 1 Jul 2022 to 30 Jun 2023 S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	2,829	(7,971)
Adjustments for :		
Depreciation of property, plant and equipment	832	591
Depreciation of right-of-use assets	61	62
Deemed RTO expenses	-	9,576
Gain on disposal of plant & equipment	(2)	(7)
Share-based payment – Sponsor shares	-	89
Share-based payment – Arranger shares	-	1,114
Interest expenses	733	500
Interest income	(189)	(71)
Foreign exchange adjustment differences	(1)	-
Operating cash flows before changes in working capital	4,263	3,883
Inventories	(156)	-
Contract assets	2,956	6,884
Trade and other receivables	259	(7,204)
Other non-financial assets	474	(675)
Contract liabilities	(469)	(321)
Trade and other payables	(628)	2,834
Net cash flows from operations	6,699	5,401
Interest paid	(618)	(402)
Income taxes paid	(567)	(336)
Net cash flows from operating activities	5,514	4,663
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,660)	(385)
Proceeds from disposal of plant and equipment	2	20
Interest received	189	71
Net cash flows used in investing activities	(2,469)	(294)
<b>Cash flows from financing activities</b>		
Net proceeds from issuance of new shares	-	1,174
Capital contribution by non-controlling interests on incorporation of subsidiaries	143	-
Net cash inflows from RTO	-	289
(Repayment)/Loan from a shareholder	(800)	300
Repayments of term loans	(1,631)	(1,496)
(Decrease)/Increase in bills payable, net	(1,056)	3,148
Cash restricted in use	(228)	(2,692)
Lease liabilities – principal portion paid	(111)	(105)
Dividend paid	(654)	-
Payment of dividend to former shareholders	-	(1,100)
Interest paid	(115)	(87)
Net cash flows used in financing activities	(4,452)	(569)
Net (decrease)/increase in cash and cash equivalents	(1,407)	3,800
Cash and cash equivalents, statement of cash flows, beginning balance	9,116	5,316
<b>Cash and cash equivalents, ending balance</b>	<b>7,709</b>	<b>9,116</b>
<b>Cash and cash equivalents</b>		
Balance per statement of financial position	11,527	12,706
Fixed deposits pledged for bank facilities	(3,818)	(3,590)
Balance per statement of cash flows	<b>7,709</b>	<b>9,116</b>



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**E. Notes to the Condensed Interim Consolidated Financial Statements**

**1. Corporate information**

Lincotrade & Associates Holdings Limited (the “**Company**”) is incorporated and domiciled in Singapore with limited liability. The Company is incorporated in Singapore and its registered office is at 39 Sungei Kadut Loop Singapore 729494. The Company is an investment holding company and its principal activity is that of investment holding. It is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 8 August 2022.

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

The principal activities of the Group are disclosed in Note 4 on segment information.

**2. Basis of Preparation**

The condensed interim consolidated financial statements for the 6-month period from 1 January 2024 to 30 June 2024 (“**6M2024**”) and the financial year ended 30 June 2024 (“**FY2024**”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Committee Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the financial year ended 30 June 2023.

The condensed interim financial statements are presented in Singapore dollars (“**S\$**”) and comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The accounting policies adopted are consistent with those adopted by the Group in its most recently audited financial statements for the financial year ended 30 June 2023, which were prepared in accordance with SFRS(I)s, except for the accounting policies as summarised below and the adoption of new and amended standards as set out in Note 2.1 to the condensed interim consolidated financial statements below.

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

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

**2. Basis of Preparation (Cont'd)**

Revenue recognition (Cont'd)

Long term construction contracts:

For long-term contracts for constructing and developing an asset the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the input method. For the input method the revenue is recognised on the basis of the efforts or inputs to the satisfaction of a performance obligation such as costs incurred relative to the total expected inputs to the satisfaction of that performance obligation. When the current estimates of the total amount of consideration expected to be received in exchange for transferring promised goods or services to the customer, and contract cost indicate a loss, a provision for the entire loss on the contract is made as soon as the loss becomes evident. An adjustment is also made to reflect the effects of the customer's credit risk. The loss on a contract is reported as an additional contract cost (an operating expense), and not as a reduction of revenue or a non-operating expense.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

**2. Basis of Preparation (Cont'd)**

2.2. Use of judgements and estimates (Cont'd)

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as discussed below:

Revenue recognised over time

For revenue recognition arising from contracts with customers and the consequential financial performance of the Group, there are significant judgements exercised and assumptions made by management relating to the measurement and timing of revenue recognition and the recognition of related balances in the statement of financial position, such as contract assets and contract liabilities, that result from the performance of the contracts. These judgements are inherently subjective and may cover future events such as the achievement of contractual milestones and performance levels. Assumptions are made for certain contracts relating to contract extensions and amendments.

Estimation of contract costs for construction contracts

The Group has significant ongoing construction contracts. For these contracts, revenue is recognised over time by reference to the Group's progress towards the completion of the construction contracts. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the contract costs to complete, which are used in the input method to determine the revenue. When it is probable that the total unavoidable costs of meeting the obligations under the contract exceed the transaction prices ("contract sum"), a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on the expertise to determine the progress of the construction and also on past experience of completed projects.

Allowance for trade and other receivables and contract assets

The Group has few customers and which can be graded as low risk individually. These trade receivables and contract assets are subject to the expected credit loss model under the financial reporting standard on financial instruments. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

**3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year reported on.

**4. Segment and revenue information**

**Business segments**

The Group is organised into the following major strategic operating segments that offer different products and services: (1) Commercial, (2) Residential, and (3) Showflats.

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

- (1) Commercial – Provision of construction services to commercial premises such as offices, hotels, shopping malls and food and beverage establishments;
- (2) Residential – Provision of construction services to residential premises such as condominium developments; and
- (3) Showflats – Building of showflats and sales galleries.

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

**4. Segment and revenue information (Cont'd)**

**A. Profit or loss from continuing operations and reconciliations**

	<u>Commercial</u>		<u>Residential</u>		<u>Showflats</u>		<u>Unallocated</u>		<u>Total</u>	
	<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>	<u>6M2024</u>	<u>6M2023</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue by segment										
External revenue	20,921	21,065	2,127	1,908	2,088	6,038	–	–	25,136	29,011
Segment results :-										
Gross profit	2,518	2,894	188	7	634	40	–	–	3,340	2,941
Interest income							105	59	105	59
Finance costs							(79)	(45)	(79)	(45)
Depreciation of property, plant and equipment							(467)	(308)	(467)	(308)
Depreciation of right-of-use assets							(30)	(31)	(30)	(31)
Employee benefits expenses							(1,387)	(1,292)	(1,387)	(1,292)
Unallocated corporate expenses							(917)	(594)	(917)	(594)
Other income and gains							96	333	96	333
Profit before tax									661	1,063
Income tax expense									(185)	(325)
Profit after tax									476	738

	<u>Commercial</u>		<u>Residential</u>		<u>Showflats</u>		<u>Unallocated</u>		<u>Total</u>	
	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Revenue by segment										
External revenue	56,331	48,442	4,339	3,403	7,192	18,030	–	–	67,862	69,875
Segment results :-										
Gross profit	6,389	6,987	358	13	1,129	252	–	–	7,876	7,252
Interest income							189	71	189	71
Finance costs							(115)	(98)	(115)	(98)
Depreciation of property, plant and equipment							(791)	(591)	(791)	(591)
Depreciation of right-of-use assets							(61)	(62)	(61)	(62)
Employee benefits expenses							(2,609)	(2,577)	(2,609)	(2,577)
Unallocated corporate expenses							(1,828)	(1,347)	(1,828)	(1,347)
Other income and gains / (losses)							168	(10,619)	168	(10,619)
Profit / (loss) before tax									2,829	(7,971)
Income tax expense									(566)	(773)
Profit / (loss) after tax									2,263	(8,744)

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

**4. Segment and revenue information (Cont'd)**

**B. Assets, liabilities and reconciliations**

	<u>Commercial</u>		<u>Residential</u>		<u>Showflats</u>		<u>Unallocated</u>		<u>Total</u>	
	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>	<u>30 Jun</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>Reportable segment assets</u></b>										
Inventories	–	–	156	–	–	–	–	–	156	–
Trade and other receivables	11,411	9,829	698	776	1,756	3,570	80	29	13,945	14,204
Contract assets	269	2,441	1,953	1,810	149	1,076	–	–	2,371	5,327
Cash and cash equivalents							11,527	12,706	11,527	12,706
Other non-financial assets							915	1,389	915	1,389
Property, plant and equipment							10,852	1,353	10,852	1,353
Right-of-use assets							39	100	39	100
Total assets									<u>39,805</u>	<u>35,079</u>
<b><u>Reportable segment liabilities</u></b>										
Trade and other payables	–	–	–	–	–	–	11,088	11,716	11,088	11,716
Contract liabilities	–	469	–	–	–	–	–	–	–	469
Income tax provision							696	725	696	725
Lease liabilities							160	271	160	271
Other financial liabilities							17,316	13,131	17,316	13,131
Deferred tax liabilities							28	–	28	–
Total liabilities									<u>29,288</u>	<u>26,312</u>
							<u>Unallocated</u>		<u>Total</u>	
							<u>FY2024</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2023</u>
							<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Capital expenditure							(10,332)	(484)	<u>(10,332)</u>	<u>(484)</u>

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

**4. Segment and revenue information (Cont'd)**

**C. Geographical information**

The Group's operations are primarily carried out in Singapore, Malaysia and the People's Republic of China ("PRC").

	Group			Group		
	Unaudited 6 months from 1 Jan 2024 to 30 Jun 2024 S\$'000	Unaudited 6 months from 1 Jan 2023 to 30 Jun 2023 S\$'000	Increase/ (Decrease) %	Unaudited 12 months from 1 Jul 2023 to 30 Jun 2024 S\$'000	Audited 12 months from 1 Jul 2022 to 30 Jun 2023 S\$'000	Increase/ (Decrease) %
<b>External Revenue</b>						
Singapore	25,088	29,011	(13.5%)	67,795	69,875	(3.0%)
Malaysia	48	-	N.M.	67	-	N.M.
PRC	-	-	-	-	-	-
	<u>25,136</u>	<u>29,011</u>	<u>(13.4%)</u>	<u>67,862</u>	<u>69,875</u>	<u>(2.9%)</u>

	Group		
	Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000	Increase/ (Decrease) %
<b>Non-current assets</b>			
Singapore	15,365	4,443	245.8%
Malaysia	21	-	N.M.
PRC	118	-	N.M.
	<u>15,504</u>	<u>4,443</u>	<u>249.0%</u>

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.

**D. Disaggregation of revenue from contract with customers**

The Group's revenue from construction contracts is recognised over time.

**E. Breakdown of revenue**

	Group		Increase / (Decrease) %
	Unaudited 12 months ended 30 Jun 2024 S\$'000	Unaudited 12 months ended 30 Jun 2023 S\$'000	
Revenue reported for the first 6 months from 1 July to 31 December	42,726	40,864	4.6%
Operating profit/(loss) after tax reported for the first 6 months from 1 July to 31 December	1,787	(9,482)	N.M.
Revenue reported for the second 6 months from 1 January to 30 June	25,136	29,011	(13.4%)
Operating profit after tax reported for the second 6 months from 1 January to 30 June	476	738	(35.5%)

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

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 30 June 2024 and 30 June 2023:

	Group		Company	
	Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000	Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000
<b>Financial assets</b>				
- Cash and cash equivalents	11,527	12,706	286	1,204
- Trade and other receivables	13,945	14,204	355	4
Financial assets at amortised cost	25,472	26,910	641	1,208
<b>Financial liabilities</b>				
- Trade and other payables	11,088	11,716	205	234
- Other financial liabilities	17,316	13,131	-	800
- Lease liabilities	160	271	-	-
Financial liabilities at amortised cost	28,564	25,118	205	1,034

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

Group					
Unaudited 6 months from 1 Jan 2024 to 30 Jun 2024 S\$'000	Unaudited 6 months from 1 Jan 2023 to 30 Jun 2023 S\$'000	Increase/ (Decrease) %	Unaudited 12 months from 1 Jul 2023 to 30 Jun 2024 S\$'000	Audited 12 months from 1 Jul 2022 to 30 Jun 2023 S\$'000	Increase/ (Decrease) %

**Other income and gains**

Gain on disposal of plant and equipment	-	7	(100.0%)	2	7	(71.4%)
Government grants	46	320	(85.6%)	71	348	(79.6%)
Rental income	22	-	N.M.	60	-	N.M.
Others	28	6	366.7%	35	7	400.0%
	<u>96</u>	<u>333</u>	<u>(71.2%)</u>	<u>168</u>	<u>362</u>	<u>(53.6%)</u>

**Other losses**

Reverse takeover ("RTO") expenses	-	-	-	-	(196)	(100.0%)
Deemed RTO expenses <sup>(1)</sup>	-	-	-	-	(9,576)	(100.0%)
Share-based payment – Sponsor (Note 19A) <sup>(1)</sup>	-	-	-	-	(89)	(100.0%)
Share-based payment – Arranger (Note 19A) <sup>(1)</sup>	-	-	-	-	(1,114)	(100.0%)
Foreign exchange adjustment losses	-	-	-	-	(6)	(100.0%)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,981)</u>	<u>(100.0%)</u>

<sup>(1)</sup> One-off non-cash RTO expenses.



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

**7. Finance costs**

	<b>Group</b>					
	<b>Unaudited 6 months from 1 Jan 2024 to 30 Jun 2024 S\$'000</b>	<b>Unaudited 6 months from 1 Jan 2023 to 30 Jun 2023 S\$'000</b>	<b>Increase/ (Decrease) %</b>	<b>Unaudited 12 months from 1 Jul 2023 to 30 Jun 2024 S\$'000</b>	<b>Audited 12 months from 1 Jul 2022 to 30 Jun 2023 S\$'000</b>	<b>Increase/ (Decrease) %</b>
<b>Finance costs</b>						
Interest on lease liabilities	5	5	-	10	11	(9.1%)
Interest on term loans	74	40	85.0%	105	87	20.7%
Total finance costs	<u>79</u>	<u>45</u>	75.6%	<u>115</u>	<u>98</u>	17.3%

Included in the cost of sales is interest on bills payable amounting to S\$618,000 (2023: S\$402,000).

**8. Related party transactions**

There were no related party transactions for FY2024.

**9. Income tax expense**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim statement of profit or loss are:

	<b>Group</b>					
	<b>Unaudited 6 months from 1 Jan 2024 to 30 Jun 2024 S\$'000</b>	<b>Unaudited 6 months from 1 Jan 2023 to 30 Jun 2023 S\$'000</b>	<b>Increase/ (Decrease) %</b>	<b>Unaudited 12 months from 1 Jul 2023 to 30 Jun 2024 S\$'000</b>	<b>Audited 12 months from 1 Jul 2022 to 30 Jun 2023 S\$'000</b>	<b>Increase/ (Decrease) %</b>
Current tax expense	212	277	(23.5%)	593	725	(18.2%)
Deferred tax expense	28	-	N.M.	28	-	N.M.
(Over) / Under adjustment in respect of prior period	(55)	48	(214.6%)	(55)	48	(214.6%)
Total income tax expenses recognised to profit or loss	<u>185</u>	<u>325</u>	(43.1%)	<u>566</u>	<u>773</u>	(26.8%)

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

**10. Earnings / (Loss) per share**

	<b>Group</b>			
	<b>Unaudited 6 months from 1 Jan 2024 to 30 Jun 2024</b>	<b>Unaudited 6 months from 1 Jan 2023 to 30 Jun 2023</b>	<b>Unaudited 12 months from 1 Jul 2023 to 30 Jun 2024</b>	<b>Audited 12 months from 1 Jul 2022 to 30 Jun 2023</b>
	<b>Singapore Cents</b>	<b>Singapore Cents</b>	<b>Singapore Cents</b>	<b>Singapore Cents</b>
Earnings / (loss) per ordinary share for the year based on net income / (loss) attributable to shareholders : Based on weighted average number of ordinary shares in issue	0.29	0.43	1.33	(5.24)
Weighted average number of ordinary shares in issue for basic earning / (loss) per share	172,027,726	172,027,726	172,027,726	166,748,507

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

**11. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>Unaudited 30 Jun 2024</b>	<b>Audited 30 Jun 2023</b>	<b>Unaudited 30 Jun 2024</b>	<b>Audited 30 Jun 2023</b>
	<b>Singapore cents</b>	<b>Singapore cents</b>	<b>Singapore cents</b>	<b>Singapore cents</b>
Net asset value per ordinary share attributable to the owners of the Company based on the issued shares at the end of the financial year	6.05	5.10	14.98	14.63
Number of issued shares used in calculating net asset value	172,027,726	172,027,726	172,027,726	172,027,726

**12. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total annual dividend

	<b>FY2024</b>	<b>FY2023</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary shares		
- Interim dividend	654	-
- Final dividend <sup>(1)</sup>	550	-
Preference shares	-	-
Total	1,204	-

<sup>(1)</sup> The directors recommended a tax-exempt (one-tier) final dividend of S\$0.0032 (FY2023: Nil) per ordinary share in respect of FY2024, subject to the approval of shareholders at the forthcoming annual general of the Company.

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

**13. Investment in subsidiaries**

<b>Company</b>	
<b>Unaudited 30 Jun 2024 S\$'000</b>	<b>Audited 30 Jun 2023 S\$'000</b>

Carrying value comprising

Unquoted equity shares at cost, as at beginning of year	25,000	-
Additions	340	25,000
Unquoted equity shares at cost, as at end of year	25,340	25,000

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

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

On 11 January 2024, the Company incorporated a 75% owned subsidiary, Lincotrade (Dongguan) Furniture Manufacturing Co., Ltd. ("**Lincotrade Dongguan**"), in the PRC for a consideration of RMB1.35 million (equivalent to approximately S\$253,000).

**14. Property, plant and equipment**

During FY2024, the Group acquired property, plant and equipment amounting to S\$10.3 million (FY2023: S\$484,000) including acquisition of a new property from Jurong Town Corporation ("**JTC**") at 5 Tuas Avenue 12 Singapore 639025 ("**Tuas Factory**") for approximately S\$10.1 million, out of which S\$7.7 million was obtained from a bank loan. Please refer to the Company's announcement on 16 January 2024 for more information on the Tuas Factory.

**15. Right-of-use assets**

Right-of-use assets refer to the land lease from the JTC in respect of the leasehold land leased from JTC and is depreciated over the lease period from 31 August 2015 to 28 February 2025. The decrease in right-of-use assets was due to the depreciation of the right-of-use assets.

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

**16. Trade and other receivables**

Group		Company	
Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000	Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000

Current:

Trade receivables:

Outside parties	6,991	5,974	-	-
Retention receivables	2,303	5,211	-	-
Subtotal	9,294	11,185	-	-

Other receivables:

Outside parties	36	23	-	-
Receivable from a subsidiary	-	-	353	-
Loan to staffs	-	2	-	-
Interest receivables	2	4	2	4
Subtotal	38	29	355	4

Total trade and other receivables,  
current

9,332      11,214      355      4

Non-current:

Trade receivables:

Retention receivables	4,613	2,990	-	-
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**17. Trade and other payables**

Group		Company	
Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000	Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000

Trade payables:

Outside parties	8,393	9,604	195	206
Retention payables	2,627	2,071	-	-
Subtotal	11,020	11,675	195	206

Other payables:

Outside parties	68	41	10	28
Subtotal	68	41	10	28

Total trade and other payables,  
current

11,088      11,716      205      234

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

**18. Other financial liabilities**

	Group		Company	
	Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000	Unaudited 30 Jun 2024 S\$'000	Audited 30 Jun 2023 S\$'000
<u>Secured</u>				
Term loans (Note 18A)				
- Term loan A	1,259	2,534	-	-
- Term loan B	313	563	-	-
- Term loan C	7,566	-	-	-
	9,138	3,097	-	-
Bills payable (Note 18B)	8,178	9,234	-	-
	17,316	12,331	-	-
<u>Unsecured</u>				
Loan from a shareholder (Note 18C)	-	800	-	800
	-	800	-	800
Total	17,316	13,131	-	800
<u>Presented in statements of financial position</u>				
- Non-current	6,978	1,572	-	-
- Current	10,338	11,559	-	800
	17,316	13,131	-	800

Note 18A

Term loan A is secured by corporate guarantee from the Company. Term loan B is secured by corporate guarantee from the Company and charge over certain term deposit accounts of Lincotrade PL. Term loan C is secured by the Group's leasehold properties, corporate guarantee from the Company and charge over certain term deposits of Lincotrade PL.

Note 18B

As at 30 June 2024, bills payable was secured by corporate guarantee by the Company, charge over certain term deposits of Lincotrade PL and a legal mortgage over the leasehold properties of the Group.

Note 18C

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

On 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 2024, the Company had fully repaid the Loan.

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

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

**Bank borrowings**

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

**(S\$'000)**

<b>Group</b>			
<b>30 June 2024</b>		<b>30 June 2023</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
10,338	-	10,759	-

**Amount repayable after one year**

**(S\$'000)**

<b>Group</b>			
<b>30 June 2024</b>		<b>30 June 2023</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
6,978	-	1,572	-

**19. Share capital**

	<b>Company</b>	
	<b>Number of shares issued</b>	<b>Share capital S\$'000</b>
Ordinary shares of no par value:		
At 1 July 2022	46,800,000	6,237
Issuance of new shares pursuant to the RTO (Note 19A):		
- Acquisition of entire share capital of Lincotrade PL	113,636,363	25,000
- Share-based payment – Sponsor shares	454,545	89
- Share-based payment – Arranger shares	5,681,818	1,114
- Issuance of ordinary shares	5,455,000	1,200
- Share issue expenses	-	(26)
	<u>5,455,000</u>	<u>1,174</u>
At 30 June 2023 and 30 June 2024	<u>172,027,726</u>	<u>33,614</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

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

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

Note 19A

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

- allotted and issued 113,636,363 ordinary shares to the shareholders of Lincotrade PL at an issue price of S\$0.22 per share, in full satisfaction of the total consideration of S\$25.0 million;
- allotted and issued 454,545 ordinary shares to the Company's financial adviser, RHB Bank Berhad as part of the financial adviser's fees for its services in relation to the RTO. Based on the share price of S\$0.196 as at 3 August 2022, the value of these shares issued amounted to approximately S\$89,000 and this was charged to the statement of profit or loss during the financial year ended 30 June 2023;
- allotted and issued 5,681,818 ordinary shares of the Company to the arranger, Prestige Frame Limited ("**Arranger**"). Based on the share price of S\$0.196 as at 3 August 2022, the value of these shares amounted to approximately S\$1.11 million and this was charged to the statement of profit or loss during the financial year ended 30 June 2023; and
- allotted and issued placement shares of 5,455,000 at the issue price of S\$0.22 per new ordinary share for proceeds of approximately S\$1.20 million. Net proceeds received after deducting direct expenses relating to the placement of approximately S\$26,000 was approximately S\$1.174 million.

There was no change in the Company's share capital between 31 December 2023 (being the end of the previous period reported on) and 30 June 2024.

The Company has no shares that may be issued on conversion of outstanding convertibles as at the end of the current financial year reported on, i.e. 30 June 2024 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2023.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial year reported on, i.e. 30 June 2024 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2023.

The Company's subsidiary does not hold any shares in the Company as at 30 June 2024 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2023.

	<b>Group Share capital S\$'000</b>
Ordinary shares of no par value:	
At 1 July 2022	1,500
Issuance of new shares pursuant to the RTO:	
- Consideration shares issued in relation to RTO	9,173
- Share-based payment – Sponsor shares	89
- Share-based payment – Arranger shares	1,114
- Issuance of ordinary shares	1,200
- Share issue expenses	(26)
	1,174
At 30 June 2023 and 30 June 2024	13,050

**Lincotrade & Associates Holdings Limited**  
**Condensed Interim Financial Statements for the 6-month period**  
**and full year ended 30 June 2024**

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

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

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.



# **Other Information Required by Catalist Rule Appendix 7C**

# **Lincotrade & Associates Holdings Limited**

## **Other Information Required by Catalist Rule Appendix 7C**

### **Other information**

1. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the auditors.

2. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)**

Not applicable.

3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- a) **Updates on the efforts taken to resolve each outstanding audit issue;**  
b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable as the latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. **Review of performance of the Group**

#### **Revenue**

During FY2024, the Group's revenue dipped marginally by approximately S\$2.0 million or 2.9% mainly due to lower revenue recognised from the showflats segment, which was partially offset by higher revenue recognised from the commercial and residential segments. Revenue from the showflats segment decreased by approximately S\$10.8 million or 60.1% as the larger showflat projects on hand were substantially completed during FY2023. Commercial and residential segments increased by approximately S\$7.9 million or 16.3% and approximately S\$936,000 or 27.5% respectively, mainly due to higher revenue contribution from some of the Group's larger commercial projects and the higher percentage of completion for the Group's residential projects.

#### **Gross profit**

During FY2024, the Group's gross profit increased by approximately S\$624,000 or 8.6% mainly due to the increase in revenue from commercial and residential segments. The Group's gross profit margin improved by approximately 1.2 percentage points from FY2023's 10.4% to FY2024's 11.6%. The increase in the Group's gross profit margin in FY2024 was mainly due to higher proportion of revenue generated from the commercial segments, which generally yields higher profit margins for the Group.

#### **Interest income**

Interest income was derived mainly from fixed deposit placed with banks. The increase in interest income was mainly due to the increase in fixed deposit placed with banks during the current year under review.

#### **Other income and gains**

Other income and gains relate mainly to rental income and government grants received during the financial year under review. Other income and gains decreased by approximately S\$194,000 or 53.6% mainly due to lower government grants received, which was partially offset by the increase in rental income of approximately S\$60,000 during the current year under review. Rental income is generated from the rental of excess factory and dormitory space to unrelated third party.

# **Lincotrade & Associates Holdings Limited**

## **Other Information Required by Catalist Rule Appendix 7C**

### **Other information**

#### **4. Review of performance of the Group (Cont'd)**

##### **Administrative expenses**

Administrative expenses increased slightly by approximately S\$149,000 or 4.8% from approximately S\$3.1 million during FY2023 to approximately S\$3.3 million during FY2024. The increment was mainly due to the Group's two newly incorporated subsidiaries, Lincotrade Malaysia and Lincotrade Dongguan during FY2024

##### **Finance costs**

Finance costs increased by approximately S\$17,000 or 17.3% mainly due to the additional term loan drawn down to finance the purchase of the Tuas Factory.

##### **Other expenses**

Other expenses increased by approximately S\$563,000 or 38.5% mainly due to higher dormitory and utility expenses as more of our foreign workers were residing at our in-house dormitory during FY2024. Lincotrade PL has obtained approval from the relevant authorities to increase our in-house dormitory capacity from 15 workers to 90 workers with effect from October 2023. The increment was also due to the Group's two newly incorporated subsidiaries, Lincotrade Malaysia and Lincotrade Dongguan during FY2024.

Depreciation of property, plant and equipment increased by approximately S\$241,000 or 40.8% mainly due to additions of property, plant and equipment during FY2024.

Depreciation of right-of-use assets remained at S\$61,000 during the current year under review.

##### **Other losses**

Other losses for FY2023 relate mainly to the deemed RTO expenses of approximately S\$9.6 million, the share-based payment to the Sponsor and Arranger of approximately S\$1.2 million in aggregate as well as the expenses incurred by the Group relating to the RTO exercise of approximately S\$196,000. There were no other losses recognised in FY2024.

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

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

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

As a result of the above, the Group registered a profit before tax of approximately S\$2.8 million for FY2024 as compared to a loss before tax of approximately S\$8.0 million for FY2023 due to the one-off non-cash RTO expenses of approximately S\$10.8 million. Excluding the one-off non-cash RTO expenses, the Group would have registered an adjusted profit before tax of approximately S\$2.8 million for FY2023.

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

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

The increase in investment in subsidiaries was due to the Company's incorporation of a 60% owned subsidiary in Malaysia on 14 August 2023, and the incorporation of a 75% owned subsidiary in the PRC on 11 January 2024.

Property, plant and equipment comprise leasehold properties, being 39 Sungei Kadut Loop, Singapore 729494 ("JTC Land") and the Tuas Factory, leasehold improvement, furniture and fitting, motor vehicles, office equipment and tools and equipment. The increase in property, plant and equipment was mainly due to the acquisition of property, plant and equipment of approximately S\$10.3 million, partially offset by the depreciation expenses of approximately S\$832,000. During FY2024, the Group acquired the Tuas Factory for approximately S\$10.1 million, of which approximately S\$7.7 million were financed by a term loan.

# **Lincotrade & Associates Holdings Limited**

## **Other Information Required by Catalyst Rule Appendix 7C**

### **Other information**

#### **4. Review of performance of the Group (Cont'd)**

##### **Statement of Financial Position (Cont'd)**

Right-of-use assets refer to the land lease from JTC in respect of the JTC land and is depreciated over the lease period from 31 August 2015 to 28 February 2025. The decrease in right-of-use assets was due to the depreciation of right-of-use assets.

Trade and other receivables, non-current comprise retention receivables. The retention monies that are receivable after 12 months from the reporting date are recorded as non-current. The increase of approximately S\$1.6 million in retention receivables was attributable to higher billings for newly completed works during FY2024.

##### **Current assets**

Inventories of approximately S\$156,000 belong to Lincotrade Dongguan which was incorporated during FY2024.

Contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date on contracts and any impairment losses recognised in the reporting year. The contract assets are transferred to the receivables when the rights become unconditional. This usually occurs when the work is certified by the customers and the Group invoices the customers. The decrease in contract assets of approximately S\$3.0 million or 55.5% was mainly to the higher billings to customers during the current year under review.

Other non-financial assets comprise advances paid to suppliers, deposits to secure services and prepayment for expenses. Decrease in other non-financial assets by approximately S\$474,000 was mainly due to lower advances paid to suppliers.

The decrease in trade and other receivables was due to lower current portion of the retention receivables as at 30 June 2024 as there were lesser projects' retention sums due within the next 12 months. Trade receivables (excluding retention receivables) turnover days increased from 31 days for FY2023 to 38 days for FY2024 mainly due to more billings issued during May and June 2024.

##### **Non-current liabilities**

Lease liabilities, non-current relate to the non-current portion of our Group's lease in respect of the JTC Land and motor vehicles. The decrease in lease liabilities was mainly due to the lease payments made during FY2024.

Other financial liabilities, non-current refer to the non-current portion of the secured bank loans of approximately S\$7.0 million obtained to finance working capital and the purchase of Tuas Factory. The increment was mainly due to additional bank loan obtained to finance the Tuas Factory of approximately S\$7.7 million, partially offset by the repayment of bank loans during FY2024.

##### **Current liabilities**

Income tax provision refers to the liability to pay corporate income tax in accordance with the tax regulations in Singapore. Income tax provision decreased slightly by approximately S\$29,000 or 4.0% during the current year under review.

Trade payables comprise mainly payables to subcontractors and suppliers, including retention of subcontractor fees. Trade and other payables decreased by approximately S\$628,000 or 5.4%. Trade payables (excluding retention payables) turnover days decreased from 56 days for FY2023 to 51 days for FY2024. The decrease is mainly due to faster payments to creditors for one of the bigger projects undertaken by the Group.

Contract liabilities as at 30 June 2023 primarily relate to advance consideration received from customers for which transfer of control has not occur, and therefore revenue is not recognised. There are no contract liabilities as at 30 June 2024.

## **Lincotrade & Associates Holdings Limited**

### **Other Information Required by Catalist Rule Appendix 7C**

#### **Other information**

#### **4. Review of performance of the Group (Cont'd)**

##### **Statement of Financial Position (Cont'd)**

Lease liabilities, current relate to the current portion of our Group's lease in respect of the JTC Land and motor vehicles. Current portion of the lease liabilities decrease by approximately S\$22,000 or 19.6% during FY2024 due to the expiry of the JTC Land in February 2025.

Other financial liabilities, current refer to the bills payable, the current portion of the secured bank loans obtained to finance working capital and the bank loan for the Tuas Factory. The increase was mainly due to the bank loan for the Tuas Factory obtained during FY2024, partially offset by the decrease in bills payable of approximately S\$1.1 million during FY2024.

##### **Statement of Cash Flows**

During FY2024, our Group recorded operating cash flows before working capital changes of approximately S\$4.3 million. Net cash from working capital amounted to approximately S\$2.4 million, mainly due to (i) increase in inventories from Lincotrade Dongguan, (ii) decrease in contract assets of approximately S\$3.0 million due to higher billing to customers for certified completed jobs; (iii) decrease in trade and other receivables due to lower current portion of retention receivables; (iv) decrease in other non-financial assets of approximately S\$474,000; (v) partially offset by a decrease in contract liabilities of approximately S\$469,000 and trade and other payables of approximately S\$628,000 due to faster payments to creditors for one of the bigger projects undertaken by the Group. The Group also paid interest expenses on operating activities and income tax of approximately S\$618,000 and S\$567,000, respectively. As a result, net cash generated from operating activities amounted to approximately S\$5.5 million during FY2024.

Net cash used in investing activities amounted to approximately S\$2.5 million during FY2024, mainly relates to purchase of property, plant and equipment of approximately S\$2.7 million, partially offset by the proceeds from disposal of property, plant and equipment of approximately S\$2,000 and the interest received of approximately S\$189,000.

Net cash flows used in financing activities amounted to approximately S\$4.5 million during FY2024 mainly due to the repayment of term loans and shareholder's loan of approximately S\$1.6 million and S\$800,000 respectively, decrease in bills payable of approximately S\$1.1 million, increase in cash restricted in use of approximately S\$228,000, payment for lease liabilities of approximately S\$111,000 and payment of interim dividend to shareholders of approximately S\$654,000.

As a result of the above, there was a net decrease of approximately S\$1.4 million in cash and cash equivalents from approximately S\$9.1 million as at 1 July 2023 to approximately S\$7.7 million as at 30 June 2024.

#### **5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement had been previously disclosed to shareholders for the financial year under review.

# Lincotrade & Associates Holdings Limited

## Other Information Required by Catalist Rule Appendix 7C

### Other information

6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

#### *Trend information of the interior fitting-out works industry (“Industry”)*

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

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

The Group intends to relocate its operations and dormitories from its current premises at 39 Sungei Kadut Loop Singapore 729494, to the JTC Factory in the first quarter of 2025. Estimated additions and alterations works for the Tuas Factory of approximately S\$1.8 million are expected to be undertaken during financial year ending 30 June 2025 to cater for the Group’s business activities and future plans.

As at 30 June 2024, the Group’s order book stood at approximately S\$39.5 million which generally will be fulfilled during the next two years. With an aim to expand its order book with a healthy pipeline of new projects, the Group continues to proactively tender for new projects in Singapore, particularly those that are larger in terms of scale and contract value.

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

### 7. Dividend information

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

The directors recommended a tax-exempt (one-tier) final dividend of S\$0.0032 (FY2023: Nil) per ordinary share in respect of FY2024, subject to the approval of shareholders at the forthcoming annual general of the Company.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt (one-tier)
Dividend Amount per ordinary share	S\$0.0032
Tax Rate	Exempt one-tier

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

No.

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

To be announced later.

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

To be announced later.

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

Not applicable as final dividend was declared.

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

**Other information**

8. **If the group has obtained a general mandate from shareholders for interested person transactions (IPTs), the aggregate value of such transactions as required under Catalist Rule 920. If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions pursuant to Catalist Rule 920.

9. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Catalist Rule 720(1).

10. **In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.**

**Business segments**

Revenue mix	FY2024		FY2023	
	S\$'000	%	S\$'000	%
Commercial	56,331	83.0	48,442	69.3
Residential	4,339	6.4	3,403	4.9
Showflats	7,192	10.6	18,030	25.8
	<b>67,862</b>	<b>100.0</b>	<b>69,875</b>	<b>100.0</b>

During FY2024, revenue from commercial and residential segments increased by approximately 16.3% and 27.5% respectively mainly due to higher percentage of completion for some of the Group's commercial and residential projects. Revenue from showflats segment decreased by approximately 60.1% as the larger showflat projects on hand were substantially completed during FY2023.

Revenue contribution from the commercial segment increased from 69.3% to 83.0%, revenue contribution from residential segment increased from 4.9% to 6.4% and revenue contribution from showflats segment decreased from 25.8% to 10.6% in FY2024.

**Geographical segments**

The Group's operations are primarily carried out in Singapore, Malaysia and the PRC. As our Malaysia subsidiary, Lincotrade Malaysia only commenced operations during FY2024, revenue contributed from Malaysia was only 0.1% of the Group's revenue. During FY2024, our PRC subsidiary, Lincotrade Dongguan's sales were solely to Lincotrade PL and there were no sales to external parties.

Revenue mix	FY2024		FY2023	
	S\$'000	%	S\$'000	%
Singapore	67,795	99.9	69,875	100.0
Malaysia	67	0.1	-	-
PRC	-	-	-	-
	<b>67,862</b>	<b>100.0</b>	<b>69,875</b>	<b>100.0</b>

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

**Other information**

- 11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Catalist Rule 704(10).**

There are no person occupying a managerial position in the Company who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Catalist Rule 704(10).

- 12. Additional information required pursuant to Rule 706A**

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

On 11 January 2024, the Company incorporated Lincotrade (Dongguan) Furniture Manufacturing Co., Ltd, a 75% owned subsidiary in the PRC. Please refer to the Company's announcement on 12 January 2024 for more information.

**BY ORDER OF THE BOARD**

**TAN KOK HENG**  
**INDEPENDENT NON-EXECUTIVE CHAIRMAN**

**TAN JIT MENG**  
**MANAGING DIRECTOR**

**28 AUGUST 2024**