



LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

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

(Company Registration Number: 200413128G)

Condensed Interim Financial
Statements for the 6-month period and
12-month period ended 30 June 2022

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, #04-00 Singapore 069531, Telephone: +65 6320 0627

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**Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited)
Condensed Interim Financial Statements for the 6-month period and 12-month period ended
30 June 2022**

Change of Company's Name

During the Extraordinary General Meeting (“EGM”) on 22 July 2022, the shareholders of Fabchem China Limited approved the change of company’s name to Lincotrade & Associates Holdings Limited (the “Company”). The Company’s name was subsequently changed on 3 August 2022. Please refer to the Company’s circular dated 30 June 2022 (“Acquisition Circular”) and the Company’s announcement on 3 August 2022.

Change of Financial Year-End

On 28 January 2021, the Company announced a change of financial year end from 31 March to 30 June. The unaudited financial statements of the Company presented in this announcement covers a 6-month period from 1 January 2022 to 30 June 2022 (“6M2022”) and a 12-month period from 1 July 2021 to 30 June 2022 (“FY2022”). For the purposes of providing a more meaningful comparison and better understanding of the financial results of the Company, the Company has also included the unaudited financial statements for the 6-month period from 1 January 2021 to 30 June 2021 (“6M2021”) and 12-month period from 1 July 2020 to 30 June 2021 (“12M2021”) as comparative figures for the condensed interim statement of profit or loss and other comprehensive income and 12M2021 as comparative figures for the condensed interim statements of cash flows.

Disposal of Operating Subsidiary

On 5 November 2021, the Company announced the completion of the disposal of Shandong Yinguang Technology Co. Ltd and its subsidiaries (“Yinguang Technology” or “Disposal Group”) to Triple Vision Pte Ltd, a Controlling Shareholder of the Company (“Disposal”). Following the Disposal, the Company completed the Capital Reduction on 29 November 2021 and Cash Distribution on 21 December 2021 (both as defined in the Company’s Circular dated 22 September 2021). Please refer to the Company’s circular dated 22 September 2021 (“Disposal Circular”) and the Company’s announcements on 5 November 2021 and 29 November 2021 for further information on the Disposal and Capital Reduction and Cash Distribution respectively.

Completion of Acquisition of Lincotrade & Associates Pte Ltd

The acquisition of Lincotrade & Associates Pte Ltd was completed on 3 August 2022 and as at 30 June 2022, the Company does not have any subsidiary. Accordingly, the comparative information of this condensed interim financial statements does not take into account the results of Lincotrade & Associates Pte Ltd. This condensed interim financial statement is presented in Singapore dollar (“S\$”) which is the Company’s functional currency.

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

		Company					
	Note	Unaudited 6 months from 1 Jan 2022 to 30 Jun 2022 S\$'000	Unaudited 6 months from 1 Jan 2021 to 30 Jun 2021 S\$'000	Increase/ (Decrease) %	Unaudited 12 months from 1 Jul 2021 to 30 Jun 2022 S\$'000	Unaudited 12 months from 1 Jul 2020 to 30 Jun 2021 S\$'000	Increase/ (Decrease) %
Dividend income	5	-	617	(100.0%)	936	1,230	(23.9%)
Interest income		1	-	N.M.	8	-	N.M.
Other gains	7	1	1	-	7	-	N.M.
Administrative expenses		(930)	(641)	45.1%	(1,631)	(1,235)	32.1%
Financial costs	8	-	(1)	100.0%	(1)	(3)	(66.7%)
Other losses	7	-	(4,542)	100.0%	-	(4,545)	100.0%
Loss before tax		(928)	(4,566)	(79.7%)	(681)	(4,553)	(85.0%)
Income tax expense	10	-	(31)	100.0%	(47)	(62)	(24.2%)
Loss for the year and total comprehensive loss		(928)	(4,597)	(79.8%)	(728)	(4,615)	(84.2%)
Loss per share		S\$ cents	S\$ cents		S\$ cents	S\$ cents	
Basic and diluted	11	(1.98)	(9.82)	(79.8%)	(1.56)	(9.86)	(84.2%)

Interim statement of profit or loss and other comprehensive income for comparative period have been re-presented as a result of Disposal as disclosed in Note 14.

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited)
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B. Condensed Interim Statements of Financial Position

	Note	Company	
		Unaudited 30 June 2022 S\$'000	Audited 30 June 2021 S\$'000
ASSETS			
Non-current assets :			
Right-of-use assets	15	-	38
Investment in subsidiaries	16	-	-
Total non-current assets		-	38
Current assets :			
Assets of disposal group classified as held-for-sale	14	-	18,000
Other receivables	17	-	195
Other assets		44	25
Cash and cash equivalents		289	142
Total current assets		333	18,362
Total assets		333	18,400
EQUITY AND LIABILITIES			
Capital and reserves :			
Share capital	20	6,237	23,459
Accumulated losses		(6,640)	(5,912)
Total (net capital deficit) equity		(403)	17,547
Non-Current liabilities :			
Other financial liabilities	19	500	-
Total non-current liabilities		500	-
Current liabilities :			
Trade and other payables	18	236	513
Other financial liabilities	19	-	300
Lease liability		-	40
Total current liabilities		236	853
Total liabilities		736	853
Total liabilities and equity		333	18,400

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C. Condensed Interim Statements of Changes in Equity

Company (S\$'000)	(Net capital deficit) / total equity	Share capital	Accumulated losses
Balance at 1 July 2021	17,547	23,459	(5,912)
Capital reduction ⁽¹⁾	(17,222)	(17,222)	-
Total comprehensive loss for the year	(728)	-	(728)
Balance at 30 June 2022	<u>(403)</u>	<u>6,237</u>	<u>(6,640)</u>
Balance at 1 July 2020	22,162	23,459	(1,297)
Total comprehensive loss for the period	(4,615)	-	(4,615)
Balance at 30 June 2021	<u>17,547</u>	<u>23,459</u>	<u>(5,912)</u>

⁽¹⁾ Refer to Note 20 to the condensed interim financial statements.

D. Condensed Interim Statement of Cash Flows

Company	
Unaudited 12 months from 1 July 2021 to 30 Jun 2022 S\$'000	Unaudited 12 months from 1 July 2020 to 30 Jun 2021 S\$'000

Cash flows from operating activities		
Loss before tax	(681)	(4,553)
Adjustments for :		
Depreciation of right-of-use assets	38	41
Impairment allowance on investment in subsidiaries	-	4,542
Interest expenses	1	3
Interest income	(8)	-
Operating cash flows before changes in working capital	(650)	33
Other receivables	195	86
Other assets	(19)	1
Trade and other payables	(277)	(194)
Net cash flows used in operations	(751)	(74)
Income taxes paid	(47)	(62)
Net cash flows used in operating activities	<u>(798)</u>	<u>(136)</u>
Cash flows from investing activities		
Proceeds from disposal of assets held-for-sale, net	17,700	-
Interest received	8	-
Net cash flows from investing activities	<u>17,708</u>	<u>-</u>
Cash flows from financing activities		
Cash distribution to shareholders	(17,222)	-
Loan from a shareholder	500	300
Lease payments	(41)	(45)
Net cash flows (used in) / from financing activities	<u>(16,763)</u>	<u>255</u>
Net increase in cash and cash equivalents	147	119
Cash and cash equivalents, statement of cash flows, beginning balance	142	23
Cash and cash equivalents, ending balance	<u>289</u>	<u>142</u>

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited) Condensed Interim Financial Statements for the 6-month period and 12-month period ended 30 June 2022

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China 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 Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Company was placed on the Watch-List of the SGX-ST due to the Financial Entry Criteria with effect from 5 December 2018. On 24 November 2021 and 3 March 2022, SGX-ST informed the Company that it had no objections to granting the Company an extension of time from the original deadline of 4 December 2021 to 4 August 2022 to satisfy the criteria needed to exit the Watch-List. The Company completed the Proposed Acquisition (as defined below) of Lincotrade & Associates Pte Ltd on 3 August 2022 and exited from the Watch-List and transferred the listing of the Company from the Mainboard of the SGX-ST to the Catalist Board of the SGX-ST on 8 August 2022.

As announced on 28 January 2021, the Company changed its reporting year end from 31 March to 30 June. Therefore, the current reporting period is a 6-month period from 1 January 2022 to 30 June 2022 (“**6M2022**”) and 12-month period from 1 July 2021 to 30 June 2022 (“**FY2022**”).

The COVID-19 pandemic has no significant adverse effect on the Company’s financial position and results for the current financial period reported on.

2. Basis of Preparation

The condensed interim financial statements for the 6-month period from 1 January 2022 to 30 June 2022 (“**6M2022**”) and 12-month period from 1 July 2021 to 30 June 2022 (“**FY2022**”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim 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 Company’s financial position and performance of the Company since the last interim financial statements for the period ended 30 June 2021.

The condensed interim financial statements are presented in Singapore dollars (“**S\$**”).

The accounting policies adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for the 15-month period ended 30 June 2021, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 to the condensed interim financial statements below.

2.1. New and amended standards adopted by the Company

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 Company.

2.2. Use of judgements and estimates

In preparing the condensed interim 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.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the 15-month period ended 30 June 2021.

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.

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited)
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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 key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the condensed interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Classification and measurement of disposal group held for sale

As a result of proposed disposal of subsidiaries as disclosed in Note 14 to the condensed interim financial statements, the Company reclassified the assets and liabilities as at 30 June 2021 pertaining to those activities to held for sale in accordance with SFRS(I) 5 *Non-Current Assets Held For Sale And Discontinued Operations*. In distinguishing between the assets and liabilities pertaining to continuing operations and those pertaining to discontinued operations judgment had to be applied, as a part of those assets and liabilities are used by these subsidiaries.

The Company on date of classification re-measured the carrying amounts of the disposal group classified as held for sale to its fair value less costs to sell based on the consideration for the disposal and impairment loss of approximately S\$4.5 million was made accordingly during the 15-month period ended 30 June 2021. Please refer to Note 16 to the condensed interim financial statements.

3. Seasonal operations

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

4. Segment and revenue information

The Company does not have any business segment, and all assets and liabilities of the Company are in Singapore as at 30 June 2022.

A breakdown of revenue:

	Company		Increase / (Decrease) %
	Unaudited 12 months ended 30 Jun 2022 S\$'000	Unaudited 12 months ended 30 Jun 2021 S\$'000	
Dividend income reported for the first 6 months from 1 July to 31 December	936	613	52.7%
Operating profit/(loss) after tax reported for the first 6 months from 1 July to 31 December	200	(18)	1211.1%
Dividend income reported for the second 6 months from 1 January to 30 June	-	617	(100.0%)
Operating loss after tax reported for the second 6 months from 1 January to 30 June	(928)	(4,597)	(79.8%)

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

5. Dividend income

Dividend income relates to dividend income declared by Yinguang Technology before the Disposal.

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Company as at 30 June 2022 and 30 June 2021:

	Company	
	Unaudited 30 Jun 2022 S\$'000	Audited 30 Jun 2021 S\$'000
Financial assets		
- Cash and cash equivalents	289	142
- Trade and other receivables	-	195
Financial assets at amortised cost	289	337
Financial liabilities		
- Trade and other payables	236	513
- Other financial liabilities	500	300
- Lease liability	-	40
Financial liabilities at amortised cost	736	853

7. Other gains and (other losses)

	Company			Company		
	Unaudited 6 months from 1 Jan 2022 to 30 Jun 2022 S\$'000	Unaudited 6 months from 1 Jan 2021 to 30 Jun 2021 S\$'000	Increase/ (Decrease) %	Unaudited 12 months from 1 Jul 2021 to 30 June 2022 S\$'000	Unaudited 12 months from 1 Jul 2020 to 30 Jun 2021 S\$'000	Increase/ (Decrease) %
Other Gains						
Foreign exchange adjustment gains	-	1	(100%)	6	-	N.M.
Government grants	1	-	N.M.	1	-	N.M.
	<u>1</u>	<u>1</u>	-	<u>7</u>	<u>-</u>	N.M.
Other Losses						
Foreign exchange adjustment losses	-	-	-	-	(3)	100%
Impairment loss on investment in subsidiary	-	(4,542)	100%	-	(4,542)	100%
	<u>-</u>	<u>(4,542)</u>	100%	<u>-</u>	<u>(4,545)</u>	100%

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

8. Finance costs

	Company			Company		
	Unaudited 6 months from 1 Jan 2022 to 30 Jun 2022 S\$'000	Unaudited 6 months from 1 Jan 2021 to 30 Jun 2021 S\$'000	Increase/ (Decrease) %	Unaudited 12 months from 1 Jul 2021 to 30 June 2022 S\$'000	Unaudited 12 months from 1 Jul 2020 to 30 Jun 2021 S\$'000	Increase/ (Decrease) %
Finance costs						
Interest on lease liabilities	-	(1)	100%	(1)	(3)	(66.7%)
Total finance costs	-	(1)	100%	(1)	(3)	(66.7%)

9. Related party transactions

Company	
12 months from 1 Jul 2021 to 30 Jun 2022 S\$'000	12 months from 1 Jul 2020 to 30 Jun 2021 S\$'000

Advisory fees paid to ultimate controlling party	(19)	(43)
Consideration for disposal of subsidiary to Triple Vision Pte Ltd	18,000	-

Related parties refer to companies in which a director or his immediate family has significant or controlling interest over the entity.

10. Income tax expenses

The Company 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:

	Company		Company	
	Unaudited 6 months from 1 Jan 2022 to 30 Jun 2022 S\$'000	Unaudited 6 months from 1 Jan 2021 to 30 Jun 2021 S\$'000	Unaudited 12 months from 1 Jul 2021 to 30 Jun 2022 S\$'000	Unaudited 12 months from 1 Jul 2020 to 30 Jun 2021 S\$'000
Withholding tax expense on dividend income	-	31	47	62
Total income tax expenses recognized to profit or loss	-	31	47	62

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

11. Loss per share

	Company		Company	
	Unaudited 6 months from 1 Jan 2022 to 30 Jun 2022	Unaudited 6 months from 1 Jan 2021 to 30 Jun 2021	Unaudited 12 months from 1 Jul 2021 to 30 Jun 2022	Unaudited 12 months from 1 Jul 2020 to 30 Jun 2021
	S\$ cents	S\$ cents	S\$ cents	S\$ cents
Loss per ordinary share for the year based on net loss attributable to shareholders :				
Based on weighted average number of ordinary shares in issue	(1.98)	(9.82)	(1.56)	(9.86)
Weighted average number of ordinary shares in issue for basic loss per share	46,800,000	46,800,000	46,800,000	46,800,000

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

12. Net Asset Value

	Company	
	Unaudited 30 June 2022	Audited 30 June 2021
	S\$ cents	S\$ cents
Net asset value per ordinary share based on the issued shares at the end of the financial year	(0.86)	37.49
Number of issued shares use in calculating net asset value	46,800,000	46,800,000

13. 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

	12 months ended 30 June 2022 ("FY2022")	12 months ended 30 June 2021 ("12M2021")
	S\$'000	S\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

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

14. Assets held-for-sale

On 19 March 2021, the Company entered into a sale and purchase agreement with Triple Vision Pte Ltd for the Disposal of Yinguang Technology for a consideration (“**Disposal Consideration**”) of S\$18.0 million. The Disposal was approved by shareholders during an Extraordinary General Meeting (“**2021 EGM**”) held on 14 October 2021.

As at 30 June 2021, the investment in subsidiaries were presented in the condensed interim statements of financial position as “Assets held-for-sale”.

The assets held-for-sale as at 30 June 2021 are as follows:

	S\$'000
Investment in subsidiaries	<u>18,000</u>

On 5 November 2021, the Company announced the completion of the Disposal Group on 4 November 2021 and the Company received the net proceeds of the Disposal on 18 October 2021. Please refer to the Company’s announcement on 5 November 2021 for more information.

15. Right-of-use assets

There are no acquisitions or disposal of right-of-use assets of the Company during the 12-month period from 1 July 2021 to 30 June 2022. The decrease is due to the depreciation of the right-of-use assets of the Company and the expiry of the Company rented office space.

16. Investment in subsidiaries

	Company	
	Unaudited 30 June 2022 S\$'000	Audited 30 June 2021 S\$'000
<u>Carrying value comprising</u>		
Unquoted equity shares at cost	-	-
<u>Movement in carrying value</u>		
At beginning of period	-	22,542
Impairment allowance	-	(4,542)
Reclassified to disposal group held-for-sale	-	(18,000)
At end of period	<u>-</u>	<u>-</u>

During the 12-month period ended 30 June 2021, an impairment loss of S\$4.5 million was recognized based on the Disposal Consideration of S\$18.0 million as disclosed under Note 14 to the condensed interim financial statements.

Pursuant to the sales and purchase agreement as stated in Note 14 to the condensed interim financial statements, investment in subsidiaries attributable to the Disposal Group of S\$18.0 million have been reclassified to assets of disposal group classified as held-for-sale as at 30 June 2021.

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

17. Other receivables

	Company	
	Unaudited 30 June 2022 S\$'000	Audited 30 June 2021 S\$'000
Other receivables	-	195
	-	195

18. Trade and other payables

	Company	
	Unaudited 30 June 2022 S\$'000	Audited 30 June 2021 S\$'000
Trade payables and accruals	208	342
Other payables	28	171
	236	513

19. Other financial liabilities

	Company	
	Unaudited 30 June 2022 S\$'000	Audited 30 June 2021 S\$'000
Loan from a shareholder	500	300
	500	300
Presented in the statement of financial position as follows:		
Current	-	300
Non-current	500	-
	500	300

On 23 February 2021, 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 (“**First Loan**”) at any time. 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 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 FY2022 and the loan of S\$300,000 was used to offset against the Disposal Consideration. Please refer to the Company’s announcements on 23 February 2021 and 12 August 2021 for more information.

On 26 April 2022, the Company entered into another loan agreement with Triple Vision for up to an aggregate amount of S\$1.0 million (“**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. Please refer to the Company’s announcement on 26 April 2022 for more information.

As at 30 June 2022, the Company had drawn down S\$500,000 from the Second Loan.

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

19. Other financial liabilities (Cont'd)

Bank borrowings

Amount repayable in one year or less, or on demand

(S\$'000)

30 June 2022		30 June 2021	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

(S\$'000)

30 June 2022		30 June 2021	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

20. Share capital

Company	
Number of shares issued	Share capital S\$

Ordinary shares of no par value:		
At 1 July 2020 and 30 June 2021	46,800,000	23,458,985
Capital reduction	-	(17,222,400)
At 30 June 2022	46,800,000	6,236,585

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.

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.

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 2022 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2021.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial year reported on, i.e. 30 June 2022 and as at the end of the previous period of the immediately preceding financial year, i.e. 30 June 2021.

The Company’s subsidiaries do not hold any shares in the Company as at 30 June 2021 and the Company does not have any subsidiary as at 30 June 2022.

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

21. Subsequent events

The Company completed the Proposed Acquisition on 3 August 2022 and exited from the Watch-List on 8 August 2022. Please refer to the Company's announcements on 3 August 2022 and 8 August 2022 for more information.

Other than the above, there are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

Other Information Required by Catalist Rule Appendix 7C

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China 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.

4. **Review of performance of the Company**

Dividend income

Dividend income was derived from Yinguang Technology before the completion of the Disposal.

Interest income

During FY2022, interest income was derived mainly from fixed deposit placed with bank before the Cash Distribution pursuant to the Capital Reduction and bank deposit interest from an interest bearing deposit account opened during the current period reported on.

Administrative expenses

Administrative expenses increased by approximately S\$396,000 or 32.1% from approximately S\$1.2 million during 12M2021 to approximately S\$1.6 million during FY2022. The increase was mainly due to professional fees incurred for the Disposal, Capital Reduction and the Proposed Acquisition during FY2022.

Depreciation of right-of-use assets remained relatively the same at S\$38,000 during the financial year under review.

Finance costs

Finance costs relate to accretion of interest on lease liability recognised in accordance to SFRS(I) 16.

Other gains/(losses)

Other gains relate to foreign exchange adjustment gains during the respective periods as well as government grants received by the Company.

Other losses related to foreign exchange adjustment losses during the respective periods as well as the impairment allowance of S\$4.5 million on the investment in subsidiaries. Please refer to Note 16 to the condensed interim financial statements for more information.

Foreign exchange adjustment gain/(losses) arose mainly from foreign exchange rate fluctuation among Renminbi (RMB) and Singapore Dollars (S\$).

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited) **Other Information Required by Catalist Rule Appendix 7C**

Other information

4. Review of performance of the Company (Cont'd)

Income tax expenses

Income tax expenses relate to withholding tax paid in China for dividend declared by Yinguang Technology and remitted to Singapore holding company before the completion of the Disposal.

Statement of Financial Position

Right-of-use assets were recognised for lease commitments for Singapore's rented office space in accordance with SFRS(I) 16. The decreased in right-of-use assets was mainly due to depreciation of right-of-use assets during the current financial year of approximately S\$38,000. The right-of-use assets were fully depreciated as at 30 June 2022.

Assets held-for-sale relates to the investment in subsidiaries that were held for sale as at 30 June 2021. Please refer to Note 14 to the condensed interim financial statements for more information. The Disposal was completed during FY2022 and there were no gain or loss arising from the Disposal as an impairment allowance of S\$4.5 million was made to write down the carrying value to fair value less costs of disposal based on the Disposal Consideration of S\$18.0 million during the 15-month period ended 30 June 2021.

There were no other receivables as at 30 June 2022 mainly due to the absence of receivables from Lincotrade & Associates Pte Ltd for professional fees for the Proposed Acquisition as at 30 June 2022. As at 30 June 2021, other receivables of approximately S\$195,000 mainly consist of professional fees for the Proposed Acquisition.

Other assets comprising the Company's deposits and prepayments, increased by approximately S\$19,000 or 76.0% to S\$44,000 as at 30 June 2022. The increase was due to the increase in prepayment to third party.

Trade and other payables decreased by approximately S\$277,000 or 54.0% to approximately S\$236,000 as at 30 June 2022 mainly due to payment of creditors and lower accruals subsequent to the completion of the Disposal.

As at 30 June 2021, other current financial liabilities of S\$0.3 million relates to the shareholder's loan for the Disposal which was offset against the Disposal Consideration during FY2022. As at 30 June 2022, other non-current financial liabilities of S\$0.5 million relates to the shareholder's loan for the Proposed Acquisition. Please refer to Note 19 to the condensed interim financial statements for more information.

Lease liability was recognised in accordance to SFRS(I) 16, and was recognised together with the right-of-use assets in relation to the capitalisation of obligations under operating lease commitments for Singapore's rental office space. There were no outstanding lease liability as at 30 June 2022.

Net capital deficit of approximately S\$403,000 as at 30 June 2022 was mainly due to the professional expenses incurred during the period under review for the Acquisition.

Cash flow

For the 12-month period ended 30 June 2022, the Company recorded net cash used in operating activities of approximately S\$798,000, net cash from investing activities of approximately S\$17.7 million and net cash used in financing activities of approximately S\$16.8 million.

The net cash used in operating activities was mainly due to the decrease in trade and other payables of approximately S\$277,000 due to the payment of creditors subsequent to 30 June 2021, partially offset by the decrease in other receivables of approximately S\$195,000.

The net cash from investing activities of S\$17.7 million was mainly due to the net proceeds from disposal of assets held-for-sale of approximately S\$17.7 million during the current financial year under review. Please refer to the Disposal Circular dated 22 September 2021 and the Company's announcement on 5 November 2021.

The net cash used in financing activities of approximately S\$16.8 million was mainly due to cash distribution to shareholders during the current financial year under review, partially offset by the proceeds from shareholder's loan of S\$500,000. Please refer to the Company's announcement on 29 November 2021 for more information on Capital Reduction and Cash Distribution.

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited) **Other Information Required by Catalist Rule Appendix 7C**

Other information

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

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

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

Completion of Acquisition and Transfer to Catalist

The Company had completed the Proposed Acquisition of Lincotrade & Associates Pte Ltd on 3 August 2022 and exited from the Watch-List and transferred the listing of the Company from Mainboard to Catalist on 8 August 2022.

With the completion of the Proposed Acquisition, Lincotrade & Associates Pte Ltd's financial results will be consolidated into the Group's results for the next reporting 6-month ending 31 December 2022.

Please refer to the Acquisition Circular dated 30 June 2022 and the Company various announcements on SGXNet for more information.

Financial effects of the Group's results for financial year ending 30 June 2023

The acquisition of Lincotrade & Associates Pte Ltd ("Target") is treated as a reverse acquisition ("RTO") for accounting purpose as the shareholders of the Target became the controlling shareholders of the Company upon the completion of the Acquisition. Based on the fair value of the Company's share price of S\$0.196 per share (the Company's last transacted share price prior to RTO completion date on 3 August 2022), the Company will recognise a loss on reverse acquisition of approximately S\$9.17 million and this will be charged to the income statement for the financial year ending 30 June 2023.

The Company also allotted and issued 454,545 and 5,681,818 ordinary shares to the Company's Financial Adviser ("FA") as part of the FA fees for its services in relation to the RTO Transaction and to the arranger, respectively. Based on the share price of S\$0.196 as at 3 August 2022, the value of the shares issued to the FA and arranger amounted to approximately S\$89,000 and S\$1.11 million respectively and these amounts will be charged to the income statement in the financial year ending 30 June 2023.

Trend information of the interior fitting-out works industry ("Industry")

The Group expects demand for its interior fitting-out services to increase as a result of the expected growth of the Industry and the construction industry at large. However, it also expects overall construction costs, labour cost, overheads and other operating expenses to rise due to disruptions to the supply chain caused by COVID-19 pandemic, the war in Ukraine, tightening of foreign workers policies, and the expenses incurred in connection with the Acquisition.

Shareholders are advised to refer to section 5.2 Trend Information in the Company's Circular dated 30 June 2022 for more information.

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited)
Other Information Required by Catalist Rule Appendix 7C

Other information

7. Dividend information

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on?

No.

(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*

Not Applicable.

(d) *Books closure date*

Not Applicable.

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

No dividend has been declared/recommended for the current financial year reported on as the Company is making losses.

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 Company 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.

The Company has no business segment and all assets and liabilities are in Singapore.

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).

Lincotrade & Associates Holdings Limited (formerly known as Fabchem China Limited)
Other Information Required by Catalist Rule Appendix 7C

Other information

12. Additional Information Required On Acquisitions and Realisations Pursuant to Catalist Rule 706A

On 5 November 2021, the Company announced the completion of the Disposal of the Disposal Group to Triple Vision Pte Ltd, a Controlling Shareholder of the Company. For more information, please refer to the Disposal Circular dated 22 September 2021 and the Company's announcement on 5 November 2021.

Other than the above, the Company did not acquire or dispose of any shares during the 12 months ended 30 June 2022 which would result in any company becoming or ceasing to be a subsidiary or associated company of the Company, or increase or reduce the Company's shareholding percentage in any subsidiary or associated company.

BY ORDER OF THE BOARD

TAN KOK HENG
INDEPENDENT NON-EXECUTIVE CHAIRMAN

TAN JIT MENG
MANAGING DIRECTOR

26 AUGUST 2022