

RESPONSE TO QUESTIONS FOR ANNUAL GENERAL MEETING

Lincotrade & Associates Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) would like to thank its shareholders for submitting their questions in advance of the Annual General Meeting (“**AGM**”) to be held at 39 Sungei Kadut Loop Singapore 729494 on 25 October 2023 at 2.00 pm.

The Company’s responses are as follows:

Question 1) I note that the company shares are very illiquid, with few shares traded each trading day. What are the company’s plans to improve the trading liquidity of the shares?

The Company has appointed an Investor Relations firm to enhance the Group’s engagement with the local media and the investment community on an ongoing basis. As part of our investor relations (“**IR**”) initiatives, the Company strives to provide updates on material developments to the media through press releases and press conferences on a timely basis.

In addition to maintaining our engagements with investment community and the media, the Company will continue to invest time and resources into expanding our investor outreach efforts via initiatives such as analyst briefings, non-deal roadshows, media interviews, among others, to enhance their understanding of the Group’s business, thereby increasing the profile of the Company within the investing community.

Since its listing debut, the Company has been featured on various local media platforms such as Business Times, Lianhe Zaobao and THE EDGE Singapore, among others. The Company also maintains an IR website, <https://www.lincotrade.com.sg/investor-relation>, through which investors can easily find key information on the Company.

Question 2) It is stated in page 95 of the Annual report that the land lease expires on 28 Feb 2025. It is less than 18 months till the lease expires.

- **What is the address of the land?**
- **What is the size and dimension of the land?**
- **Are there any buildings on the land?**
- **How many storeys?**
- **What is the land being currently used for?**
- **What are the company’s plans for the lease?**
- **Is it going to renew the lease with JTC or will it be vacating the premises?**

The Company’s current premise is a three-storey building located at 39 Sungei Kadut Loop Singapore 729494 (“**Premise**”). Details on the Premise can be found on page A-17 of the Company’s circular dated 30 June 2022 (“**Circular**”) under section 4.7 titled “Processing Facility and Capacity” which is extracted and reproduced in *italics* below:

“Our processing facility is located at 39 Sungei Kadut Loop Singapore 729494 and held under a leasehold interest of 30 years commencing from 1 March 1995 to 28 February 2025. The property has a gross land area of 4,047.1 m² and is used to house our office, processing facility, and workers’ dormitory.

Our processing facility is used mainly for the processing, assembling and finishing of doors and door frames, cabinetry works, and manufacturing timber doors and frames, kitchen and vanity cabinets and wardrobes.”

Further information can also be found on page 45 of the Circular, which is extracted and reproduced in *italics* below:

“(o) The lease in respect of the Target’s current premises will expire on 28 February 2025 and relocation may cause disruption to its operations

The lease of the Target’s current premises at 39 Sungei Kadut Loop housing its office and processing facility will expire on 28 February 2025. The Target intends to relocate to bigger premises to cater to an anticipated increase in business volume in the near future. The Target will identify suitable premises in due course so as to relocate its office and processing facility prior to the expiry of the lease with minimal or no disruption to its operations, and has started discussions with JTC on the potential options for relocation to a larger facility, subject to suitable premises becoming available and cost considerations. However, there is no assurance that the Target will be able to secure suitable premises to house its office and processing facility upon the expiration of its lease at the terms acceptable to the Target. In such an event, the Target may incur additional costs as it will have to rent temporary premises while the Target sources for new and suitable replacement premises. These factors could adversely affect its business operations, resulting in an adverse impact on its operating results and profitability.”

The Company is actively looking for alternative premises to relocate our operations and will keep Shareholders informed when a suitable premise is secured.

Question 3) With reference to Page 86 of the annual report, I note that the gross profit for the residential segment is only \$13,000. This is a paltry sum and it is likely that the net profit for the residential segment, whilst unstated, is a negative number.

- **What are the reasons for the poor performance of the residential segment?**
- **And what are the prospects and outlook for this particular segment?**

The decline in revenue from the residential segment in FY2023 was a result of most residential projects on hand, were substantially completed during FY2022. Please refer to the Financial Review section on page 4 of the Annual Report for details.

As mentioned in the Letter to Shareholders section on page 2 of the Annual Report, as part of the Group’s strategic plans to increase revenue contribution from its commercial segment, the Group has been focused on securing more commercial projects in Singapore. However, the residential segment will continue to be an integral part of the Group’s operations. The Board and Management is constantly reviewing the Group’s strategic plans to expand its order book with a healthy pipeline of new projects. Please refer to the commentary on trend information of the interior fitting-out workings industry on page 28 of the Company’s full year results announcement dated 29 August 2023 (“FY2023 Announcement”) for further details.

Question 4) I read in the news that there is a shortage of dormitory housing for foreign workers, with dormitory accommodation costs skyrocketing and that there is intense profiteering by dormitory operators.

- **Is the company facing accommodation shortage for its foreign workers?**
- **And how does the company manage the shortage of accommodation for its foreign workers?**
- **And how does the company manage the rising costs for housing foreign workers?**

The Group has not encountered any accommodation shortage for our foreign workers. As part of managing the rising costs for foreign workers dormitory, the Group has plans to increase its dormitory’s housing capacity for foreign workers and we are still currently awaiting approval from the relevant authorities.

Question 5) I note that inflation is rising with energy, water, and utilities etc. costs increasing. How does the company deal with inflation and the associated costs increases?

The Group is aware of the rising costs due to inflationary pressures as highlighted on page 28 of the FY2023 Announcement and Letter to Shareholders section on page 2 of our Annual Report. To mitigate such impact, the Company aim to enhance our business agility and resilience with a collaborative approach and a conservative take on cash flow management as we expand our order book with a healthy pipeline of new projects, particularly those that are larger in terms of scale and contract value. With our financial prudence approach, the Group's term loans are all under fixed rates so as to hedge against fluctuating interest rates. At the same time, as part of our sustainability strategy, we will continue to train and upskill our workforce to be more productive, digitally savvy and knowledgeable about sustainability, where the adoption of advanced and smart approaches has been proven in reducing material wastage, and lowering environmental impact.

Question 6) The company is a newly listed company that debuted only last year. One of the reasons for the poor trading volume is due to the lack of Investor awareness about the company.

- **What is the company doing to engage research analysts and brokerages and the wider investment community?**
- **What investor relations outreach have it done over the past year?**
- **What is the target price that the research analysts have of the company?**
- **Have the company done any investor roadshows over the past year?**

Please refer to response for query 1.

Question 7) Who are Lincotrade's competitors? And what is your competitive advantage over your competition?

Please refer to section 4.12 titled "Competition" section 4.13 titled "Competitive Strengths" on page A-18 and A-19 of the Circular for details.

Question 8) What is the dividend policy of the company?

As at the date of this announcement, the Company does not have a dividend policy. However, the Company will be formulating a dividend policy in due course and the relevant announcement will be issued on SGXNet on a timely basis.

By Order of the Board

Tan Jit Meng
Managing Director
20 October 2023

*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 Catalyst 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.