



**TRICKLESTAR LIMITED**

(Incorporated in the Republic of Singapore on 31 October 2018)

(Company Registration Number: 201837106C)

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**AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

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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 rationalisation 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.



**TRICKLESTAR LIMITED**  
**(Company Registration No. 201837106C)**

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**TRICKLESTAR LIMITED**  
(Company Registration No. 201837106C)

**A. Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		As at 31-Dec-2022 US\$	As at 31-Dec-2021 US\$	As at 31-Dec-2022 US\$	As at 31-Dec-2021 US\$
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	227,768	126,423	-	-
Intangible assets	4	2	358,007	2	-
Investment in subsidiaries	5	-	-	1,845,791	6,410,291
		<u>227,770</u>	<u>484,430</u>	<u>1,845,793</u>	<u>6,410,291</u>
<b>Current assets</b>					
Inventories	6	3,310,536	2,846,695	-	-
Trade and other receivables	7	2,540,374	2,642,887	6,763,501	289,794
Cash and bank balances	8	2,736,477	3,131,108	597,612	1,651,724
		<u>8,587,387</u>	<u>8,620,690</u>	<u>7,361,113</u>	<u>1,941,518</u>
Assets of discontinued operations	9	2,683	-	-	-
		<u>8,590,070</u>	<u>8,620,690</u>	<u>7,361,113</u>	<u>1,941,518</u>
<b>Total assets</b>		<u><u>8,817,840</u></u>	<u><u>9,105,120</u></u>	<u><u>9,206,906</u></u>	<u><u>8,351,809</u></u>
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Share capital	10	7,490,078	7,417,635	7,490,078	7,417,635
Merger reserve		(111,376)	(111,376)	-	-
Share grant reserve		54,287	32,480	54,287	32,480
Foreign currency translation reserve		(41,203)	(37,467)	-	-
(Accumulated losses)/Retained earnings		<u>(2,074,092)</u>	<u>(2,238,395)</u>	<u>1,606,559</u>	<u>870,550</u>
		<u>5,317,694</u>	<u>5,062,877</u>	<u>9,150,924</u>	<u>8,320,665</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities		3,313	575,595	-	-
Lease liabilities	11	140,579	-	-	-
		<u>143,892</u>	<u>575,595</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>					
Trade and other payables	12	3,223,996	2,903,172	55,982	31,144
Lease liabilities	11	52,717	57,175	-	-
Provision		4,007	5,201	-	-
Borrowings	13	-	500,000	-	-
Income tax liabilities		-	1,100	-	-
		<u>3,280,720</u>	<u>3,466,648</u>	<u>55,982</u>	<u>31,144</u>
Liabilities directly associated with discontinued operations	9	75,534	-	-	-
		<u>3,356,254</u>	<u>3,466,648</u>	<u>55,982</u>	<u>31,144</u>
<b>Total liabilities</b>		<u><u>3,500,146</u></u>	<u><u>4,042,243</u></u>	<u><u>55,982</u></u>	<u><u>31,144</u></u>
<b>Total equity and liabilities</b>		<u><u>8,817,840</u></u>	<u><u>9,105,120</u></u>	<u><u>9,206,906</u></u>	<u><u>8,351,809</u></u>

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

	Note	Group					
		6 months ended 31 Dec		Increase/ (Decrease)	Full year ended 31 Dec		Increase/ (Decrease)
		2022	2021	%	2022	2021	%
		US\$	US\$		US\$	US\$	
<b>Continued operations</b>							
Revenue	14	7,659,285	5,624,295	36.2	13,820,102	11,288,146	22.4
Cost of sales		(5,693,150)	(5,272,369)	8.0	(10,318,116)	(9,492,032)	8.7
<b>Gross profit</b>		<u>1,966,135</u>	<u>351,926</u>	458.7	<u>3,501,986</u>	<u>1,796,114</u>	95.0
Other income	15	28,359	500,044	(94.3)	8,019	568,749	(98.6)
Selling and distribution expenses		(538,021)	(405,980)	32.5	(1,048,982)	(891,105)	17.7
Administrative expenses		(1,574,497)	(2,431,987)	(35.3)	(2,581,396)	(3,182,907)	(18.9)
Finance costs	16	(23,657)	(11,266)	110.0	(36,409)	(14,076)	158.7
<b>Loss before tax</b>	17	<u>(141,681)</u>	<u>(1,997,263)</u>	(92.9)	<u>(156,782)</u>	<u>(1,723,225)</u>	(90.9)
Income tax credit/(expense)	18	<u>579,957</u>	<u>(520,723)</u>	N.M	<u>599,391</u>	<u>(519,491)</u>	N.M
<b>Profit/(Loss) for the period/year from continuing operations</b>		<u>438,276</u>	<u>(2,517,986)</u>	N.M	<u>442,609</u>	<u>(2,242,716)</u>	N.M
<b>Discontinued operations</b>							
Loss from discontinued operations	9	<u>(278,306)</u>	<u>(151,096)</u>	84.2	<u>(278,306)</u>	<u>(151,096)</u>	84.2
<b>Total profit/(loss) for the period/year</b>		<u>159,970</u>	<u>(2,669,082)</u>	N.M	<u>164,303</u>	<u>(2,393,812)</u>	N.M
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations		<u>5,066</u>	<u>(57,052)</u>	N.M	<u>(3,736)</u>	<u>(64,413)</u>	(94.2)
Other comprehensive income for the financial period, net of tax		<u>5,066</u>	<u>(57,052)</u>	N.M	<u>(3,736)</u>	<u>(64,413)</u>	(94.2)
<b>Total comprehensive income for the financial period/year</b>		<u>165,036</u>	<u>(2,726,134)</u>	N.M	<u>160,567</u>	<u>(2,458,225)</u>	N.M
<b>Earnings per share attributable to owners of the Company (cents)</b>							
From continuing operations		0.53	(3.05)	N.M	0.53	(2.72)	N.M
From discontinued operations		<u>(0.33)</u>	<u>(0.18)</u>	83.1	<u>(0.34)</u>	<u>(0.18)</u>	83.2

N.M : Not Meaningful

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**C. Condensed Interim Statements of Changes in Equity**

<b>Group</b>	<b>Share capital US\$</b>	<b>Merger reserve US\$</b>	<b>Share grant reserve US\$</b>	<b>Foreign currency translation reserve US\$</b>	<b>(Accumulated losses) /Retained earnings US\$</b>	<b>Total equity US\$</b>
Balance as at 1 January 2022	7,417,635	(111,376)	32,480	(37,467)	(2,238,395)	5,062,877
Profit for the year	-	-	-	-	164,303	164,303
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	-	-	-	(3,736)	-	(3,736)
Total comprehensive income for the financial year	-	-	-	(3,736)	164,303	160,567
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 31 December 2022	<u>7,490,078</u>	<u>(111,376)</u>	<u>54,287</u>	<u>(41,203)</u>	<u>(2,074,092)</u>	<u>5,317,694</u>

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

Group	US\$	Merger reserve US\$	Share grant reserve US\$	Foreign currency translation reserve US\$	(Accumulated losses)/ Retained earnings US\$	Total equity US\$
Balance as at 1 January 2021	7,304,838	(111,376)	21,003	26,946	648,073	7,889,484
Loss for the year	-	-	-	-	(2,393,812)	(2,393,812)
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	-	-	-	(64,413)	-	(64,413)
Total comprehensive loss for the financial year	-	-	-	(64,413)	(2,393,812)	(2,458,225)
Performance share plan expenses	-	-	124,274	-	-	124,274
Performance shares issued	112,797	-	(112,797)	-	-	-
Dividends	-	-	-	-	(492,656)	(492,656)
Total transactions with owners, recognised directly in equity	112,797	-	11,477	-	(492,656)	(368,382)
Balance as at 31 December 2021	7,417,635	(111,376)	32,480	(37,467)	(2,238,395)	5,062,877

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

Company	Share capital US\$	Share grant reserve US\$	(Accumulated losses)/ Retained earnings US\$	Total equity US\$
Balance at 1 January 2022	7,417,635	32,480	870,550	8,320,665
Profit for the year, representing total comprehensive income for the financial year	-	-	736,009	736,009
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 31 December 2022	7,490,078	54,287	1,606,559	9,150,924
Balance at 1 January 2021	7,304,838	21,003	484,082	7,809,923
Profit for the year, representing total comprehensive income for the financial year	-	-	879,124	879,124
Performance share plan expenses	-	124,274	-	124,274
Performance shares issued	112,797	(112,797)	-	-
Dividends	-	-	(492,656)	(492,656)
Total transactions with owners, recognised directly in equity	112,797	11,477	(492,656)	(368,382)
Balance as at 31 December 2021	7,417,635	32,480	870,550	8,320,665

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**D. Condensed Interim Consolidated Statement of Cash Flows**

	Note	Group Full year	
		31-Dec-2022 US\$	31-Dce-2021 US\$
<b>Cash flows from operating activities</b>			
Loss before tax		(435,088)	(1,874,321)
Adjustments for:			
Depreciation of property, plant and equipment		85,669	92,863
Allowance/(reversal) of expected credit losses on trade receivables	7	586	(15,525)
Property, plant and equipment written off		18,640	-
Loss on disposal of property, plant and equipment		2,464	-
Provision for warranty		(1,194)	(7,813)
Inventories write-down	16	24,633	533,150
Interest income		(1,046)	(589)
Performance share plan expenses		94,250	124,274
Interest expense		36,409	14,076
Impairment loss on intangible assets		505,897	1,496,728
<b>Operating cash flows before working capital changes</b>		<b>331,220</b>	<b>362,843</b>
Inventories		(488,474)	1,094,160
Trade and other receivables		101,622	(470,254)
Trade and other payables		394,253	(471,845)
<b>Cash generated from operations</b>		<b>338,621</b>	<b>514,904</b>
Income tax refunded		25,736	35,301
<b>Net cash generated from operating activities</b>		<b>364,357</b>	<b>550,205</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(3,182)	(42,247)
Purchase of intangible assets		(147,892)	(916,185)
Proceeds from disposal of property, plant and equipment		2,307	-
Interest received		1,046	589
<b>Net cash used in investing activities</b>		<b>(147,721)</b>	<b>(957,843)</b>
<b>Cash flows from financing activities</b>			
Fixed deposit pledged		1,300,000	(1,500,000)
(Repayment of)/Proceeds from borrowings		(500,000)	500,000
Dividends paid to shareholders of Company		-	(492,656)
Interest paid		(31,854)	(9,493)
Repayment of lease liabilities		(67,540)	(67,642)
<b>Net cash from/(used in) financing activities</b>		<b>700,606</b>	<b>(1,569,791)</b>
<b>Net change in cash and cash equivalents</b>		<b>917,242</b>	<b>(1,977,429)</b>
<b>Cash and cash equivalents at beginning of financial year</b>		<b>1,623,451</b>	<b>3,663,941</b>
<b>Effects of currency translation on cash and cash equivalents</b>		<b>(11,476)</b>	<b>(63,061)</b>
<b>Cash and cash equivalents at the end of financial year</b>		<b>2,529,217</b>	<b>1,623,451</b>

**TRICKLESTAR LIMITED**  
(Company Registration No. 201837106C)

**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 is 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 consolidated financial statements for the six months and full year ended 31 December 2022 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 consolidated 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 2021.

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

The condensed interim consolidated 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.

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

**2.4 Use of estimates and judgements**

The preparation of the condensed interim consolidated 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 2022. 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 year ended 31 December 2022. 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 are 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**

<u>Group</u>	<u>Computer</u> US\$	<u>Tools and equipment</u> US\$	<u>Furniture and fittings</u> US\$	<u>Office equipment</u> US\$	<u>Renovation</u> US\$	<u>Machinery</u> US\$	<u>Leasehold buildings</u> US\$	<u>Total</u> US\$
<b>Cost</b>								
At 1 January 2021	93,135	297,086	53,630	6,204	44,429	12,361	179,173	686,018
Additions	21,070	149	3,811	6,313	10,904	-	29,160	71,407
Currency re-alignment	(566)	(7)	(180)	(112)	(321)	-	-	(1,186)
At 31 December 2021	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
<b>Accumulated depreciation</b>								
At 1 January 2021	59,650	297,023	38,898	4,251	36,415	7,305	93,527	537,069
Depreciation	11,089	38	8,508	1,989	7,397	2,472	61,370	92,863
Currency re-alignment	(73)	(1)	(20)	-	(22)	-	-	(116)
At 31 December 2021	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
<b>Net carrying amount</b>								
At 31 December 2021	42,973	168	9,875	6,165	11,222	2,584	53,436	126,423
At 31 December 2022	29,879	111	1,729	2,487	874	702	191,986	227,768

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

**3. Property, plant and equipment (cont'd)**

Impairment testing of property, plant and equipment

The recoverable amount of the property, plant and equipment 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:

	<b>Group 2022</b>
Gross profit margin	28% to 50%
Growth rates	0% to 3%
Pre-tax discount rate	<u>11.50%</u>

The recoverable amount is higher than the carrying amount of property, plant and equipment, no impairment loss required as at 31 December 2022.

**4. Intangible assets**

	<b>Group</b>		<b>Company</b>		
	<b>Technical know-how</b>	<b>Development cost</b>	<b>Total</b>	<b>Technical know-how</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Cost</b>					
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>
<b>Accumulated amortisation</b>					
At 1 January 2022/31 December 2022	<u>242,869</u>	-	<u>242,869</u>	-	-
<b>Impairment loss</b>					
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>
<b>Net carrying amount</b>					
At 31 December 2022	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Cost</b>					
At 1 January 2021	242,871	1,058,048	1,300,919	-	-
Additions	-	916,185	916,185	-	-
At 31 December 2021	<u>242,871</u>	<u>1,974,233</u>	<u>2,217,104</u>	<u>-</u>	<u>-</u>
<b>Accumulated amortisation</b>					
At 1 January 2021	242,869	-	242,869	-	-
Amortisation	-	-	-	-	-
At 31 December 2021	<u>242,869</u>	<u>-</u>	<u>242,869</u>	<u>-</u>	<u>-</u>
<b>Impairment loss</b>					
At 1 January 2021	-	119,500	119,500	-	-
Additions	-	1,496,728	1,496,728	-	-
At 31 December 2021	<u>-</u>	<u>1,616,228</u>	<u>1,616,228</u>	<u>-</u>	<u>-</u>

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

**4. Intangible assets (cont'd)**

	<b>Group</b>	<b>Company</b>
	<b>Technical know-how</b>	<b>Technical know-how</b>
	<b>Development cost</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>
<b>Net carrying amount</b>		
At 31 December 2021	2	358,005
	358,007	-

During the financial year ended 31 December 2022, 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 (with a view to avoiding overtrading) and uncertainties over shipping availability and timing of shipments. The review led to an impairment loss of US\$505,897 (2021: US\$ 1,496,728) in capitalised product development cost.

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:

	<b>Group</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>
Gross profit margin	28% to 50%	26% to 36%
Growth rates	0% to 3%	0% to 3%
Pre-tax discount rate	11.50%	10%

**5. Investment in subsidiaries**

	<b>Company</b>	<b>31-Dec-2021</b>
	<b>31-Dec-2022</b>	<b>US\$</b>
	<b>US\$</b>	<b>US\$</b>
<b>Unquoted equity shares, at cost</b>		
At beginning of financial year	6,410,291	6,286,017
Impairment loss	(4,658,750)	-
Performance share plan	94,250	124,274
At end of financial year	1,845,791	6,410,291

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. Based on the impairment testing, an impairment loss of US\$4,658,750 relating to the cost of investment in TrickleStar Limited (Hong Kong) is recognised under general and administrative expenses in profit or loss of the Company for the financial year ended 31 December 2022, being the shortfall between the carrying amount and the recoverable amount. The fair value is based on Level 3 of the fair value hierarchy.

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

**6. Inventories**

	<b>Group</b>	
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>US\$</b>	<b>US\$</b>
Trading goods	2,535,719	949,964
Goods-in-transit	774,817	1,896,731
	<u>3,310,536</u>	<u>2,846,695</u>

During the financial year ended 31 December 2022, the Group carried out a review of the realisable value of its inventories and the review led to the recognition of write down of inventories of US\$24,633 (2021: US\$533,150) that has been included in cost of sales line item in the condensed interim consolidated statement of profit or loss and comprehensive income.

**7. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Trade receivables				
– third parties	1,950,597	1,789,280	-	-
Less: Allowance for expected credit losses	(2,887)	(2,301)	-	-
	<u>1,947,710</u>	<u>1,786,979</u>	-	-
Other receivables				
– third parties	3,882	2,516	-	-
– subsidiaries	-	-	6,763,501	289,794
Advance to suppliers	423,211	555,537	-	-
Prepayments	40,392	124,516	-	-
Income tax recoverables	2,850	2,576	-	-
Deposits	120,224	170,763	-	-
GST receivables	2,105	-	-	-
	<u>2,540,374</u>	<u>2,642,887</u>	<u>6,763,501</u>	<u>289,794</u>

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

	<b>Group</b>	
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>US\$</b>	<b>US\$</b>
At beginning of financial year	2,301	17,826
Loss/(Reversal of loss) allowance made	586	(15,525)
At end of financial year	<u>2,887</u>	<u>2,301</u>

The Group determined 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).

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

**8. Cash and bank balances**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Cash at banks	2,234,663	1,623,451	103,059	151,724
Fixed deposits	501,814	1,507,657	494,553	1,500,000
Cash and cash equivalents per statements of financial position	2,736,477	3,131,108	597,612	1,651,724
Fixed deposit pledged	(207,260)	(1,507,657)	(200,000)	(1,500,000)
Cash and cash equivalents per consolidated statement of cash flows	2,529,217	1,623,451	397,612	151,724

**9. Discontinued operations**

On 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 as at 31 December 2022, and the entire results from TrickleStar Limited (Hong Kong) were presented separately on the statement of comprehensive income as “Discontinued operations” for the year ended 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:

	<b>6 months ended 31 Dec</b>		<b>Group</b>	<b>Full year ended 31 Dec</b>		<b>Increase/</b>	
	<b>2022</b>	<b>2021</b>		<b>Increase/</b>	<b>2022</b>		<b>2021</b>
	<b>US\$</b>	<b>US\$</b>		<b>(Decrease)</b>	<b>US\$</b>		<b>US\$</b>
			<b>%</b>			<b>(Decrease)</b>	
			<b>%</b>			<b>%</b>	
Other income	4,359	-	N.M	4,359	-	N.M	
Administrative expenses	(282,665)	(151,096)	87.1	(282,665)	(151,096)	87.1	
Loss for the year from discontinued operation	(278,306)	(151,096)	84.2	(278,306)	(151,096)	84.2	

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

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Operating cash inflows	72,851	1,049

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

	<b>Group</b>
	<b>2022</b>
	<b>US\$</b>
Prepayment	2,683

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

**9. Discontinued operations (cont'd)**

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

	<b>Group 2021 US\$</b>
Other payables and accruals	75,534

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

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

**10. Share capital**

	<b>Group and Company</b>			
	<b>31-Dec-2022 Number of ordinary shares</b>	<b>31-Dec-2021 Number of ordinary shares</b>	<b>31-Dec-2022 US\$</b>	<b>31-Dec-2021 US\$</b>
<b>Issued and paid-up capital</b>				
Balance at beginning of financial year	82,674,915	82,248,254	7,417,635	7,304,838
Issuance of shares pursuant to the awards vested under the performance share plan	504,415	426,661	72,443	112,797
Balance at end of financial year	<u>83,179,330</u>	<u>82,674,915</u>	<u>7,490,078</u>	<u>7,417,635</u>

The Company has issued 504,415 and 426,661 which equivalent to US\$72,443, and US\$112,797 of ordinary shares as at year ended 31 December 2022 and 31 December 2021 respectively.

**11. Lease liabilities**

Group as a lessee

The Group has lease contracts for office premise and warehouses in United States of America and Malaysia. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

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

**11. Lease liabilities (cont'd)**

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

	<b>Group Leasehold buildings US\$</b>
At 1 January 2021	85,646
Addition	29,160
Depreciation	(61,370)
At 31 December 2021	53,436
Addition	208,772
Depreciation	(60,556)
Write off	(9,666)
At 31 December 2022	191,986

Lease liabilities

	<b>Group 2022 US\$</b>	<b>2021 US\$</b>
Non-current	140,579	-
Current	52,717	57,175
	193,296	57,175

**12. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Trade payables				
– corporate shareholder	2,564,808	2,404,073	-	-
Other payables				
– third parties	140,624	42,915	12,653	4,631
Accrued operating expenses	518,564	456,184	43,329	26,513
	3,223,996	2,903,172	55,982	31,144

**13. Borrowings**

	<b>Group 31-Dec-2022 US\$</b>	<b>31-Dec-2021 US\$</b>
Short-term loan (secured)	-	500,000

The secured short-term loan bore interest at Nil% (2021: 3.5%) per annum and was repayable on demand.

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

**13. Borrowings (cont'd)**

**Aggregate amount of the Group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 31-Dec-22		As at 31-Dec-21	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
-	-	500,000	-

**14. Revenue**

	6 months ended 31 Dec		Group	Full year ended 31 Dec		Increase/
	2022 US\$	2021 US\$	Increase/ (Decrease) %	2022 US\$	2021 US\$	(Decrease) %
Timing of revenue recognition: At a point in time						
Sale of goods	<u>7,659,285</u>	<u>5,624,295</u>	36.2	<u>13,820,102</u>	<u>11,288,146</u>	22.4

The Group has disaggregated revenue based on the location of customers from which revenue was generated in Note 20.

**15. Other income**

	6 months ended 31 Dec		Group	Full year ended 31 Dec		Increase/
	2022 US\$	2021 US\$	Increase/ (Decrease) %	2022 US\$	2021 US\$	(Decrease) %
Government grants	-	69,312	(100.0)	-	132,112	(100.0)
Foreign exchange gain, net	26,835	8,240	225.7	3,647	13,878	(73.7)
Interest income	550	322	70.8	1,046	589	77.6
Compensation from customer	-	350,000	(100.0)	-	350,000	(100.0)
Sales of scraps	1,559	-	N.M	3,326	-	N.M
Reversal of accrual of commission (Impairment loss)/reversal of impairment loss on trade receivables	-	56,645	(100.0)	-	56,645	(100.0)
	<u>(585)</u>	<u>15,525</u>	N.M	<u>-</u>	<u>15,525</u>	N.M
	<u>28,359</u>	<u>500,044</u>	(94.3)	<u>8,019</u>	<u>568,749</u>	(98.6)

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

**16. Finance costs**

	6 months ended 31 Dec		Group Increase/ (Decrease) %	Full year ended 31 Dec		Group Increase/ (Decrease) %
	2022	2021		2022	2021	
	US\$	US\$		US\$	US\$	
Interest expense						
- lease liabilities	3,358	2,444	37.4	4,555	4,583	(0.6)
- borrowings	20,299	8,822	130.1	31,854	9,493	235.6
	<u>23,657</u>	<u>11,266</u>	110.0	<u>36,409</u>	<u>14,076</u>	158.7

**17. Loss before tax**

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

	6 months ended 31 Dec		Group Increase/ (Decrease) %	Full year ended 31 Dec		Group Increase/ (Decrease) %
	2022	2021		2022	2021	
	US\$	US\$		US\$	US\$	
<b>Cost of sales</b>						
Cost of inventories	5,530,954	4,551,044	21.5	10,123,651	8,758,118	15.6
Inventories write down	<u>24,633</u>	<u>533,150</u>	(95.4)	<u>24,633</u>	<u>533,150</u>	(95.4)
<b>Selling and distribution expenses</b>						
Employee benefits expense						
- Salaries, bonuses and other staff benefits	237,773	198,237	19.9	502,176	431,375	16.4
- Contributions to defined contribution plan	13,717	16,360	(16.2)	32,661	33,542	(2.6)
Freight outwards	114,277	80,314	42.3	199,726	150,115	33.0
Inventories processing fees	31,799	42,194	(24.6)	60,759	86,869	(30.1)
Sales commission	62,708	41,943	49.5	109,420	122,731	(10.8)
Storage fees	<u>37,638</u>	<u>14,522</u>	159.2	<u>44,813</u>	<u>32,732</u>	36.9
<b>Administrative expenses</b>						
Depreciation of property, plant and equipment	37,062	49,923	(25.8)	85,669	92,863	(7.7)
Employee benefits expense						
- Directors' fees	60,920	50,865	19.8	118,070	115,676	2.1
- Salaries, bonuses and other staff benefits	496,349	274,121	81.1	925,127	514,842	79.7
- Contributions to defined contribution plan	32,387	21,812	48.5	67,596	39,655	70.5
Impairment loss on intangible assets	505,897	1,496,728	(66.2)	505,897	1,496,728	(66.2)
Performance share plan expenses	-	1,912	(100.0)	94,250	124,274	(24.2)
Professional fees	<u>24,769</u>	<u>411,586</u>	(94.0)	<u>48,927</u>	<u>364,929</u>	(86.6)

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

**18. Income tax expense**

	6 months ended 31 Dec		Group Increase/ (Decrease) %	Full year ended 31 Dec		Group Increase/ (Decrease) %
	2022	2021		2022	2021	
	US\$	US\$		US\$	US\$	
Current income tax						
- current financial year	2,030	179	N.M	3,580	2,030	464.7
- (over)/under provision in respect of prior years	<u>(9,705)</u>	<u>1,173</u>	N.M	<u>(30,689)</u>	<u>(514)</u>	N.M
	<u>(7,675)</u>	<u>1,352</u>	N.M	<u>(27,109)</u>	<u>1,516</u>	N.M
Deferred tax						
- current financial year	-	518,504	(100.0)	-	518,504	(100.0)
- (over)/under provision in respect of prior years	<u>(572,282)</u>	<u>867</u>	N.M	<u>(572,282)</u>	<u>(529)</u>	N.M
	<u>(572,282)</u>	<u>519,371</u>	N.M	<u>(572,282)</u>	<u>517,975</u>	N.M
Total income tax expense/(credit)	<u>(579,957)</u>	<u>520,723</u>	N.M	<u>(599,391)</u>	<u>519,491</u>	N.M

**19. Dividends**

	Group	
	FY2022 US\$	FY2021 US\$
Ordinary dividends paid:		
- Final exempt dividend US\$0.0045 per share in respect of financial year ended 31 December 2021	-	370,117
- Interim exempt SGD0.002 per share in respect of first half year ended 30 June 2021	-	<u>122,539</u>
	-	<u>492,656</u>

There was no final dividend declared for the year ended 31 december 2021 and there is no final dividend to be declared for the second half of FY2022.

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

**20. 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/year ended 31 December 2022 and 31 December 2021:

	6 months ended 31 Dec		Increase/ (Decrease) %	Group Full year ended 31 Dec		Increase/ (Decrease) %
	2022	2021		2022	2021	
	US\$	US\$		US\$	US\$	
<b>Total revenue</b>						
United States of America	7,659,285	5,623,265	36.2	13,815,029	11,126,509	24.2
Canada	-	1,030	(100.0)	-	161,637	(100.0)
Others	-	-	N.M	5,073	-	N.M
	<u>7,659,285</u>	<u>5,624,295</u>	<u>36.2</u>	<u>13,820,102</u>	<u>11,288,146</u>	<u>22.4</u>

	Group Full year ended 31 Dec	
	2022	2021
	US\$	US\$
<b>Total non-current assets</b>		
United States of America	209,909	441,925
Hong Kong	-	732
Others	17,861	41,773
	<u>227,770</u>	<u>484,430</u>

**Major customers**

Revenue of approximately 84% (2021: 81%) is derived from 6 (2021: 5) major customers.

**21. Events after reporting period**

On 11 January 2023, the Company granted share awards (the "Awards") of 464,745 ordinary shares to employees and directors of the Group pursuant to the Tricklestar Performance Share Plan.

**F. Other Information required under Appendix 7C of the Catalist 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 31 December 2022		As at 31 December 2021	
	Number of shares	US\$	Number of shares	US\$
Balance at the beginning of the financial period	82,674,915	7,417,635	82,248,254	7,304,838
Issue of shares pursuant to the Awards vested under the TrickleStar Performance Share Plan <sup>(1)</sup>	504,415	72,443	426,661	112,797
Balance at the end of the financial period	83,179,330	7,490,078	82,674,915	7,417,635

**Notes:**

- <sup>(1)</sup> The Company, on 13 June 2022 and 20 June 2022 allotted and issued 411,888 and 92,527 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 31 December 2022 and 31 December 2021.

- 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 31 December 2022 was 83,179,330 (31 December 2021: 82,674,915). There were no treasury shares held by the Company as at 31 December 2022 and 31 December 2021.

- 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 31 December 2022.

- 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 been audited by the Company's auditors in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore..

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

**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.**

See Note 2.5.

**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.**

	6 months ended 31 Dec		Increase/ (Decrease) %	Group Full year ended 31 Dec		Increase/ (Decrease) %
	2022 US\$	2021 US\$		2022 US\$	2021 US\$	
<b>Continuing operations</b>						
Profit attributable to owners of the Company (US\$)	438,276	(2,517,986)	(117.4)	442,609	(2,242,716)	(119.7)
Weighted average number of shares <sup>(1)</sup>	83,179,330	82,674,915	0.6	82,953,678	82,487,886	0.6
Earnings per share – basic and diluted (US cents)	0.53	(3.05)	(106.0)	0.53	(2.72)	(119.6)
<b>Discontinued operations</b>						
Profit attributable to owners of the Company (US\$)	(278,306)	(151,096)	84.2	(278,306)	(151,096)	84.2
Weighted average number of shares <sup>(1)</sup>	83,179,330	82,674,915	0.6	82,953,678	82,487,886	0.6
Earnings per share – basic and diluted (US cents)	(0.33)	(0.18)	83.1	(0.34)	(0.18)	83.2

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.

**Notes:**

<sup>(1)</sup> The weighted average number of shares in issue for the six months ended 31 December 2022 was computed based on 83,179,330 ordinary shares adjusted for issuance of 504,415 shares pursuant to the exercise of Performance Share Plan on 13 June 2022 and 20 June 2022.

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

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	
	31 Dec 2022 US\$	31 Dec 2021 US\$	31 Dec 2022 US\$	31 Dec 2021 US\$
Net asset value	5,317,694	5,062,877	9,150,924	8,320,665
Number of ordinary shares issue	83,179,330	82,674,915	83,179,330	82,674,915
Net asset value per share based on existing issued share capital as at the end of the respective year (US\$ cents)	6.39	6.12	11.00	10.06

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:**

**2H 2022 VS 2H 2021**

Revenue increased by 36.2% or US\$2.03 million to US\$7.66 million in 2H 2022, mainly due to the Group meeting higher demand from customers which increased our revenue in Q4 2022.

Cost of sales increased only by 8.0% or US\$0.42 million in 2H 2022, as compared to the significant increase in sales, due to lower provision against stocks and decrease of shipping costs.

Gross profit margin was 25.7% for 2H 2022, significantly increased when compared to 6.3% in the same period last year, mainly due to the lower provision against stocks. Before the provision, the Gross profit margin was 28.6%. The other main cause of the increase was lower shipping costs.

Other income decreased by US\$0.47 million in 2H 2022, mainly due to non repeat of the exceptional income for 2H 2021 (recovery of US\$0.35 million in legal costs, the forgiveness of US\$0.07 million second draw advances to ensure employment during Covid-19 crisis under the PPP ("Paycheck Protection Program") by the US Government, which was no longer repeated after 31 May 2021).

Selling and distribution expenses increased by US\$0.13 million in 2H 2022, mainly due to higher freight expenses as a result of increased sales.

Administrative expenses decreased by US\$0.86 million in 2H 2022 mainly due to decrease in impairment loss for intangible assets.

Finance costs increased by US\$0.01 million mainly due to an increase in bank borrowings which was subsequently repaid in Q4 2022.

As a result of the reasons aforementioned, the Group recorded a loss before tax of US\$0.14 million in 2H 2022, as compared to a loss before tax of US\$1.99 million in 2H 2021.

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

**2H 2022 VS 2H 2021 (cont'd)**

The Group recorded income tax credit of US\$0.58 million for 2H 2022, which was mainly due to the reversal of deferred tax liabilities for our US subsidiary.

The Group reported a net profit attributable to owners of the Company of US\$0.16 million.

**FY 2022 VS FY 2021**

Revenue increased by 22.4% or US\$2.53 million to US\$13.82 million in FY2022, mainly due to the Group meeting demand for stand-alone product in 2H 2022, which increased our revenue in Q4 2022.

Cost of sales increased by 8.7% or US\$0.82 million due to increased revenue which was largely offset by lower provision against stocks and decrease of shipping costs.

Gross profit increased by 95.0% to US\$3.50 million in FY2022 from US\$1.80 million in FY2021. Gross profit margin, excluding a US\$0.22 million net provision against stock, increased to 26.9% in FY2022 from 20.6% in FY2021. (Including the stock provision, the gross margin of FY2022 was 25.3%.) This was mainly attributable to the impact of decrease in logistics costs.

Other income decreased by US\$0.56 million in FY2022, mainly due to the exceptional income in FY2021 from recovery of US\$0.35 million in legal costs and the forgiveness of US\$0.13 million advances to ensure employment during Covid-19 crisis under the PPP (“**Paycheck Protection Program**”) by the US Government, which was no longer repeated after 31 May 2021.

Selling and distribution expenses increased by 17.7% or US\$0.16 million, from US\$0.89 million in FY2021 to US\$1.05 million in FY2022, due mainly to the following:

- (i) an increase of US\$0.07 million in salaries and other staff benefits from increased USA sales staff headcount;
- (ii) an increase of US\$0.04 million in shipping costs as a result of increased sales;
- (iii) an increase of US\$0.03 million in travelling and accommodation expenses; and
- (iv) an increase of US\$0.02 million in advertising and trade show expenses.

Administrative expenses decreased by US\$0.60 million or 18.9% from US\$3.18 million in FY2021 to US\$2.58 million in FY2022 mainly due to the following:

- (i) a decrease of US\$0.99 million in impairment losses for intangible assets;
- (ii) a decrease of US\$0.31 million in professional fees;
- (iii) a decrease of US\$0.03 million in performance share plan expense;

which were partially offset by the following increases in expenses:

- a) an increase of US\$0.41 million in salaries and other staff benefits; and
- b) an increase of US\$0.34 million in settlement costs.

Finance costs increased in FY2022 due to US\$0.03 million interest incurred on a bank loan.

As a result of the reasons aforementioned, the Group recorded a loss before tax of US\$0.16 million in FY2022, as compared to a loss before tax of US\$1.72 million in FY2021.

The Group recorded income tax credit of US\$0.59 million for FY2022, which was mainly due to the reversal of deferred tax liabilities for our US subsidiary for FY2022.

The Group reported a net profit attributable to owners of the Company of US\$0.16 million for FY2022, as compared to a net loss of US\$2.39 million in FY2021.

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

**Review of the Group's statement of financial position:**

Property, plant and equipment as at 31 December 2022 increased by US\$0.10 million due to the renewal of leasehold buildings which was partially offset by depreciation charge of US\$0.08 million and write-off of property, plant and equipment of US\$0.02 million.

Intangible assets as at 31 December 2022 decreased by US\$0.36 million after allowing for impairment loss for product development costs of US\$0.51 million which included the product development costs of US\$0.15 million incurred during the financial period.

Current assets as at 31 December 2022 decreased by US\$0.03 million mainly due to the following:

- (i) an increase in inventory of US\$0.46 million as explained below in the review of the Group's statement of cash flows; and

which were offset by:

- a) a decrease in cash and bank balances of US\$0.39 million;
- b) a decrease in prepayments of US\$0.04 million; and
- c) a decrease in trade and other receivables of US\$0.06 million.

Non-current liabilities as at 31 December 2022 decreased by US\$0.43 million due to a decrease of deferred tax liabilities by US\$0.57 million, which was offset by increase of lease liabilities of US\$0.14 million.

Current liabilities as at 31 December 2022 decreased by 3.18% or US\$0.11 million mainly due to an increase of US\$0.39 million in trade and other payables which was partially offset by a decrease of US\$0.50 million in bank borrowings due to repayments during the financial period.

The Group had a positive working capital of US\$5.32 million as at 31 December 2022.

**Review of the Group's statement of cash flows**

- (i) Net cash from operating activities in FY2022 was US\$0.36 million, which comprised operating cash flows before working capital changes of US\$0.52 million, working capital outflow changes of US\$0.19 million and income tax refund of US\$0.03 million. Working capital outflow changes were due to an increase in inventories of US\$0.69 million, which were offset by a decrease in trade and other payables of US\$0.40 million and by a decrease in trade and other receivables of US\$0.10 million.
- (ii) Cash flow used in investing activities amounted to US\$0.15 million which was due to additions of product development costs of US\$0.15 million.
- (iii) The total cash flow from financing activities of US\$0.70 million was due to release of fixed deposit pledged to bank of US\$1.30 million, repayment of bank borrowings of US\$0.50 million, repayment of obligations under leases of US\$0.06 million, and interest paid of US\$0.30 million.

The above movements resulted in a net increase in cash and cash equivalents amounting to US\$0.91 million resulting in cash and cash equivalents of US\$2.53 million as at 31 December 2022.

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

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

	<b>Group</b>	
	<b>Full year ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
Fixed deposits	501,814	1,507,657
Cash and cash equivalents	2,234,663	1,623,451
Cash and cash equivalents at end of financial year	<u>2,736,477</u>	<u>1,651,724</u>
Fixed deposit pledged	<u>(207,260)</u>	<u>(1,507,657)</u>
Cash and cash equivalents on consolidated statement of cash flows	<u><u>2,529,217</u></u>	<u><u>1,623,451</u></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.

**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.**

In 2022, supply chains began to normalize after disruptions due to COVID the previous year. Various other supply chain problems remain but the trend has been one of general improvement. Costs for logistics continue to come down but components and labour costs have been increasing. Production at our contractor's Vietnam manufacturing facility for Tier 1 APS has been satisfactory.

We have to discontinue the launch of the thermostat product due to market conditions, competitive pricing for thermostats and other issues. Field trials are in progress for our Advanced Keyboard, Water Heater Controller and Dryer Saver.

In 2023, we expect field trials to conclude. Subject to positive results of these trials, we hope to launch new products into our utility channels by the second half of 2023. The financial contribution of these lines is not expected to be significant in 2023 and their impact on our future earnings will depend on the success of field trials and any product launch that follows.

Management has been directed to be focused on profitability and cash generation. We have ceased the heavy spend on product development. Further spend on new product development will not happen in the future unless we see full justification for an opportunity. This will, we consider, bring stability back into TrickleStar's results.

We are aware that there is potential for recession, political rivalries impacting business and continued high inflation rates in USA, our main market. However, the utilities' energy conservation programmes are long-term and should be maintained in the face of these problems. Supply chain issues that were evident at the start of 2022 have now been resolved for the most part, which allows for better planning of shipments and products being where they are needed at the right time. This is beneficial to our APS business.

The demand for our APS appears to remain good and we will be seeking to sell those products as a priority in 2023.

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

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

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

There is no final dividend to be declared for this 2H 2022.

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

NIL

**(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 2H 2022 in order to preserve the Group's working capital.

TrickleStar is driving a transformation to deliver growth for the long term and has changed its dividend policy. There is no assurance that dividends will be declared and/or paid or as to the timing of any dividends that are to be paid.

The Board of Directors will consider various factors in determining if it is appropriate to declare a dividend, including TrickleStar's earnings, financial condition and capital requirements.

This policy will be reviewed regularly to reflect the progress TrickleStar's transformation.

Any declaration and/or payment of dividends, must be in the best interests of TrickleStar and our Shareholders, and must be in compliance with all applicable laws and regulations.

The foregoing statements are merely statements of our Board's present intention and do not constitute a legally binding commitment by our Company in respect of the declaration and/or payment of dividends in the future. There is no assurance that dividends will be declared and/or paid in the future or as to the timing of any dividends that are to be paid in the future. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

Our dividend policy, and the declaration and/or payment of dividends in the future, are subject to our Directors' continuous review to ensure that our dividend policy, and any declaration and/or payment of dividends, would be in the best interests of our Company and our Shareholders, and are in compliance with all applicable laws and regulations. Our Directors reserve the right in their sole and absolute discretion to update, amend, modify and/or cancel our dividend policy at any time.

**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 of S\$100,000 and above entered into during FY2022.

- 14. 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).

- 15. Additional disclosures required pursuant to Rule 706A**

During FY2022, 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. However, on December 2022, the Group began a process to deregister its 100%-owned subsidiary, TrickleStar Limited (Hong Kong). The deregistration is expected to be completed in 2023.

- 16. Segmented revenue and results for operating 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.**

Refer to Note 20 of the Notes to Financial Statement.

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Not material changes in contributions to turnover and earnings by the operating segments.

- 18. A breakdown of sales as follows:**

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>Year ended 31 Dec 2022 US\$</b>	<b>2021 US\$</b>	
<b>First half</b>			
Sales reported for first half year	6,160,817	5,663,851	8.8
Operating profit after tax reported for first half year	4,333	275,270	(98.4)
<b>Second half</b>			
Sales reported for second half year	7,659,285	5,624,295	36.2
Operating profit/(loss) after tax reported for second half year	159,970	(2,669,082)	(106.0)

The decrease in operating profit after tax reported for 1H FY2022 was mainly due to decrease in other income from Paycheck Protection Program implemented by the US Government in 1H 2021 and higher administrative expenses in 2H 2022 as a result of higher headcount for administrative and operations team.

The increase in operating profit after tax reported for 2H FY2022 was mainly due to the directive to concentrate on sales of APS, lower impairment of intangible assets, lower provision for stocks and tax credit arising from deferred tax.

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

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

	<b>Group</b>	
	<b>Year ended 31 Dec</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<b>Total Annual Dividend</b>		
Ordinary	-	122,539
Preference	-	-
	-	122,539

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704 (10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in TrickleStar Limited or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**Gunananthan Nithyanantham**

Executive Director, Chief Operating Officer and Acting Chief Executive Officer

27 February 2023

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate FinancePte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange SecuritiesTrading 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.*