



TRICKLESTAR LIMITED

(Incorporated in the Republic of Singapore on 31 October 2018)
(Company Registration Number: 201837106C)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

TrickleStar Limited (the “**Company**”) was incorporated in Singapore on 31 October 2018 under the Singapore Companies Act (1967) as a private limited company. The Company and its subsidiaries (the “**Group**”) was initially formed through a restructuring exercise (the “**Restructuring Exercise**”) which involved a series of rationalisations of the corporate and shareholding structure as well as business and operations of our Group prior to the Company’s listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist**”). Please refer to the Company’s offer document dated 3 June 2019 (the “**Offer Document**”) for further details on the Restructuring Exercise. The Company was admitted to Catalist on 18 June 2019.



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TRICKLESTAR LIMITED
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A. Condensed Interim Statements of Financial Position

		Group		Company	
	Note	As at 30-Jun-2023 (Unaudited) US\$	As at 31-Dec-2022 (Audited) US\$	As at 30-Jun-2023 (Unaudited) US\$	As at 31-Dec-2022 (Audited) US\$
Assets					
Non-current assets					
Property, plant and equipment	3	187,478	227,768	-	-
Intangible assets	4	77,704	2	2	2
Investment in subsidiaries	5	-	-	1,878,078	1,845,791
		<u>265,182</u>	<u>227,770</u>	<u>1,878,080</u>	<u>1,845,793</u>
Current assets					
Inventories	6	2,887,891	3,310,536	-	-
Trade and other receivables	7	1,677,535	2,540,374	6,652,812	6,763,501
Cash and bank balances	8	2,839,192	2,736,477	575,804	597,612
		<u>7,404,618</u>	<u>8,587,387</u>	<u>7,228,616</u>	<u>7,361,113</u>
Assets of discontinued operations	9	2,683	2,683	-	-
		<u>7,407,301</u>	<u>8,590,070</u>	<u>7,228,616</u>	<u>7,361,113</u>
Total assets		<u>7,672,483</u>	<u>8,817,840</u>	<u>9,106,696</u>	<u>9,206,906</u>
Equity and liabilities					
Capital and reserves					
Share capital	10	7,546,431	7,490,078	7,546,431	7,490,078
Merger reserve		(111,376)	(111,376)	-	-
Share grant reserve		52,955	54,287	52,955	54,287
Foreign currency translation reserve		(55,905)	(41,203)	-	-
(Accumulated losses)/Retained earnings		(2,026,916)	(2,074,092)	1,485,534	1,606,559
		<u>5,405,189</u>	<u>5,317,694</u>	<u>9,084,920</u>	<u>9,150,924</u>
Non-current liabilities					
Deferred tax liabilities		1,973	3,313	-	-
Lease liabilities	11	110,700	140,579	-	-
		<u>112,673</u>	<u>143,892</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	12	2,083,672	3,223,996	21,776	55,982
Lease liabilities	11	54,140	52,717	-	-
Provision		4,007	4,007	-	-
Income tax liabilities		10,432	-	-	-
		<u>2,152,251</u>	<u>3,280,720</u>	<u>21,776</u>	<u>55,982</u>
Liabilities directly associated with discontinued operations	9	2,370	75,534	-	-
		<u>2,154,621</u>	<u>3,356,254</u>	<u>21,776</u>	<u>55,982</u>
Total liabilities		<u>2,267,294</u>	<u>3,500,146</u>	<u>21,776</u>	<u>55,982</u>
Total equity and liabilities		<u>7,672,483</u>	<u>8,817,840</u>	<u>9,106,696</u>	<u>9,206,906</u>



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

	Note	Group 30 Jun 2023 US\$	30 Jun 2022 US\$	Increase/ (Decrease) %
Continued operations				
Revenue	13	4,999,886	6,160,817	(18.84)
Cost of sales		(3,573,360)	(4,624,966)	(22.74)
Gross profit		<u>1,426,526</u>	<u>1,535,851</u>	(7.12)
Other income	14	17,400	7,788	123.42
Selling and distribution expenses		(404,809)	(510,961)	(20.77)
Administrative expenses		(961,411)	(1,035,027)	(7.11)
Finance costs	15	(4,278)	(12,752)	(66.45)
Profit/(Loss) before tax	16	<u>73,428</u>	<u>(15,101)</u>	(586.25)
Income tax (expense)/credit	17	(22,231)	19,434	(214.39)
Profit for the financial period from continuing operations		<u>51,197</u>	<u>4,333</u>	1,081.56
Discontinued operations				
Loss from discontinued operations		(4,021)	-	N.M
Total profit for the financial period		<u>47,176</u>	<u>4,333</u>	988.76
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations		(14,702)	(8,802)	67.03
Other comprehensive loss for the financial period, net of tax		(14,702)	(8,802)	67.03
Total comprehensive income for the financial period		<u>32,474</u>	<u>(4,469)</u>	(826.65)
Earnings per share attributable to owners of the Company (cents)				
From continuing operations		0.06	0.01	1,074.63
From discontinued operations		(0.005)	-	N.M

N.M : Not Meaningful



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C. Condensed Interim Statements of Changes in Equity

Group	Share capital US\$	Merger reserve US\$	Share grant reserve US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total equity US\$
Balance as at 1 January 2023	7,490,078	(111,376)	54,287	(41,203)	(2,074,092)	5,317,694
Profit for the period	-	-	-	-	47,176	47,176
<i>Other comprehensive income for the financial period</i>						
Exchange differences on translating foreign operations	-	-	-	(14,702)	-	(14,702)
Total comprehensive income for the financial period	-	-	-	(14,702)	47,176	32,474
Performance share plan expenses	-	-	55,021	-	-	55,021
Performance shares issued	56,353	-	(56,353)	-	-	-
Total transactions with owners, recognised directly in equity	56,353	-	(1,332)	-	-	55,021
Balance as at 30 June 2023	7,546,431	(111,376)	52,955	(55,905)	(2,026,916)	5,405,189



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C. Condensed Interim Statements of Changes in Equity (cont'd)

Group	Share capital US\$	Merger reserve US\$	Share grant reserve US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total equity US\$
Balance as at 1 January 2022	7,417,635	(111,376)	32,480	(37,467)	(2,238,395)	5,062,877
Profit for the period	-	-	-	-	4,333	4,333
<i>Other comprehensive income for the financial period</i>						
Exchange differences on translating foreign operations	-	-	-	(8,802)	-	(8,802)
Total comprehensive income for the financial period	-	-	-	(8,802)	4,333	(4,469)
Performance share plan expenses	-	-	94,250	-	-	94,250
Performance shares issued	72,443	-	(72,443)	-	-	-
Total transactions with owners, recognised directly in equity	72,443	-	21,807	-	-	94,250
Balance as at 30 June 2022	<u>7,490,078</u>	<u>(111,376)</u>	<u>54,287</u>	<u>(46,269)</u>	<u>(2,234,062)</u>	<u>5,152,658</u>



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C. Condensed Interim Statements of Changes in Equity (cont'd)

Company	Share capital US\$	Share grant reserve US\$	Retained earnings US\$	Total equity US\$
Balance as at 1 January 2023	7,490,078	54,287	1,606,559	9,150,924
Loss for the period, representing total comprehensive income for the financial period	-	-	(121,025)	(121,025)
Performance share plan expenses	-	55,021	-	55,021
Performance shares issued	56,353	(56,353)	-	-
Total transactions with owners, recognised directly in equity	56,353	(1,332)	-	55,021
Balance as at 30 June 2023	<u>7,546,431</u>	<u>52,955</u>	<u>1,485,534</u>	<u>9,084,920</u>
Balance as at 1 January 2022	7,417,635	32,480	870,550	8,320,665
Loss for the period, representing total comprehensive income for the financial period	-	-	(90,634)	(90,634)
Performance share plan expenses	-	94,250	-	94,250
Performance shares issued	72,443	(72,443)	-	-
Total transactions with owners, recognised directly in equity	72,443	21,807	-	94,250
Balance as at 30 June 2022	<u>7,490,078</u>	<u>54,287</u>	<u>779,916</u>	<u>8,324,281</u>

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D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group	
		30 Jun 2023 US\$	30 Jun 2022 US\$
Cash flows from operating activities			
Profit/(Loss) before tax		69,407	(15,101)
Adjustments for:			
Depreciation of property, plant and equipment		38,756	48,607
Loss on disposal of property, plant and equipment		-	1,311
Interest expenses	15	4,278	12,752
Interest income		(1,809)	(496)
Inventories written down		(13,539)	-
Property, plant and equipment written off		41	2,292
Performance share plan expenses		55,021	94,250
Operating cash flows before working capital changes		152,155	143,615
Inventories		436,185	(282,160)
Trade and other receivables		860,672	(666,603)
Trade and other payables		(1,214,171)	13,662
Cash from/(used in) operations		234,841	(791,486)
Income tax (paid)/refunded		(10,290)	17,782
Net cash from/(used in) operating activities		224,551	(773,704)
Cash flows from investing activities			
Purchase of intangible assets		(77,702)	(132,107)
Purchase of plant and equipment		-	(3,106)
Proceeds from disposal of plant and equipment		-	929
Interest received		1,809	496
Net cash used in investing activities		(75,893)	(133,788)
Cash flows from financing activities			
Proceeds from borrowings		-	500,000
Interest paid		-	(12,752)
Repayment of lease liabilities		(32,734)	(37,893)
Net cash (used in)/from financing activities		(32,734)	449,355
Net change in cash and cash equivalents		115,924	(458,137)
Cash and cash equivalents at beginning of financial year		2,529,217	1,623,300
Effects of currency translation on cash and cash equivalents		(13,229)	(6,118)
Cash and cash equivalents at the end of financial period		2,631,912	1,159,045

TRICKLESTAR LIMITED
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E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

TrickleStar Limited (the “**Company**”) (Registration number 201837106C) is a public limited company incorporated and domiciled in Singapore with its registered office and principal place of business at 80 Robinson Road #02-00 Singapore 068898 and C3-U6-15 Solaris Dutamas, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan Malaysia respectively. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The principal activities of the Company are investment holding and provision of management services.

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) 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 Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards, if any, as set out in Note 2.5.

2.2 Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The condensed interim financial statements have been prepared on a going concern basis, since the directors have verified that there are no financial, operating or other types of indicators that might cast significant doubt upon the Group’s ability to meet its obligations in the foreseeable future and particularly within the 12 months from the end of the reporting period.

2.3 Functional and presentation currency

The condensed interim consolidated financial statements are presented in United States dollars (“**US\$**”), which is the Company’s functional currency.

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

2.4 Use of estimates and judgements

The preparation of the condensed interim financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2022.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 4 – Impairment loss on intangible assets
- Note 6 – Inventory obsolescence
- Note 7 – Loss allowance for impairment of trade receivables

2.5 New standards and amendments adopted by the Group

During the current financial period, the Group and the Company have adopted the amendments to SFRS(I)s which took effect from financial year beginning 1 January 2023. The adoption of these amendments to SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and of the Company for the financial period ended 30 June 2023. Accordingly, it has no material impact on the earnings per share of the Group and of the Company.

2.6 Measurement of fair values

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability

The carrying amount of current financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their respective fair value as at reporting date due to the short-term maturity of these balances.

The fair value of non-current financial liabilities that is not carried at fair value in relation to lease liabilities approximate its fair value as the liabilities is subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

2.7 Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the period.



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

3. Property, plant and equipment

Group	Computer US\$	Tools and equipment US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Machinery US\$	Leasehold buildings US\$	Total US\$
Cost								
At 1 January 2022	113,639	297,228	57,261	12,405	55,012	12,361	208,333	756,239
Additions	3,139	-	43	-	-	-	208,772	211,954
Disposal	(52,288)	(296,994)	(21,781)	(2,837)	(18,777)	-	-	(392,677)
Written off	(5,055)	-	(5,012)	(1,420)	(32,487)	-	(29,160)	(73,134)
Currency re-alignment	(1,658)	(13)	(220)	(147)	(329)	-	-	(2,367)
At 31 December 2022	57,777	221	30,291	8,001	3,419	12,361	387,945	500,015
Disposal	(2,528)	-	-	-	-	-	-	(2,528)
Currency re-alignment	(1,002)	(10)	(148)	(163)	(152)	-	-	(1,475)
At 30 June 2023	54,247	211	30,143	7,838	3,267	12,361	387,945	496,012
Accumulated depreciation								
At 1 January 2022	70,666	297,060	47,386	6,240	43,790	9,777	154,897	629,816
Depreciation	12,607	46	5,813	1,623	3,142	1,882	60,556	85,669
Disposal	(49,810)	(296,993)	(20,895)	(1,433)	(18,775)	-	-	(387,906)
Written off	(5,010)	-	(3,644)	(865)	(25,481)	-	(19,494)	(54,494)
Currency re-alignment	(555)	(3)	(98)	(51)	(131)	-	-	(838)
At 31 December 2022	27,898	110	28,562	5,514	2,545	11,659	195,959	272,247
Depreciation	5,552	22	680	342	321	351	31,488	38,756
Disposal	(1,643)	-	-	-	-	-	-	(1,643)
Currency re-alignment	(526)	(6)	(112)	(60)	(122)	-	-	(826)
At 30 June 2023	31,281	126	29,130	5,796	2,744	12,010	227,447	308,534
Net carrying amount								
At 31 December 2022	29,879	111	1,729	2,487	874	702	191,986	227,768
At 30 June 2023	22,966	85	1,013	2,042	523	351	160,498	187,478

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

4. Intangible assets

	Technical know-how US\$	Group Development cost US\$	Total US\$	Company Technical know-how US\$	Total US\$
Cost					
At 1 January 2023	242,871	2,122,125	2,364,996	2	2
Additions	-	77,702	77,702	-	-
At 30 June 2023	<u>242,871</u>	<u>2,199,827</u>	<u>2,442,698</u>	<u>2</u>	<u>2</u>
Accumulated amortisation					
At 1 January 2023/30 June 2023	242,869	-	242,869	-	-
Accumulated impairment loss					
At 1 January 2023/30 June 2023	-	2,122,125	2,122,125	-	-
Net carrying amount					
At 30 June 2023	<u>2</u>	<u>77,702</u>	<u>77,704</u>	<u>2</u>	<u>2</u>

	Technical know-how US\$	Group Development cost US\$	Total US\$	Company Technical know-how US\$	Total US\$
Cost					
At 1 January 2022	242,871	1,974,233	2,217,104	-	-
Additions	-	147,892	147,892	2	2
At 31 December 2022	<u>242,871</u>	<u>2,122,125</u>	<u>2,364,996</u>	<u>2</u>	<u>2</u>
Accumulated amortisation					
At 1 January 2022/31 December 2022	242,869	-	242,869	-	-
Impairment loss					
At 1 January 2022	-	1,616,228	1,616,228	-	-
Additions	-	505,897	505,897	-	-
At 31 December 2022	<u>-</u>	<u>2,122,125</u>	<u>2,122,125</u>	<u>-</u>	<u>-</u>
Net carrying amount					
At 31 December 2022	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>2</u>

During the financial period ended 30 June 2023, the Group carried out a review of the recoverable amount of its development costs taking into account the working capital requirements for development of all the Group's new products and uncertainties over shipping availability and timing of shipments. The review did not lead to any further impairment loss in capitalised product development cost.

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

4. Intangible assets (cont'd)

Impairment testing of development cost

The recoverable amount of the developed cost has been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The gross profit margin, growth rate and pre-tax discount rate applied to the cash flow projections used to extrapolate cash flow projections beyond the five-year period are as follows:

	Group	
	30-Jun-2023	31-Dec-2022
Gross profit margin	28% to 50%	28% to 50%
Growth rates	0% to 3%	0% to 3%
Pre-tax discount rate	11.50%	11.50%

5. Investment in subsidiaries

	Company	
	30-Jun-2023	31-Dec-2022
	US\$	US\$
Unquoted equity shares, at cost		
At beginning of financial period/year	1,845,791	6,410,291
Impairment loss	-	(4,658,750)
Performance share plan	32,287	94,250
At end of financial period/year	<u>1,878,078</u>	<u>1,845,791</u>

Impairment testing of investment in subsidiaries

The recoverable amount of the subsidiaries was also estimated by management based on the higher of fair value less cost to sell and value-in-use. The fair value less cost to sell was determined based on the financials of the subsidiaries which comprised mainly of cash balances, trade and other receivables and trade and other payables which were current and approximated fair value at year end. During the financial period ended 30 June 2023, there are no indications of impairment (Prior financial period ended 30 June 2022: US\$4,658,750).

6. Inventories

	Group	
	30-Jun-2023	31-Dec-2022
	US\$	US\$
Trading goods	2,286,525	2,535,719
Goods-in-transit	601,366	774,817
	<u>2,887,891</u>	<u>3,310,536</u>

During the financial period ended 30 June 2023, the Group carried out a review of the realisable value of its inventories and the review led to the recognition of reversal of write down of inventories of US\$13,539 (Prior financial period ended 30 June 2022: written down of US\$533,150) that had been included in cost of sales line item in the condensed interim consolidated statement of profit or loss and comprehensive income.

F. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

7. Trade and other receivables

	Group		Company	
	30-Jun-2023 US\$	31-Dec-2022 US\$	30-Jun-2023 US\$	31-Dec-2022 US\$
Trade receivables				
– third parties	745,670	1,950,597	-	-
Less: Loss allowance	(2,887)	(2,887)	-	-
	<u>742,783</u>	<u>1,947,710</u>	-	-
Other receivables				
– third parties	6,752	3,882	-	-
– subsidiaries	-	-	6,650,072	6,763,501
Advance to suppliers	673,272	423,211	-	-
Prepayments	74,749	40,392	-	-
GST receivables, net	2,788	2,105	2,740	-
Income tax recoverable	-	2,850	-	-
Deposits	177,191	120,224	-	-
	<u>1,677,535</u>	<u>2,540,374</u>	<u>6,652,812</u>	<u>6,763,501</u>

Movements in the loss allowance for trade receivables are as follows:

	Group	
	30-Jun-2023 US\$	31-Dec-2022 US\$
At beginning of financial period/year	2,887	2,301
Reversal of loss allowance	-	586
At end of financial period/year	<u>2,887</u>	<u>2,887</u>

The Group determines expected credit losses (“ECL”) on trade receivables from third parties by making individual assessment of ECL for long overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience with forward looking assumptions. Management takes into account historical provision trend and other relevant factors (ie. GDP, unemployment and inflation rate).

8. Cash and bank balances

	Group		Company	
	30-Jun-2023 US\$	31-Dec-2022 US\$	30-Jun-2023 US\$	31-Dec-2022 US\$
Cash at banks	2,337,278	2,234,663	81,170	103,059
Fixed deposits	501,914	501,814	494,634	494,553
Cash and cash equivalents per statements of financial position	<u>2,839,192</u>	<u>2,736,477</u>	<u>575,804</u>	<u>597,612</u>
Fixed deposit pledged	(207,280)	(207,260)	(200,000)	(200,000)
Cash and cash equivalents per consolidated statement of cash flows	<u>2,631,912</u>	<u>2,529,217</u>	<u>375,804</u>	<u>397,612</u>

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

9. Discontinued operations

In December 2022, the Group began a process to deregister its 100%-owned subsidiary, TrickleStar Limited (Hong Kong). The entire assets and liabilities related to TrickleStar Limited (Hong Kong) were presented as a discontinued operation since 31 December 2022, and the entire results from TrickleStar Limited (Hong Kong) were presented separately on the statement of comprehensive income as "Discontinued operations" since 31 December 2022. The deregistration is expected to be completed in 2023.

(a) The results of the discontinued operations in relation to TrickleStar Limited (Hong Kong) are as follows:

	Group		Increase/ (Decrease)
	30 Jun 2023 US\$	30 Jun 2022 US\$	%
Other income	8	-	N.M
Administrative expenses	(4,029)	-	N.M
Loss for the period/year from discontinued operation	<u>(4,021)</u>	<u>-</u>	N.M

(b) The impact of the discontinued operations on the cash flows of the Group was as follows:

	Group	
	30 Jun 2023 US\$	30 Jun 2022 US\$
Operating cash inflows	<u>(313)</u>	<u>-</u>

(c) Details of the assets of discontinued operations are as follows:

	Group	
	30-Jun-2023 US\$	31-Dec-2022 US\$
Prepayment	<u>2,683</u>	<u>2,683</u>

(d) Details of the liabilities directly associated with discontinued operations are as follows:

	Group	
	30-Jun-2023 US\$	31-Dec-2022 US\$
Other payables and accruals	<u>2,370</u>	<u>75,534</u>

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

9. Discontinued operations (cont'd)

(e) Details of assets in non-current asset classified as discontinued operations were as follows:

	Company	
	30-Jun-2023	31-Dec-2022
	US\$	US\$
Investment in subsidiary	4,658,750	4,658,750
Less: impairment of investment in subsidiary	(4,658,750)	(4,658,750)
	<u>-</u>	<u>-</u>

10. Share capital

	Group and Company			
	30-Jun-2023	31-Dec-2022	30-Jun-2023	31-Dec-2022
	Number of	Number of		
	ordinary	ordinary	US\$	US\$
	shares	shares		
Issued and paid-up capital				
Balance at beginning of financial period/year	83,179,330	82,674,915	7,490,078	7,417,635
Issuance of shares pursuant to the awards vested under the performance share plan	420,431	504,415	56,353	72,443
Balance at end of financial period/year	<u>83,599,761</u>	<u>83,179,330</u>	<u>7,546,431</u>	<u>7,490,078</u>

The Company has issued 420,431 and 504,415 which equate to US\$56,353 and US\$72,443 of ordinary shares for the periods and year ended 30 June 2023 and 31 December 2022 respectively.

11. Lease liabilities

Group as a lessee

The Group has lease contracts for office premises and warehouses in United States of America and Malaysia. The Group is restricted from assigning and subleasing the leased assets.

Carrying amount of right-of-use assets classified within property, plant and equipment

	Group
	Leasehold
	buildings
	US\$
At 1 January 2022	53,436
Addition	208,772
Depreciation	(60,556)
Write off	(9,666)
At 31 December 2022	<u>191,986</u>
Depreciation	(31,488)
At 30 June 2023	<u>160,498</u>

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

11. Lease liabilities (cont'd)

Lease liabilities

	Group	
	30-Jun-2023	31-Dec-2022
	US\$	US\$
Non-current	110,700	140,579
Current	54,140	52,717
	<u>164,840</u>	<u>193,296</u>

12. Trade and other payables

	Group		Company	
	30-Jun-2023	31-Dec-2022	30-Jun-2023	31-Dec-2022
	US\$	US\$	US\$	US\$
Trade payables				
– corporate shareholder	1,948,769	2,564,808	-	-
	<u>1,948,769</u>	<u>2,564,808</u>	<u>-</u>	<u>-</u>
Other payables				
– third parties	55,101	140,624	186	12,653
Accrued operating expenses	79,802	518,564	21,590	43,329
	<u>2,083,672</u>	<u>3,223,996</u>	<u>21,776</u>	<u>55,982</u>

13. Revenue

	Group		Increase/ (Decrease)
	30 Jun 2023	30 Jun 2022	(Decrease)
	US\$	US\$	%
Timing of revenue recognition: At a point in time			
Sale of goods	4,999,886	6,160,817	(18.8)

The Group has disaggregated revenue based on the location of customers from which revenue was generated in Note 18.

14. Other income

	Group		Increase/ (Decrease)
	30 Jun 2023	30 Jun 2022	(Decrease)
	US\$	US\$	%
Foreign exchange gain, net	15,591	5,525	182.2
Interest income	1,809	496	264.7
Sales of scraps	-	1,767	(100.0)
	<u>17,400</u>	<u>7,788</u>	<u>123.4</u>



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

15. Finance costs

	Group		Increase/ (Decrease)
	30 Jun 2023	30 Jun 2022	%
	US\$	US\$	
Interest expense			
- lease liabilities	4,278	1,197	257.4
- borrowings	-	11,555	(100.0)
	<u>4,278</u>	<u>12,752</u>	(66.5)

16. Profit/(Loss) before tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following:

	Group		Increase/ (Decrease)
	30 Jun 2023	30 Jun 2022	%
	US\$	US\$	
Cost of sales			
Cost of inventories	3,570,260	4,592,697	(22.3)
Inventories written down	(13,539)	-	N.M
	<u>3,556,721</u>	<u>4,592,697</u>	
Selling and distribution expenses			
Employee benefits expense			
- Salaries, bonuses and other staff benefits	175,070	264,403	(33.8)
- Contributions to defined contribution plan	13,641	18,944	(28.0)
Freight outwards	61,785	85,449	(27.7)
Inventories processing fees	40,031	28,960	38.2
Sales commission	48,954	46,712	4.8
Storage fees	20,837	7,175	190.4
	<u>360,318</u>	<u>441,543</u>	
Administrative expenses			
Audit fees			
- Auditor of the Company	36,331	36,125	0.6
Depreciation of property, plant and equipment	38,756	48,607	(26.4)
Employee benefits expense			
- Directors' fees	87,779	158,700	(44.7)
- Salaries, bonuses and other staff benefits	369,682	327,228	10.1
- Contributions to defined contribution plan	57,593	35,209	60.4
Performance share plan expenses	55,021	94,250	(41.6)
Professional fees	38,116	24,158	57.8
Research and testing	-	4,302	(100.0)
	<u>623,285</u>	<u>628,271</u>	

17. Income tax expense

	Group		Increase/ (Decrease)
	30 Jun 2023	30 Jun 2022	%
	US\$	US\$	
Current income tax			
- current financial period	-	1,550	(100.0)
- under/(over)provision in respect of prior years	22,231	(20,984)	(205.9)
Total income tax expenses/(credit)	<u>22,231</u>	<u>(19,434)</u>	(214.4)



TRICKLESTAR LIMITED
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E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

18. Dividends

There is no interim dividend to be declared for the 1H FY2023.

19. Segment information

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has only one primary business segment, which is that of developing and selling energy optimizing products.

Geographical information

The following table presents the Group's revenue and non-current assets information for the financial periods ended 30 June 2023 and 30 June 2022:

	Group		Increase/ (Decrease)
	30 Jun 2023	30 Jun 2022	%
	US\$	US\$	
Total revenue			
United States of America	4,999,886	6,155,744	(18.8)
Others	-	5,073	(100.0)
	<u>4,999,886</u>	<u>6,160,817</u>	<u>(18.8)</u>

	Group		Increase/ (Decrease)
	30 Jun 2023	31 Dec 2022	%
	US\$	US\$	
Total non-current assets			
United States of America	253,810	209,909	20.9
Others	11,372	17,861	(36.3)
	<u>265,182</u>	<u>227,770</u>	<u>16.4</u>

Major customers

Revenue of approximately 78% (1H 2022: 82%) is derived from 5 (1H 2022: 5) major customers.

20. Events after reporting period

There are no known subsequent events which will lead to adjustments to this set of interim financial statements.

F. Other Information required under Appendix 7C of the Catalyst Rules

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in share capital

	Number of shares			
	As at 30 June 2023		As at 30 June 2022	
	Number of shares	US\$	Number of shares	US\$
Balance at the beginning of the financial period	83,179,330	7,490,078	82,674,915	7,417,635
Issue of shares pursuant to the Awards vested under the TrickleStar Performance Share Plan ⁽¹⁾	420,431	56,353	504,415	72,443
Balance at the end of the financial period	83,599,761	7,546,431	83,179,330	7,490,078

Notes:

⁽¹⁾ The Company had, on 19 June 2023 allotted and issued 420,431 new ordinary shares in the capital of the Company pursuant to the Awards vested under the TrickleStar Performance Share Plan.

The Company did not have any treasury shares, subsidiary holdings or convertible instruments as at 30 June 2023 and 30 June 2022.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares, excluding treasury shares, as at 30 June 2023 was 83,599,761 (30 June 2022: 83,179,330). There were no treasury shares held by the Company as at 30 June 2023 and 31 December 2022.

F. Other Information required under the Catalist Rules (cont'd)

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period ended 30 June 2023.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

These figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

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

Not applicable. The Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has consistently applied the same accounting policies and methods of computation for the current financial period compared to the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

F. Other Information required under the Catalist Rules (cont'd)

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Increase/ (Decrease)
	30 Jun 2023	30 Jun 2022	%
	US\$	US\$	
Continuing operations			
Profit attributable to owners of the Company (US\$)	51,197	4,333	1,081.56
Weighted average number of shares ⁽¹⁾	83,205,023	82,717,137	0.59
Earnings per share – basic and diluted (US cents)	0.06	0.01	1,074.63
Discontinued operations			
Profit attributable to owners of the Company (US\$)	(4,021)	-	N.M
Weighted average number of shares ⁽¹⁾	83,205,023	-	N.M
Earnings per share – basic and diluted (US cents)	(0.005)	-	N.M

The basic and diluted EPS for the respective financial periods are computed based on the profit attributable to the owners of the Company and the weighted average of the Company's ordinary shares in issue during the respective financial periods. The basic and diluted earnings/(loss) per share were the same as the Company did not have any dilutive potential ordinary shares.

Notes:

⁽¹⁾ The weighted average number of shares in issue for the six months ended 30 June 2023 was computed based on 83,599,761 ordinary shares adjusted for issuance of 420,431 shares pursuant to the exercise of Performance Share Plan on 19 June 2023.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	US\$	US\$	US\$	US\$
Net asset value	5,405,189	5,317,694	9,084,920	9,150,924
Number of ordinary shares issue	83,599,761	83,179,330	83,599,761	83,179,330
Net asset value per share based on existing issued share capital as at the end of the respective period/year (US\$ cents)	6.47	6.39	10.87	11.00

F. Other Information required under the Catalist Rules (cont'd)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's statement of comprehensive income:

1H 2023 VS 1H 2022

Revenue decreased by 18.84% or US\$1.16 million to US\$4.99 million for the financial period ended 30 June 2023 ("1H 2023"), mainly due to pricing pressure from the competitors as customers are price sensitive which led to losing certain sales to competitors that offer lower price.

Cost of sales decreased by 22.74% or US\$1.05 million in 1H 2023, which reflects the decrease in revenue and decrease in the landed costs.

Gross profit margin increased to 28.53% in 1H 2023 as compared to 24.93% in 1H 2022, mainly due to the decrease in shipping costs.

Selling and distribution expenses decreased by 20.77% or US\$0.11 million in 1H 2023, mainly due to decreases in sales and freight expenses.

Administrative expenses decreased by 7.11% or US\$0.07 million due to the decrease in IT expenses and changes in employee benefit expenses.

As a result of the reasons aforementioned, the Group recorded a profit before tax of US\$0.073 million in 1H 2023, as compared to a loss before tax of US\$0.015 million in 1H 2022.

The Group recorded income tax expenses of US\$0.02 million for 1H 2023, which was mainly due to the underpayment of income tax for FY2022.

The Group reported a net profit attributable to the owners of the Company of US\$0.05 million.

Review of the Group's statement of financial position:

Property, plant and equipment as at 30 June 2023 decreased by US\$0.04 million from 31 December 2022, due to a depreciation charge of US\$0.04 million.

Intangible assets as at 30 June 2023 increased by US\$0.07 million from 31 December 2022, due to additions of product development costs during the financial period.

Current assets as at 30 June 2023 decreased by US\$1.18 million from 31 December 2022, mainly due to the following:

- (i) a decrease in trade and other receivables of US\$0.86 million mainly due to decrease in trade receivables of US\$1.20 million which were partially offset by an increase of advances to suppliers and prepayments of US\$0.34 million

F. Other Information required under the Catalist Rules (cont'd)

Review of the Group's statement of financial position (cont'd):

- (ii) a decrease in inventory of US\$0.42 million

which were partially offset by an increase in cash and bank balances of US\$0.10 million.

Lease liabilities as at 30 June 2023 decreased by US\$0.03 million mainly due to repayment during the financial period.

Current liabilities as at 30 June 2023 decreased by US\$1.20 million from 31 December 2022, mainly due to the following:

- (i) a decrease of US\$1.14 million in trade and other payables; and
(ii) a decrease of US\$0.07 million in liabilities associated with discontinued operations,

which were partially offset by an increase of US\$0.01 million in income tax liabilities.

The Group has a positive working capital of US\$5.40 million as at 30 June 2023.

Review of the Group's statement of cash flows

- (i) Net cash from operating activities in 1H 2023 was US\$0.22 million, which comprised operating cash flows before working capital changes of US\$0.15 million, working capital inflow changes of US\$0.23 million and income tax paid of US\$0.01 million. Working capital inflow changes were due to a decrease in inventories of US\$0.44 million and decrease in trade and other receivables of US\$0.86 million, which were offset by a decrease in trade and other payables of US\$1.21 million.
- (ii) Cash flows used in investing activities amounted to US\$0.07 million which was due to additions of product development costs of US\$0.07 million.
- (iii) The total cash flows used in financing activities of US\$0.03 million was due to repayment of lease liabilities of US\$0.03 million.

The above movements have resulted in a net increase in cash and cash equivalent amounting to US\$0.12 million resulting in cash and cash equivalents of US\$2.63 million as at 30 June 2023.

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	30 Jun 2023	30 Jun 2022
Fixed deposits	501,914	1,507,386
Cash and cash equivalents	2,337,278	1,159,045
Cash and cash equivalents at end of financial period	2,839,192	2,666,431
Fixed deposit pledged	(207,280)	(1,507,386)
Cash and cash equivalents on consolidated statement of cash flows	<u>2,631,912</u>	<u>1,159,045</u>

9. 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 was previously given to shareholders.

F. Other Information required under the Catalyst Rules (cont'd)

10. 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.

The Group focussed its attention in 1H 2023 on a review of our current products, shifting our focus to commercializing products, and away from new product development. Sales of the Group's traditional Advanced Power Strips ("APS") continued to be the main source of revenue in 1H 2023. Supply chain pressures have eased to a large extent, but inflationary pressures continue to impact, and we are actively pursuing efforts to reduce product costs and achieve better economies of scale.

Where possible, we continue moving production out of China to Vietnam to avoid tariffs that significantly affect profit margins.

Our cash and working capital position has improved through the 1H 2023 and we have reorganized our corporate structure to remove our Hong Kong office, reduced headcount, and going forward in 2023 to consolidated departments so as to reduce overheads. We have also embarked on efforts to finalise development of the advanced keyboard, and to develop marketing plans to penetrate international markets and to commercialize new products that have been previously developed. Steps have also been taken to clear older stocks and reduce stock holdings to improve our cash position.

The Group is continuing to maintain a cautious approach to its finances and is focussed on improving competitiveness.

11. If a decision regarding dividend has been made: -

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

There is no interim dividend to be declared or recommended for 1H 2023.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Nil.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision.

No dividend has been recommended for 1H 2023 in order to allow reinvestment in the business and accordance with the Company's dividend policy that was revised in 2022.

F. Other Information required under the Catalist Rules (cont'd)

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions. There were no interested person transactions entered into by the Group for 1H 2023 of S\$100,000 and above as required to be disclosed.

14. Negative confirmation pursuant to Rule 705(5).

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group for the half year results ended 30 June 2023 to be false or misleading in any material respect.

Ling Hee Keat

Non-Executive Independent Chairman

Gunananthan Nithyanantham

Executive Director, Chief Operating Officer and Acting Chief Executive Officer

15. Additional disclosures required pursuant to Rule 706A.

During 1H 2023, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary or associated company.

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

The Company confirms that it has procured undertakings from all its directors and executive officers as set out in the format set out in Appendix 7H under Catalist Rule 720(1).

BY ORDER OF THE BOARD

Gunananthan Nithyanantham

Executive Director, Chief Operating Officer and Acting Chief Executive Officer

10 August 2023

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). 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. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.