



TREK 2000 INTERNATIONAL LTD (Registration Number 199905744N)

First Quarter of FY2021 Financial Statements

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

THIS QUARTERLY REPORTING ANNOUNCEMENT IS MANDATORY MADE PURSUANT TO LISTING RULE 705(2C) OF THE SINGAPORE EXCHANGE REGULATION

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

(i) Consolidated Income Statement

	First Quarter		Increase/ (Decrease) %
	2021 US\$'000	2020 US\$'000	
Revenue	8,053	8,535	(5.6)
Cost of sales	(7,342)	(7,582)	(3.2)
Gross profit	711	953	(25.4)
Other items of income:			
Interest income	108	219	(50.7)
Other income	522	34	1,435.3
Other items of expense:			
Research and development	(220)	(183)	20.2
Marketing and distribution	(414)	(364)	13.7
General administration	(269)	(386)	(30.3)
Finance expenses	(3)	(3)	-
Other expenses	(67)	(1,363)	(95.1)
Profit/(loss) before income tax [1]	368	(1,093)	N.M.
Income tax expense	-	-	-
Profit/(loss) for the period	368	(1,093)	N.M.
Profit/(loss) for the period attributable to:			
Owners of the Company	351	(1,120)	N.M.
Non-controlling interests	17	27	(37.0)
	368	(1,093)	N.M.
Earnings/(loss) per share attributable to owners of the Company (expressed in cents per share):			
– Basic	0.11	(0.35)	N.M.
– Diluted	0.11	(0.35)	N.M.

PS: N.M. – Not Meaningful

(ii) Breakdown and Explanatory Notes to Consolidated Income Statement

[1] Profit/(loss) before income tax is stated after (charging)/crediting the following:

	First Quarter		Increase/ (Decrease) %
	2021 US\$'000	2020 US\$'000	
Interest income from:			
– Short-term deposits	–	44	(100.0)
– Quoted investments	108	175	(38.3)
Depreciation of property, plant and equipment	(42)	(35)	20.0
Depreciation of right-of-use assets	(34)	(42)	(19.0)
Amortisation of intangible assets	(11)	(11)	–
Reversal/(provision) of stock obsolescence	94	(179)	N.M.
Net foreign exchange gain/(loss)	43	(19)	N.M.
Gain on disposal of financial assets	428	–	N.M.
Loss on fair value of financial assets designated at FVTPL	(67)	(1,344)	(95.0)

PS: N.M. – Not Meaningful

Statement of consolidated comprehensive income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period

	Group		
	1 st Quarter FY2021 US\$'000	1 st Quarter FY2020 US\$'000	Increase/ (Decrease) %
Profit/(loss) for the period	368	(1,093)	N.M.
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value changes on quoted investments	(194)	(149)	30.2.
Foreign currency translation	(33)	(34)	(2.9)
Other comprehensive income for the period, net of tax	(227)	(183)	24.0
Total comprehensive income for the period	141	(1,276)	N.M.
attributable to:			
Owners of the Company	124	(1,303)	N.M.
Non-controlling interests	17	27	N.M.
	141	(1,276)	N.M.

PS: N.M. – Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

BALANCE SHEETS AS AT	Group		Company	
	31 Mar 2021 US\$'000	31 Dec 2020 US\$'000	31 Mar 2021 US\$'000	31 Dec 2020 US\$'000
Non-current assets				
Property, plant and equipment	1,321	1,332	–	–
Right-of-use assets	235	269	–	–
Intangible assets	272	255	53	56
Investment in subsidiaries	–	–	1,583	1,583
Investment in associates	–	–	5	5
Quoted investments	3,722	6,013	3,722	6,013
Unquoted investments	1,450	1,450	1,450	1,450
	<u>7,000</u>	<u>9,319</u>	<u>6,813</u>	<u>9,107</u>
Current assets				
Inventories	1,273	1,488	–	–
Trade and other receivables	2,070	3,438	241	50
Prepayments	21	14	7	2
Quoted investments held for trading	32,493	22,623	32,493	22,623
Unquoted investments held for trading	692	662	692	662
Short term deposits	500	4,975	–	375
Cash at banks and on hand	3,253	2,969	65	929
	<u>40,302</u>	<u>36,169</u>	<u>33,498</u>	<u>24,641</u>
Total assets	<u>47,302</u>	<u>45,488</u>	<u>40,311</u>	<u>33,748</u>
Current liabilities				
Trade payables	2,670	986	8,501	2,028
Other payables and accruals	2,243	2,252	212	222
Lease liabilities	81	113	–	–
Income tax payable	1,574	1,453	–	–
	<u>6,568</u>	<u>4,804</u>	<u>8,713</u>	<u>2,250</u>
Net current assets	33,734	31,365	24,785	22,391
Non-current liabilities				
Lease liabilities	128	128	–	–
Deferred taxation	87	87	–	–
	<u>215</u>	<u>215</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>6,783</u>	<u>5,019</u>	<u>8,713</u>	<u>2,250</u>
Net assets	<u>40,519</u>	<u>40,469</u>	<u>31,598</u>	<u>31,498</u>
Equity attributable to the owners of the Company				
Share capital	37,829	37,829	37,829	37,829
Treasury shares	(823)	(732)	(823)	(732)
Revenue reserve	433	82	(3,689)	(4,074)
Capital reserve	2,717	2,717	–	–
Asset revaluation reserve	1,264	1,264	–	–
Translation reserve	(10)	23	–	–
Other reserves	(1,807)	(1,613)	(1,719)	(1,525)
	<u>39,603</u>	<u>39,570</u>	<u>31,598</u>	<u>31,498</u>
Non-controlling interests	916	899	–	–
Total equity	<u>40,519</u>	<u>40,469</u>	<u>31,598</u>	<u>31,498</u>
Total equity and liabilities	<u>47,302</u>	<u>45,488</u>	<u>40,311</u>	<u>33,748</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 March 2021		As at 31 December 2020	
US\$'000		US\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31 March 2021		As at 31 December 2020	
US\$'000		US\$'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral:

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED CASH FLOW STATEMENT for the 3 months periods ended 31 March

	FY2021 US\$'000	FY2020 US\$'000
Cash flow from operating activities:		
Profit/(loss) before income tax	368	(1,093)
Adjustments for:		
Amortisation of intangible assets	11	11
Depreciation of property, plant and equipment	42	35
Depreciation of right-of-use assets	34	42
Gain on disposal of investment	(428)	–
Loss/(gain) on fair value of investment	67	1,344
Reversal/(provision) of stock obsolescence	(94)	179
Interest income	(108)	(219)
Interest expense	3	3
Unrealised foreign exchange gain	(33)	(34)
Operating (loss)/profit before changes in working capital	(138)	268
Decrease in trade and other receivables, and prepayments	1,361	12
Decrease/(increase) in inventories	308	(3,770)
Increase/(decrease) in trade and other payables	1,678	(250)
Cash used in operating activities	3,209	(3,740)
Income tax refunded/(paid)	121	(95)
Interest received	–	44
Net cash used in operating activities	3,330	(3,791)
Cash flow from investing activities		
Purchase of property, plant and equipment	(32)	(1)
Proceeds from disposal of quoted investments	5,759	–
Purchase of quoted investments	(13,202)	–
Purchase of unquoted investments	–	(103)
Payment for patent and trademark registration expenses	(2)	(13)
Payment for development expenditures	(26)	(6)
Interest income from quoted investments	108	175
Net cash used in investing activities	(7,395)	52
Cash flow from financing activities		
Purchase of treasury shares	(91)	–
Payment of lease liabilities	(32)	(36)
Interest expense on lease	(3)	(3)
Net cash used in financing activities	(126)	(39)
Net decrease in cash and cash equivalents	(4,191)	(3,778)
Cash and cash equivalents at beginning of period	7,444	16,678
Cash and cash equivalents at end of period	3,253	12,900

The Group's cash and cash equivalents in the consolidated statement of cash flow consist of the following:

	31 Mar 2020 US\$'000	31 Mar 2020 US\$'000
Cash at banks and on hand	3,253	566
Short-term deposits	500	12,334
Fixed deposit pledged	(500)	–
	3,253	12,900

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Attributable to owners of the Company							Total US\$'000	Non-Controlling Interests US\$'000	Total Equity US\$'000
	Share Capital US\$'000	Treasury Shares US\$'000	Revenue Reserve US\$'000	Capital Reserve US\$'000	Asset Revaluation Reserve US\$'000	Translation Reserve US\$'000	Other Reserves US\$'000			
THE GROUP										
Balance as at 1 January 2020	37,829	(507)	1,336	2,717	1,056	110	(1,745)	40,796	862	41,658
Total comprehensive income for the period	–	–	(1,120)	–	–	(34)	(149)	(1,303)	27	(1,276)
Share options lapsed	–	–	14	–	–	–	(14)	–	–	–
Balance as at 31 March 2020	37,829	(507)	230	2,717	1,056	76	(1,908)	39,493	889	40,382
Balance as at 1 January 2021	37,829	(732)	82	2,717	1,264	23	(1,613)	39,570	899	40,469
Purchase of treasury shares	–	(91)	–	–	–	–	–	(91)	–	(91)
Total comprehensive income for the period	–	–	351	–	–	(33)	(194)	124	17	141
Balance as at 31 March 2021	37,829	(823)	433	2,717	1,264	(10)	(1,807)	39,603	916	40,519
THE COMPANY										
Balance as at 1 January 2020	37,829	(507)	(5,066)	–	–	–	(1,656)	30,600		
Total comprehensive income for the period	–	–	(1,229)	–	–	–	(148)	(1,377)		
Share options lapsed	–	–	14	–	–	–	(14)	–		
Balance as at 31 March 2020	37,829	(507)	(6,281)	–	–	–	(1,818)	29,223		
Balance as at 1 January 2021	37,829	(732)	(4,074)	–	–	–	(1,525)	31,498		
Purchase of treasury shares	–	(91)	–	–	–	–	–	(91)		
Total comprehensive income for the period	–	–	385	–	–	–	(194)	191		
Balance as at 31 March 2021	37,829	(823)	(3,689)	–	–	–	(1,719)	31,598		

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.

There were no changes in the issued and paid-up capital of the Company, since the previous period reported on.

During the first quarter ended 31 March 2021 ("1QFY2021"), no share options were granted under the Trek 2000 International Share Options Scheme 2011.

The outstanding share options under Trek 2000 International Share Options Scheme is as follows:

Unexercised share options	First Quarter Ended	
	FY2021 No. of share options	FY2020 No. of share options
Balance as at 1 January	3,700,000	3,790,000
Share options forfeited during the period	–	90,000
Balance as at 31 March	3,700,000	3,700,000

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.

As at 31 March 2021, the share capital of the Company (excluding treasury shares) is as follows:

Ordinary shares issued and fully paid	No. of shares	US\$
Balance as at 1 January 2021	316,002,225	37,096,718
Movement in ordinary shares during the period	(1,159,200)	(91,026)
Balance as at 31 March 2021	314,843,025	37,005,692

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

During the period under review, 1,159,200 treasury shares were acquired by the Company pursuant to the Share Purchase Mandate to be held as "Treasury Shares".

	Group		Company	
	No. of shares	US\$	No. of shares	US\$
Balance as at 1 January 2021	8,114,700	732,223	8,114,700	732,223
Purchase of shares held as Treasury Shares	1,159,200	91,026	1,159,200	91,026
Balance as at 31 March 2021	9,273,900	823,249	9,273,900	823,249

	Group		Company	
	No. of shares	US\$	No. of shares	US\$
Balance as at 1 January 2020	4,663,500	506,550	4,663,500	506,550
Purchase of shares held as Treasury Shares	-	-	-	-
Balance as at 31 March 2020	4,663,500	506,550	4,663,500	506,550

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard or practice.

The above figures have not been audited or reviewed by its auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited financial statements for the year ended 31 December 2020.

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

The Group has adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2021. The adoption of these SFRS(I)s, interpretations and amendments did not have any significant effect on the financial statements of the Group and the Company.

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 (cont'd)

Amendment to SFRS(I) 16 COVID-19 Related Rent Concessions

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

Entities applying the practical expedient must disclose this fact, whether the expedient has been applied to all qualifying rent concessions, and the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

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

THE GROUP	First Quarter Ended	
	FY2021	FY2020
Profit/(loss) net of tax attributable to ordinary equity holders of the Company used in computation of basic earnings per share (US\$'000)	351	(1,120)
Weighted average number of ordinary shares for basic earnings per share computation (in '000)	315,467	321,340
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)	315,467	321,340
(Amount in USD cents)		
Earnings/(loss) per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Basic earnings per share (in cents)	0.11	(0.35)
(ii) Diluted earnings per share (in cents)	0.11	(0.35)

Note:

Basic earnings per share amounts are calculated by dividing profit for the period that is attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share amounts are calculated by dividing profit for the period that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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 period reported on and (b) immediately preceding financial year

NET ASSET VALUE	GROUP		COMPANY	
	31 Mar 21	31 Dec 2020	31 Mar 21	31 Dec 2020
Number of ordinary shares (in '000)	314,843	316,002	314,843	316,002
(Amount in USD cents)				
Net asset value per ordinary share based on issued share capital at the end of the period	12.58	12.52	10.04	9.97

Net asset value represents total assets less total liabilities and non-controlling interests.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

For 1QFY2021, the Group reported a 5.6% quarter on quarter ("qoq") decrease in revenue from US\$8.5 million for 1QFY2020 to US\$8.1 million in 1QFY2021. Gross profit decreased by 25.4% from US\$953,000 in 1QFY2020 to US\$711,000 in 1QFY2021. The Group reported a net profit after tax attributable to owners of the Company of US\$351,000 in 1QFY2021 as compared to a net loss of US\$1.1 million in 1QFY2020.

The Group's performance is attributable to the following factors:

Revenue

The decrease in sales revenue of 5.6% in 1QFY2021 was mainly due to the competitive market environment during this period.

Profitability

Gross profit margin decreased from 11.2% in 1QFY2020 to 8.8% in 1QFY2021. The decrease in gross profit margin was mainly due to price pressures from the market in 1QFY2021.

Other Items of Income

- Interest income decreased by 50.7% qoq in 1QFY2021 mainly due to the decrease in fixed deposits as the company invested in more quoted and unquoted investments utilizing part of the fixed deposits, and the low interest rate environment during this period.
- Other income increased from US\$34,000 in 1QFY2020 to US\$522,000 in 1QFY2021 mainly due to gain on disposal of financial assets, foreign exchange gain and government grants received in 1QFY2021.

Expenses

The Group's total expenses amounted to US\$973,000 in 1QFY2021 (1QFY2020: US\$2.3 million) representing a decrease of 57.7% qoq. The factors contributing to the decreases are as follow:

- Research and development expenses reported an increase of 20.2% qoq to US\$220,000 in 1QFY2021 (1QFY2020: US\$183,000). The increase was mainly due to higher salary expenses incurred as the company increased its R&D effort in 1QFY2021.
- Marketing and distribution expenses increased by 13.7% qoq to US\$414,000 in 1QFY2021 (1QFY2020: US\$364,000). This was mainly due to the higher marketing activities in 1QFY2021.
- General administrative expenses decreased by 30.3% from US\$386,000 in 1QFY2020 to US\$269,000 in 1QFY2021. This was mainly due to lower legal and professional fees.
- Finance expenses were US\$3,000 in 1QFY2021 (1QFY2020: US\$3,000) and this was due to the recognition of lease interest for lease commitments in FY2021, as required under the accounting standard, SFRS(I)16.
- Other expense of US\$67,000 was incurred in 1QFY2021 (1QFY2020: US\$1.4 million) and this lower expense was mainly due to the lower loss on fair value of investments incurred in 1QFY2021.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (cont'd)**

Net profit after tax attributable to owners of the Company

The Group reported a net profit attributable to owners of the Company of US\$351,000 in 1QFY2021 (1QFY2020: net loss of US\$1.1 million) as a result of the above.

Other Financial Highlights

- **Property, plant and equipment** – The decrease in the Group's property, plant and equipment in 1QFY2021 was mainly due to the depreciation expense of US\$42,000. This was partly offset by the additional equipment of US\$31,000 purchased during this period.
- **Intangible assets** – The increase in Intangible assets in 1QFY2021 was mainly due to the capitalization of development costs and patent expenses of US\$28,000. This was partly offset by amortisation charge of US\$11,000 during this period. The Group continues to invest in research and development on the latest technology in the market.
- **Right-of-use assets** – These assets comprised of lease commitments entered into by the Group as required under SFRS(I)16 and assets on hire purchase. The decrease in these assets in 1QFY2021 was due to the depreciation charge of US\$34,000 during this period.
- **Quoted investments** – The Group's investment in quoted investments in non-current asset decreased by US\$2.3 million to US\$3.7 million in 1QFY2021 (31 December 2020: US\$6.0 million). This decrease was mainly due to the disposal of investment during this period. The total investment in quoted funds held for trading in current assets amounted to US\$32.5 million in 1QFY2021 (31 December 2020: US\$22.6 million). Total quoted funds held for trading purchased amounted to US\$12.9 million and this was partly offset by disposal of quoted funds held for trading amounting to US\$3.0 million during this period.

Total quoted investments in current and non-current assets in 1QFY2021 amounted to US\$36.2 million (31 December 2020: US\$28.6 million). This increase was mainly due to net purchases of quoted investments amounting to US\$7.6 million in 1QFY2021.

- **Unquoted investments** – The Group investment in unquoted investments in 1QFY2021 amounted to US\$1.5 million in non-current assets (31 December 2020: US\$1.5 million) and US\$692,000 in current assets (31 December 2020: US\$662,000). The increase in the unquoted investments in current assets of US\$30,000 was due to the increase in valuation during this period.
- **Inventories** – The Group's inventories amounted to US\$1.3 million as at 31 March 2021, a decrease of US\$215,000 from US\$1.5 million as at 31 December 2020. Inventory turnover days in 1QFY2021 were 19 days (31 December 2020: 27 days).
- **Trade and other receivables** – The Group's trade and other receivables amounted to US\$2.1 million as at 31 March 2021 as compared to US\$3.4 million as at 31 December 2020. The decrease was due mainly to higher cash received from customers during this period. Trade receivable turnover days were 14 days in 1QFY2021 (31 December 2020: 21 days).
- **Trade payables** – The Group's trade payables increased from US\$986,000 as at 31 December 2020 to US\$2.7 million as at 31 March 2021. This increase was mainly due to the higher credit purchases as at 31 March 2021. Trade payable turnover days were 26 days as at 31 March 2021 (31 December 2020: 18 days).

Cashflow

The Group's cash and cash equivalent as at 31 March 2021 were US\$3.8 million as compared to US\$7.9 million as at 31 December 2020, a decrease of US\$4.1 million. The decrease in the cash position in 1QFY2021 was mainly due to the cash outflow from investing activities of US\$7.4 million (mainly in quoted investments), purchase of Company's treasury shares under share buyback mandate (US\$91,000) and, payment of lease liability and interest (US\$35,000). This was partly offset by cash surplus from operating activities of US\$3.3 million.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (cont'd)**

Cashflow (cont'd)

The cash surplus from operating activities of US\$3.3 million in 1QFY2021 arose mainly from the cash surplus from movements of working capital of US\$3.3 million and corporate tax refund of US\$121,000. This was partly offset by cash outflow from operating activities of US\$138,000.

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

Not Applicable.

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 COVID-19 pandemic situation that arose since last year had adversely affected the global business economy. This pandemic is expected to continue, and will continue to have an adverse effect on economic and social situation in the global market and disrupt the global supply chain.

In this challenging period, the Group will be selective in exercising priority on projects and exercise prudence in our financial management. To stay relevant and sustainable in this dynamic market, the Group continues to invest in R&D and coming up with innovative solutions to meet the demand of the 5G technology market.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended 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 period? **NO**

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

The Company will not be declaring dividend as the Company continues to invest in research and development on the latest technology in the market.

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 Company does not have any general mandate from shareholders pursuant to Rule 920.

14. **If the case of an announcement of interim financial statement (quarterly or half-yearly), the issuer's directors must confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false or misleading, in any material aspect. Please confirm that such a statement has been made.**

The Company has not issued any interim financial statements which may render the interim financial statements to be false or misleading, in any material aspect pursuant to Rule 705(5).

15. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)).

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

18. A breakdown of sales

Not applicable.

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

BY ORDER OF THE BOARD

TAN JOON YONG WAYNE
Deputy Chairman and Executive Director

12 May 2021

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render to the unaudited financial statements for the period ended 31 March 2021 to be false and misleading in any material aspect.

On behalf of the Directors

Signed

TAN JOON YONG WAYNE
Deputy Chairman and Executive Director

12 May 2021