

LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

(Company Registration No.: 200413128G)

(Incorporated in the Republic of Singapore)

RESPONSES TO QUERIES FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (the “**Board**”) of Lincotrade & Associates Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the following queries by the Securities Investors Association (Singapore) (“**SIAS**”) on 19 October 2026 on the Company’s Annual Report for the financial year ended 30 June 2026 (the “**FY2026 Annual Report**”).

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings as ascribed to them in the FY2026 Annual Report.

- 1) ***Group revenue increased by 75.8% from \$73.6 million in FY2025 to \$129.5 million in FY2026, with profit before tax significantly higher at \$10.3 million. However, despite the accounting profit, net cash outflow from operating activities amounted to \$(2.31) million, reflecting a substantial increase in working capital.***

As shown in the consolidated statement of cash flows, contract assets increased by \$15.0 million and trade and other receivables by \$11.0 million, partly offset by a \$13.0 million increase in trade and other payables.

The annual report also shows that trade receivables turnover days increased from 52 days in FY2025 to 55 days in FY2026, while trade payables turnover days increased from 78 days to 80 days.

- (i) ***What guidance has the board given to management to improve cash conversion and align operating cash flow more closely with reported profits? What measurable targets has the board set for working capital efficiency, and by when does it expect operating cash flow to become consistently positive?***
- (ii) ***Specifically for contract assets which increased by \$15.0 million, what were the main reasons for this increase, and to what extent did it arise from normal certification and billing cycles rather than delays in customer acceptance or certification?***

Company’s Response:

- (i) The Board provides ongoing guidance to management through a quarterly review of management accounts, key financial ratios, cash flow positions and the progress of material projects, as well as at half-yearly Board meetings and through ad-hoc meeting discussions with management. Key areas of focus include improving the collection of trade receivables, strengthening credit control and collection procedures and optimising payment terms with suppliers, where commercially practicable.

Management is required to monitor working capital movements and operating cash flows on a regular basis, identify significant variances between reported profits and operating cash flows, and implement appropriate measures to address any adverse trends. The Board will continue to review the Group’s working capital position and cash flow forecasts as part of its ongoing oversight of the Group’s financial performance and liquidity.

In relation to working capital efficiency, Management will monitor key indicators, including trade receivables collection days, inventory holding days, trade payables payment days and the cash conversion cycle. Appropriate targets will be assessed against the Group’s historical performance, business and project specific requirements and prevailing market conditions.

The Board recognises that the timing of cash conversion may be affected by project milestones, customer payment cycles and other operational factors. Accordingly, the Group will continue to focus on improving working capital efficiency and strengthening operating cash flow generation. The Board and Management will monitor progress closely, with the objective of achieving sustainable and healthy operating cash flows as the Group's working capital position improves.

- (ii) 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 increase in contract assets of S\$15.0 million or 203.7% was mainly due to relatively lower billings to customers during the current financial year, being 93.2% of revenue in FY2025 as compared to 88.4% of revenue in FY2026, as there were more on-going projects as at 30 June 2026, as compared to 30 June 2025. All billings and recognition of contract assets were as a result of normal certification and billing cycles according to the specific projects' milestones.

- 2) ***As disclosed by the company, the group is supported by a healthy pipeline of projects. The group's order book stood at \$106.2 million as at 30 June 2026, with the majority comprising commercial projects, which are generally expected to be fulfilled over the next two years.***

On 16 January 2026, SGX RegCo issued a Regulator's Column¹ on forward guidance, in which the regulator strongly encouraged issuers to provide meaningful forward-looking disclosures.

The Regulator's Column can be accessed here: <https://www.sgxgroup.com/media-centre/20260116-regulators-column-forward-guidance-why-it-matters-and-how-get-it>

- (i) ***Given SGX RegCo's encouragement of forward guidance and its view that such disclosures can enhance investor confidence and credibility, has the board considered providing forward guidance for FY26/27 on the group's performance, outlook, key operating assumptions, and strategic priorities? If not, why not?***

Company's Response:

The Board recognises that forward guidance can enhance transparency, facilitate investors' assessment of the Group's prospects and strengthen investor confidence. The Board has considered the provision of forward guidance for FY2026/2027, taking into account the Group's operating environment, business outlook and the reliability of information available for forecasting purposes.

At this stage, the Board considers it more appropriate to provide qualitative guidance on the Group's business outlook, key operating considerations and strategic priorities, rather than specific financial forecasts or performance targets. This approach takes into consideration the uncertainties associated with prevailing market conditions, the timing of project execution and revenue recognition, customer demand, cost fluctuations and other operational factors that may affect the Group's financial performance.

Currently, the Group provides its shareholders with quarterly updates on the Group's new orders and outstanding order book. In the event of any material fluctuations in the Group's performance compared with the corresponding preceding financial period, the Group will make the necessary announcements to inform shareholders, including the issuance of a profit guidance announcement where appropriate, in accordance with the applicable SGX-ST Listing Manual Section B: Rules of Catalyst.

The Board and management will continue to monitor the Group's performance against its business plans and prevailing market conditions. Where appropriate and when sufficient visibility and a reasonable basis are available, the Board will consider providing more specific forward-looking information to enable shareholders and investors to better assess the Group's prospects. Any forward-looking statements will

be made with due regard to the reliability of the underlying assumptions and the applicable disclosure requirements.

- 3) ***On 2 December 2025, the company issued 10 million new ordinary shares at \$0.22 per share in a placement exercise, raising net proceeds of \$2.11 million after placement expenses.***

During the financial year, the company bought back 271,600 shares at prices of up to \$0.295 per share, with the average price of approximately \$0.276. After the financial year ended on 30 June 2026 and up to 9 October 2026, the company repurchased a further 1,465,300 shares, at prices up to \$0.33 per share.

- (i) ***How does the board reconcile the decision to issue shares at \$0.22 to fund ongoing projects with the subsequent repurchases of shares at materially higher prices, reaching as high as \$0.33 per share? What capital allocation framework does the board apply when deciding between raising equity, funding projects and repurchasing shares?***
- (ii) ***What role did the independent directors play in reviewing and approving the timing, pricing and size of the share buybacks, and how did they satisfy themselves that the repurchases were in the interests of the company and its shareholders as a whole?***

Company's Response:

- (i) The Board wishes to highlight that the placement exercise and subsequent share buybacks occurred at different times, taking into account the Group's business requirements, financial position, and prevailing market conditions.

The placement exercise completed in December 2025 raised net proceeds of approximately S\$2.11 million to strengthen the Group's working capital position and support its ongoing projects, which were used for the repayment of trade facilities to pay suppliers and subcontractors. The placement price of S\$0.22 per share represented a premium of approximately 3.14% to the volume-weighted average price of S\$0.2133 per share on 21 November 2025. The exercise attracted prominent institutional investors, including Lion Global Investors limited (as investment manager for and on behalf of its clients), ICH Synergrowth Fund and Ginko-AGT Global Growth Fund.

Since the placement, the Group has continued to achieve positive business and financial developments. For FY2026, the Group recorded its strongest financial performance to date, with net profit more than tripling S\$8.1 million, with its order book at S\$106.2 million as at 30 June 2026.

The Board believes that the improvement in the Company's share price reflects the progress made in executing its business strategy and the improvement in its financial performance. The subsequent share buybacks since 25 March 2026 were undertaken pursuant to the Share Buy Back Mandate approved by shareholders at the Annual General Meeting held on 30 October 2025, with the objective of enhancing long-term shareholder value. At the time of the placement, additional capital was required to support working capital and project execution. Following stronger than expected financial performance, the Board assessed that the Group had sufficient capital resources for its operational and growth requirements. Accordingly, the Group commenced share buybacks as a capital management initiative. In considering its capital allocation priorities, the Board seeks to balance maintaining sufficient working capital to support ongoing projects, pursuing business growth opportunities, and returning value to shareholders.

The Board remains committed to prudent capital management, and believes that the placement exercise and subsequent share buybacks serve different purposes within the Group's broader objective of delivering sustainable long-term shareholder value.

- (ii) The Company's share buybacks were undertaken pursuant to the Share Buy Back Mandate approved by shareholders at the Annual General Meeting held on 30 October 2025, and in accordance with the applicable regulatory requirements under the Companies Act 1967 and the Catalyst Rules.

The Share Buy Back Mandate authorises the Directors to repurchase shares within the prescribed limits, including a maximum purchase price of 105% of the average closing price of the shares over the preceding five market days for on-market purchases.

As part of the Board's oversight responsibilities, the Independent Directors considered the Group's financial position, working capital requirements, prevailing market conditions and ongoing business commitments when approving the budget for the Management to execute the share buybacks within the prescribed limits. Having satisfied themselves that the share buybacks would not materially affect the Group's financial flexibility, ability to meet its obligations or pursue growth opportunities, the Independent Directors were of the view that the share buybacks, undertaken in accordance with the Share Buy Back Mandate, were in the interests of the Company and its shareholders as a whole and would support long-term shareholder value.

The Board remains mindful of its responsibility to safeguard the interests of all shareholders and is committed to ensuring that any share buybacks are undertaken prudently, while maintaining its financial flexibility to pursue business opportunities.

By Order of the Board

Soh Loong Chow Jackie
Executive Director and Chief Executive Officer
22 October 2026

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Lee Khai Yinn (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

¹ SGX RegCo noted that forward-looking information consistently ranks highly among the information sought by investors, including institutional investors and research analysts, particularly regarding anticipated earnings and management's strategy for achieving those outcomes. The regulator also clarified that forward guidance does not require auditor sign-off and that issuers are not expected to update guidance immediately for every change in circumstances. Issuers should nevertheless make timely announcements in accordance with existing listing rules relating to material information and price-sensitive developments. SGX RegCo also highlighted that forward guidance should be viewed as a means for companies to signal confidence, build credibility with investors, and potentially support long-term shareholder value, rather than as a compliance exercise.