



LINCOTRADE & ASSOCIATES

Press Release – For Immediate Release

**Lincotrade Delivers Strong Revenue Growth of 119.3%
to S\$40.86 Million for 6M2023;
Excluding the One-Off Non-Cash RTO-related Expenses,
Profit Before Tax in 6M2023 would be S\$1.75 Million,
an Increment of 337.3%**

- *Higher contribution from the Group’s commercial and showflats business segments led overall revenue to surge 119.3% to approximately S\$40.86 million in 6M2023*
- *Generated net cash flow of approximately S\$6.76 million from operations during 6M2023*
- *Total assets increased 42.3% to approximately S\$39.47 million, of which cash and cash equivalents jumped 110.9% to approximately S\$13.11 million as at 31 December 2022*
- *The Group’s order book stood at approximately S\$78.0 million*

Current Reporting Period – Six Months Ended 31 December 2022 (“6M2023”)

(S\$ million)	6M2022	6M2023	Change (%)
Revenue	18.64	40.86	+ 119.3
Gross profit	2.30	4.31	+ 87.4
Profit / (loss) before tax	0.40	(9.03)	N.M
Adjusted profit before tax	0.40	1.75*	+337.3

**excluding one-off non-cash RTO expenses of approximately S\$10.78 million*

SINGAPORE, 13 February 2023 – Lincotrade & Associates Holdings Limited, (“Lincotrade” or the “Company” or “立鑽企業” and together with its subsidiary, the “Group”), a specialist in interior fitting-out services, is pleased to announce its 6-month financials for the period ended 31 December 2022 (“6M2023”), following the completion of the reverse takeover (“RTO”) of Fabchem China Limited on 3 August 2022.

Commenting on 6M2023 results, Managing Director of Lincotrade, Mr. Tan Jit Meng (陈日明先生) said: *“2022 was a pivotal year for our Company with the completion of our listing in August 2022. This is our maiden results announcement and we are pleased to start the first half of FY2023 on a strong note with our focus on project execution.*

Targeting three different market segments, our business model provides Lincotrade diversity and resiliency within our operating market.



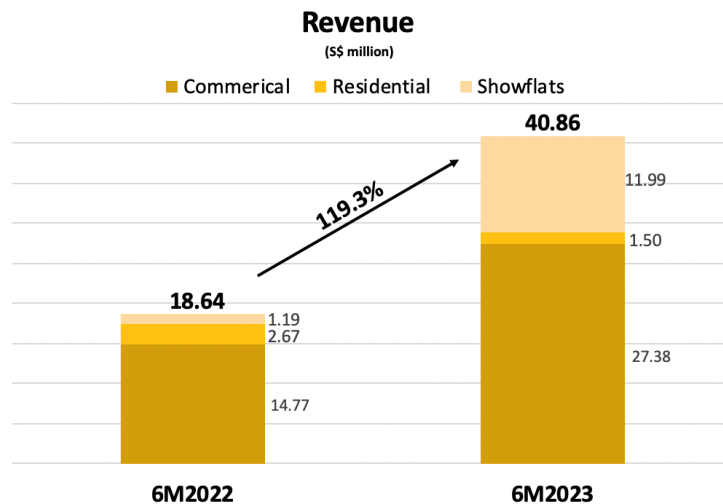
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I am confident that our disciplined financial approach, dedicated workforce and proven ability to execute will enable us to continue to advance our project pipeline, pursue new growth opportunities and position the Company for sustained growth.”

Driven by higher contribution from the Group’s commercial and showflats business segments, overall revenue surged 119.3% to approximately S\$40.86 million in 6M2023: Lincotrade is engaged in the provision of interior fitting-out services, additions and alterations (“A&A”) works and other building construction services primarily for three business segments, commercial, residential and showflats.

During 6M2023, there was a higher percentage of completion for some of the Group’s larger commercial and showflats projects while most of the Group’s residential projects were completed before 30 June 2022.

As a result, revenue contribution from the Group’s commercial and showflats business segments increased by approximately S\$12.6 million or 85.3% and approximately S\$10.8 million or 906.9% respectively in 6M2023.



On 30 January 2023, the Group announced that it had recently secured an Asset Enhancement Initiative (“AEI”) for an integrated development in Singapore with a contract value of approximately S\$35 million, the largest single contract secured by the Group to date. The AEI works are expected to be completed by June 2024.

The Group’s order book stood at approximately S\$78 million which generally will be fulfilled during the next two years.

Gross profit increased 87.4% in 6M2023 with gross profit margin of 10.5%: With the increased revenue, the Group’s gross profit surged to approximately S\$4.31 million in 6M2023. The Group’s gross profit margin dipped 1.8 percentage points to 10.5% in 6M2023, mainly due to higher proportion of revenue contribution from the showflats business segment, which registered lower gross margin in 6M2023.



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One-off non-cash RTO expenses of approximately S\$10.78 million includes the deemed RTO expenses of approximately S\$9.58 million, share-based payment to the sponsor and arranger of approximately S\$1.20 million: With the completion of the RTO on 3 August 2022, the Group recognised the one-off non-cash RTO expenses in accordance with the Singapore Financial Reporting Standards (International).

Excluding the one-off non-cash RTO expenses, Lincotrade recorded an adjusted profit before tax of approximately S\$1.75 million for 6M2023, representing a growth of 337.3% over the corresponding period last year.

Generated net cash of approximately S\$6.76 million from operations during 6M2023: The Group recorded operating cash flows before working capital changes of approximately S\$2.10 million and net cash of approximately S\$4.84 million from working capital. During 6M2023, the Group managed to improve its working capital management by improving its accounts receivables turnover days while increasing its accounts payables turnover days as compared to 6M2022.

During 6M2023, the Group used net cash of approximately S\$0.20 million in investing activities and there was net cash inflow from financing activities of approximately S\$0.33 million, mainly due to net proceeds of approximately S\$1.2 million from the issuance of new shares pursuant to the RTO.

Overall, the Group registered a net increase of approximately S\$6.90 million in cash and cash equivalents during 6M2023.

Total assets increased by 42.3% to approximately S\$39.47 million, of which cash and cash equivalents jumped by 110.9% to approximately S\$13.11 million as at 31 December 2022: The Group's total assets comprise non-current assets of approximately S\$7.26 million and current assets of approximately S\$32.21 million as at 31 December 2022.

The key components of non-current assets are property, plant and equipment of approximately S\$1.39 million and trade and other receivables, non-current, of approximately S\$5.74 million. The key components of current assets are cash and cash equivalents of approximately S\$13.11 million, contract assets of approximately S\$11.23 million and trade and other receivables, current, of approximately S\$7.60 million.

As at end December 2022, the Group's total equity stood at approximately S\$8.03 million and total liabilities amounted to approximately S\$31.44 million, of which total non-current liabilities is approximately S\$2.77 million and current liabilities is approximately S\$28.67 million. The key components of current liabilities are trade and other payables of approximately S\$18.41 million and other financial liabilities of approximately S\$8.60 million.

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This press release is to be read in conjunction with Lincotrade's announcement released on 13 February 2023, which can be downloaded via www.sqx.com



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About Lincotrade & Associates Holdings Limited

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

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

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

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

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

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

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

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

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



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*This announcement has been reviewed by the Company's sponsor, RHB Bank Berhad, through its Singapore branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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