



TREK 2000 INTERNATIONAL LTD (Registration Number 199905744N)

Second Quarter and Half Yearly Financial Statements Announcement for the period ended 30 June 2021

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

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

Unaudited Results for the Second Quarter and First Half Ended 30 June 2021

	Note	Second Quarter			First Half		
		2021	2020	Increase/ (Decrease)	2021	2020	Increase/ (Decrease)
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue		12,600	1,661	658.6	20,653	10,197	102.5
Cost of sales		(11,761)	(1,644)	615.4	(19,103)	(9,227)	107.0
Gross profit		839	17	4,835.3	1,550	970	59.8
Other items of income:							
Interest income		83	173	(52.0)	191	392	(51.3)
Other income		507	726	(30.2)	962	164	486.6
Other items of expense:							
Research and development		(394)	(175)	125.1	(615)	(357)	72.3
Marketing and distribution		(599)	(307)	95.1	(1,013)	(672)	50.7
General administration		(274)	(410)	(33.2)	(542)	(795)	(31.8)
Finance expenses		(5)	(3)	66.7	(8)	(6)	33.3
Other expenses		-	(73)	(100.0)	-	(841)	(100.0)
Profit/(loss) before income tax	6	157	(52)	N.M.	525	(1,145)	N.M.
Income tax expense	7	-	90	(100.0)	-	90	(100.0)
Profit/(loss) for the period		157	38	313.2	525	(1,055)	N.M.
Other comprehensive income							
<u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u>							
Foreign currency translation differences		(34)	51	N.M.	(67)	17	N.M.
<u>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</u>							
Fair value changes on debt investments at FVOCI		(121)	389	N.M.	(315)	240	N.M.
Total other comprehensive income for the period, net of tax		(155)	440	N.M.	(382)	257	N.M.
Total comprehensive income/(loss) for the period		2	478	(99.6)	143	(798)	N.M.
Profit/(loss) for the period attributable to:							
Owners of the Company		153	34	350.0	504	(1,086)	N.M.
Non-controlling interests		4	4	-	21	31	(32.3)
		157	38	313.2	525	(1,055)	N.M.

PS: N.M. – Not Meaningful

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

Unaudited Results for the Second Quarter and First Half Ended 30 June 2021 (cont'd)

Note	Second Quarter			First Half		
	2021	2020	Increase/ (Decrease)	2021	2020	Increase/ (Decrease)
	US\$'00	US\$'000	%	US\$'000	US\$'000	%
	0					
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(2)	474	N.M.	122	(829)	N.M.
Non-controlling interests	4	4	-	21	31	(32.3)
	<u>2</u>	<u>478</u>	(99.6)	<u>143</u>	<u>(798)</u>	N.M.
Earnings per share attributable to owners of the Company (expressed in USD cents per share):						
– Basic	<u>0.05</u>	<u>0.01</u>	400.0	<u>0.16</u>	<u>(0.34)</u>	N.M.
– Diluted	<u>0.05</u>	<u>0.01</u>	400.0	<u>0.16</u>	<u>(0.34)</u>	N.M.

PS: N.M. – Not Meaningful

B. Condensed Interim Consolidated Statement of Financial Position

	Note	Group		Company	
		30 Jun 2021 US\$'000	31 Dec 2020 US\$'000	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
Non-current assets					
Property, plant and equipment	12	1,290	1,332	–	–
Right-of-use assets		305	269	–	–
Intangible assets	11	252	255	48	56
Investment in subsidiaries		–	–	1,583	1,583
Investment in associates		–	–	5	5
Quoted investments	10	–	6,012	–	6,012
Unquoted investments	10	1,450	1,450	1,450	1,450
Loan receivable		1,486	–	1,486	–
		4,783	9,318	4,572	9,106
Current assets					
Inventories		1,352	1,488	–	–
Trade and other receivables		8,159	3,439	300	51
Prepayments		14	14	–	2
Quoted investments held for trading	10	30,479	22,623	30,479	22,623
Unquoted investments held for trading	10	655	662	655	662
Short term deposits		795	4,975	–	375
Cash at banks and on hand		3,769	2,969	1,693	929
		45,223	36,170	33,127	24,642
Total assets		50,006	45,488	37,699	33,748
Current liabilities					
Bank loan	14	1,600	–	1,600	–
Trade payables and accruals		3,873	986	4,229	2,028
Other payables		2,294	2,252	124	222
Lease liabilities		56	113	–	–
Income tax payable		1,544	1,453	–	–
		9,367	4,804	5,953	2,250
Net current assets		35,856	31,366	27,174	22,392
Non-current liabilities					
Lease liabilities		190	128	–	–
Deferred taxation		87	87	–	–
		277	215	–	–
Total liabilities		9,644	5,019	5,953	2,250
Net assets		40,362	40,469	31,746	31,498
Equity attributable to the owners of the Company					
Share capital	15	37,829	37,829	37,829	37,829
Treasury shares		(982)	(732)	(982)	(732)
Revenue reserve		586	82	(3,261)	(4,074)
Capital reserve		2,717	2,717	–	–
Asset revaluation reserve		1,264	1,264	–	–
Translation reserve		(44)	23	–	–
Other reserves		(1,928)	(1,613)	(1,840)	(1,525)
		39,442	39,570	31,746	31,498
Non-controlling interests		920	899	–	–
Total equity		40,362	40,469	31,746	31,498
Total equity and liabilities		50,006	45,488	37,699	33,748

C. Condensed Interim Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							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			Total 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
Share options lapsed	–	–	14	–	–	–	(14)	–	–	–
Total comprehensive income for the period	–	–	(1,120)	–	–	(34)	(149)	(1,303)	27	(1,276)
Balance as at 31 March 2020	37,829	(507)	230	2,717	1,056	76	(1,908)	39,493	889	40,382
Total comprehensive income for the period	–	–	34	–	–	51	389	474	4	478
Balance as at 30 June 2020	37,829	(507)	264	2,717	1,056	127	(1,519)	39,967	893	40,860
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
Purchase of treasury shares	–	(159)	–	–	–	–	–	(159)	–	(159)
Total comprehensive income for the period	–	–	153	–	–	(34)	(121)	(2)	4	2
Balance as at 30 June 2021	37,829	(982)	586	2,717	1,264	(44)	(1,928)	39,442	920	40,362

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

	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	Total Equity US\$'000
THE COMPANY								
Balance as at 1 January 2020	37,829	(507)	(5,066)	-	-	-	(1,656)	30,600
Share options lapsed	-	-	14	-	-	-	(14)	-
Total comprehensive income for the period	-	-	(1,229)	-	-	-	(148)	(1,377)
Balance as at 31 March 2020	37,829	(507)	(6,281)	-	-	-	(1,818)	29,223
Total comprehensive income for the period	-	-	435	-	-	-	388	823
Balance as at 30 June 2020	37,829	(507)	(5,846)	-	-	-	(1,430)	30,046
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
Purchase of treasury shares	-	(159)	-	-	-	-	-	(159)
Total comprehensive income for the period	-	-	428	-	-	-	(121)	307
Balance as at 30 June 2021	37,829	(982)	(3,261)	-	-	-	(1,840)	31,746

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	2QFY2021 US\$'000	2QFY2020 US\$'000	1HFY2021 US\$'000	1HFY2020 US\$'000
Cash flow from operating activities:					
Profit/(loss) before income tax		157	(51)	525	(1,145)
Adjustments for:					
Amortisation of intangible assets		13	10	23	22
Depreciation of property, plant and equipment		44	76	87	153
Depreciation of right-of-use assets		38	–	72	–
Gain on disposal of quoted investments	6	(391)	–	(818)	–
(Gain)/loss on fair value changes of financial assets at FVTPL		(50)	(596)	17	747
(Reversal)/allowance for stock obsolescence	6	(166)	114	(249)	282
Reversal for diminution in value of inventory	6	–	–	(11)	–
Allowance for doubtful debts		–	–	200	–
Interest income	6	(83)	(173)	(191)	(392)
Interest expense	6	5	2	8	6
Dividend income		(20)	–	(20)	–
Unrealised foreign exchange (gain)/loss		(27)	51	(69)	14
Operating loss before changes in working capital		(480)	(567)	(426)	(313)
(Increase)/decrease in trade and other receivables and prepayments		(6,082)	829	(4,921)	840
Decrease/(increase) in inventories		87	592	396	(3,168)
Increase/(decrease) in trade and other payables		1,256	(4,163)	2,931	(4,412)
Cash used in operating activities		(5,219)	(3,309)	(2,020)	(7,053)
Income tax (paid)/refunded		(31)	92	91	–
Interest received		–	10	–	54
Interest paid		(1)	–	(1)	–
Net cash used in operating activities		(5,251)	(3,207)	(1,930)	(6,999)
Cash flow from investing activities					
Proceeds from disposal of quoted investments		6,141	–	11,900	–
Purchase of property, plant and equipment		(12)	–	(44)	(1)
Purchase of right-of-use assets		(38)	–	(38)	–
Purchase of quoted investments		(50)	(3,119)	(13,251)	(3,221)
Loan to external parties		(1,486)	–	(1,486)	–
Payment for patent and trademark registration expenses		–	(18)	(2)	(27)
Payment for development expenditures		–	(11)	(18)	(21)
Dividend income from investments		20	–	20	–
Interest income from investments		83	163	191	338
Net cash generated from/(used in) investing activities		4,658	(2,985)	(2,728)	(2,932)
Cash flow from financing activities					
Fixed deposit pledged		(295)	–	(295)	–
Interest paid for lease liabilities		(3)	(3)	(7)	(6)
Payment for lease liabilities		(34)	(36)	(65)	(72)
Purchase of treasury shares		(159)	–	(250)	–
Proceeds from bank loan		1,600	–	1,600	–
Net cash generated from/(used in) financing activities		1,109	(39)	983	(78)
Net increase/(decrease) in cash and cash equivalents		516	(6,231)	(3,675)	(10,009)
Cash and cash equivalents at beginning of period		3,253	12,900	7,444	16,678
Cash and cash equivalents at end of period		3,769	6,669	3,769	6,669

D. Condensed Interim Consolidated Statement of Cash Flows (cont'd)

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

	30 June 2021 US\$'000	30 June 2020 US\$'000
Cash at banks and on hand	3,769	1,220
Short-term deposits	795	5,449
Fixed-deposit pledged	(795)	—
	<u>3,769</u>	<u>6,669</u>

E. Notes to the Condensed Interim Consolidated Financial Statement

1. Corporate Information

Trek 2000 International Ltd is incorporated and domiciled in Singapore and whose shares are publicly traded on the Singapore Exchange. These condensed interim consolidated financial statements as at and, for the second quarter and first half year period ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of an investment holding company and the ownership of a portfolio of intellectual property.

The principal activities of the Group are:

- (a) Research, design, development and dealing in computer hardware, software, electronic components and other related products.
- (b) Marketing and distribution of computer peripherals and electronic components.
- (c) Development and marketing of web portal services, including social networking sites.

2. Basis of Preparation

The condensed interim financial statements for the second quarter and first half year period ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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 as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollar, which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The amendments to the Standards are as follows:

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.

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

2. Basis of Preparation (cont'd)

2.1 New and amended standards adopted by the Group (cont'd)

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

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.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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 year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 10 – Classification of investments

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

- Note 10 – Valuation of unquoted investments

3. Seasonal operations

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

4. Segment information

The Group is organized into the following business segments:

- Customised solutions
- Interactive consumer solutions

These operating segments are reported in a manner consistent with internal reporting provided to the management committee whose members are responsible for allocating resources and assessing performance of the operating segments.

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

4. Segment information (cont'd)

4.1 Reportable segments

	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
1 April 2021 to 30 June 2021				
Total segment revenue	5,453	7,147	–	12,600
Inter-segment revenue	–	–	–	–
Revenue from external parties	5,453	7,147	–	12,600
Dividend income	–	–	20	20
Interest income	–	–	83	83
Miscellaneous income	21	25	441	487
Total other income	21	25	544	590
Total revenue and other income	5,474	7,172	544	13,190
Depreciation	(35)	(47)	–	(82)
Finance expense	(2)	(3)	–	(5)
Segment (loss)/profit	(167)	(220)	544	157
Unallocated expenses				–
Share of profit of associated company				–
Profit before taxation				157
Taxation				–
Earnings for the interim period				157
Segment assets	5,705	10,231	34,070	50,006
Deferred income tax assets				–
Total assets				50,006
Expenditures for segment non-current assets				
- Additions to PPE	5	7	–	12
	5	7	–	12
Segment liabilities	2,297	4,116	1,600	8,013
Current income tax liabilities				1,544
Deferred income tax liabilities				87
Total liabilities				9,644

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

4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
1 April 2020 to 30 June 2020				
Total segment revenue	185	1,476	–	1,661
Inter-segment revenue	–	–	–	–
Revenue from external parties	185	1,476	–	1,661
Dividend income	–	–	–	–
Interest income	–	–	173	173
Miscellaneous income	14	116	596	726
Total other income	14	116	769	899
Total revenue and other income	199	1,592	769	2,560
Depreciation	(8)	(68)	–	(76)
Finance expense	–	(3)	–	(3)
Miscellaneous expenses	(8)	(65)	–	(73)
Segment (loss)/profit	(91)	(729)	769	(51)
Unallocated expenses				–
Share of profit of associated company				–
Profit before taxation				(51)
Taxation				90
Earnings for the interim period				39
Segment assets	887	15,125	28,898	44,910
Deferred income tax assets				–
Total assets				44,910
Expenditures for segment non-current assets				
- Additions to PPE	–	1	–	1
	–	1	–	1
Segment liabilities	141	2,411	–	2,552
Current income tax liabilities				1,453
Deferred income tax liabilities				44
Total liabilities				4,049

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

4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
1 January 2021 to 30 June 2021				
Total segment revenue	7,393	13,260	–	20,653
Inter-segment revenue	–	–	–	–
Revenue from external parties	7,393	13,260	–	20,653
Dividend income	–	–	20	20
Interest income	–	–	191	191
Miscellaneous income	51	90	801	942
Total other income	51	90	1,012	1,153
Total revenue and other income	7,444	13,350	1,012	21,806
Depreciation	(57)	(102)	–	(159)
Finance expense	(3)	(5)	–	(8)
Segment (loss)/profit	(174)	(313)	1,012	525
Unallocated expenses				–
Share of profit of associated company				–
Profit before taxation				525
Taxation				–
Earnings for the interim period				525
Segment assets	5,705	10,231	34,070	50,006
Deferred income tax assets				–
Total assets				50,006
Expenditures for segment non-current assets				
- Additions to PPE	16	28	–	44
	16	28	–	44
Segment liabilities	2,297	4,116	1,600	8,013
Current income tax liabilities				1,544
Deferred income tax liabilities				87
Total liabilities				9,644

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

4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
<u>1 January 2020 to 30 June 2020</u>				
Total segment revenue	565	9,632	–	10,197
Inter-segment revenue	–	–	–	–
Revenue from external parties	565	9,632	–	10,197
Dividend income	–	–	–	–
Interest income	–	–	392	392
Miscellaneous income	9	155	–	164
Total other income	9	155	392	556
Total revenue and other income	574	9,787	392	10,753
Depreciation	(8)	(145)	–	(153)
Finance expense	(1)	(5)	–	(6)
Miscellaneous expenses	(6)	(88)	(747)	(841)
Segment loss	(44)	(746)	(355)	(1,145)
Unallocated expenses				–
Share of profit of associated company				–
Profit before taxation				(1,145)
Taxation				90
Earnings for the interim period				(1,055)
Segment assets	887	15,125	28,898	44,910
Deferred income tax assets				–
Total assets				44,910
Expenditures for segment non-current assets				
- Additions to PPE	–	1	–	1
	–	1	–	1
Segment liabilities	141	2,411	–	2,552
Current income tax liabilities				1,453
Deferred income tax liabilities				44
Total liabilities				4,049

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

4. Segment information (cont'd)

4.2 Disaggregation of Revenue

The Group				
3 months ended 30 June 2021				
	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>				
Sale of goods	5,453	7,147	–	12,600
Rendering of services	–	–	–	–
Rental income	–	–	–	–
Total revenue	5,453	7,147	–	12,600
<u>Timing of revenue recognition:</u>				
At a point in time	5,453	7,147	–	12,600
Overtime	–	–	–	–
Total revenue	5,453	7,147	–	12,600
<u>Geographical Information:</u>				
China/Hong Kong	2,409	5,076	–	7,485
Taiwan	–	1,551	–	1,551
Singapore	2,848	140	–	2,988
India	194	2	–	196
Malaysia	2	149	–	151
Indonesia	–	36	–	36
Thailand	–	193	–	193
Philippines	–	–	–	–
Others	–	–	–	–
Total revenue	5,453	7,147	–	12,600

The Group				
3 months ended 30 June 2020				
	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>				
Sale of goods	185	1,476	–	1,661
Rendering of services	–	–	–	–
Rental income	–	–	–	–
Total revenue	185	1,476	–	1,661
<u>Timing of revenue recognition:</u>				
At a point in time	185	1,476	–	1,661
Overtime	–	–	–	–
Total revenue	185	1,476	–	1,661
<u>Geographical Information:</u>				
China/Hong Kong	66	795	–	861
Taiwan	–	244	–	244
Singapore	25	97	–	122
India	94	29	–	123
Malaysia	–	123	–	123
Indonesia	–	117	–	117
Thailand	–	30	–	30
Philippines	–	14	–	14
Others	–	27	–	27
Total revenue	185	1,476	–	1,661

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

4. Segment information (cont'd)

4.2. Disaggregation of Revenue (cont'd)

The Group				
6 months ended 30 June 2021				
	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>				
Sale of goods	7,393	13,260	–	20,653
Rendering of services	–	–	–	–
Rental income	–	–	–	–
Total revenue	7,393	13,260	–	20,653
<u>Timing of revenue recognition:</u>				
At a point in time	7,393	13,260	–	20,653
Overtime	–	–	–	–
Total revenue	7,393	13,260	–	20,653
<u>Geographical Information:</u>				
China/Hong Kong	4,110	9,234	–	13,344
Taiwan	–	3,028	–	3,028
Singapore	2,901	199	–	3,100
India	380	15	–	395
Malaysia	2	319	–	321
Indonesia	–	157	–	157
Thailand	–	295	–	295
Philippines	–	12	–	12
Others	–	1	–	1
Total revenue	7,393	13,260	–	20,653

The Group				
6 months ended 30 June 2020				
	Customised Solutions	Interactive Consumer Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>				
Sale of goods	565	9,632	–	10,197
Rendering of services	–	–	–	–
Rental income	–	–	–	–
Total revenue	565	9,632	–	10,197
<u>Timing of revenue recognition:</u>				
At a point in time	565	9,632	–	10,197
Overtime	–	–	–	–
Total revenue	565	9,632	–	10,197
<u>Geographical Information:</u>				
China/Hong Kong	66	6,124	–	6,190
Taiwan	–	2,324	–	2,324
Singapore	117	346	–	463
India	376	91	–	467
Malaysia	5	291	–	296
Indonesia	–	234	–	234
Thailand	–	140	–	140
Philippines	–	53	–	53
Others	1	29	–	30
Total revenue	565	9,632	–	10,197

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets held by the Group as at 30 June 2021 and 31 December 2020:

	The Group		The Company	
	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	475	6,487	475	6,487
Financial assets at fair value through profit and loss account (FVTPL)	32,109	24,260	32,109	24,260
Cash and bank balances and trade and other receivables (amortised cost)	13,838	11,257	3,479	1,355
Total Financial Assets	46,422	42,004	36,063	32,102
Financial Liabilities				
Trade and other payables and borrowings (amortised cost)	6,963	2,321	5,953	2,250
Total Financial Liabilities	6,963	2,321	5,953	2,250

6. Profit before taxation

6.1 Significant Items

	Second Quarter			First Half		
	2021 US\$'000	2020 US\$'000	Increase/ (Decrease) %	2021 US\$'000	2020 US\$'000	Increase/ (Decrease) %
Income						
Interest income from:						
– Short-term deposits	-	10	(100.0)	-	54	(100.0)
– Quoted investments	65	163	(60.1)	173	338	(48.8)
– Loan receivables	18	-	N.M.	18	-	N.M.
Dividend income from quoted investment	20	-	N.M.	20	-	N.M.
Gain on disposal of quoted investments (net)	391	-	N.M.	818	-	N.M.
Gain/(loss) on fair value changes of financial assets designated as FVTPL (net)	50	596	(91.6)	(17)	(747)	(97.7)
Net foreign exchange gain/(loss) (net)	10	(73)	N.M.	54	(92)	N.M.
Expenses						
Depreciation of property, plant and equipment	(44)	(76)	(42.1)	(87)	(153)	(43.1)
Depreciation of right-of-use assets	(38)	-	N.M.	(72)	-	N.M.
Amortisation of intangible assets	(13)	(10)	30.0	(24)	(22)	9.1
Reversal/(allowance) for stock obsolescence (net)	166	(114)	N.M.	249	(282)	N.M.
Reversal of diminution in value of inventory (net)	-	-	-	11	-	N.M.
Allowance for doubtful debts (net)	-	-	-	(200)	-	N.M.
Interest expense	(5)	(2)	150.0	(8)	(6)	33.3

PS: N.M. – Not Meaningful

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

6. Profit before taxation (cont'd)

6.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Second Quarter		First Half	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Current income tax expense	–	91	–	91
Deferred income tax expense relating to origination and reversal of temporary differences	–	(1)	–	(1)
Total	–	90	–	90

8. Dividends

Ordinary dividends paid:
Interim exempt 2021 dividends

Dividend per share (net of tax)

The Group	
1HFY2021 US\$'000	1HFY2020 US\$'000
–	–
–	–

9. Net Asset Value

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Number of ordinary shares (in '000)	313,228	316,002	313,228	316,002
(Amount in USD cents)				
Net asset value per ordinary share based on issued share capital at the end of the period	12.59	12.52	10.13	9.97

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

10. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

	The Group	
	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
<u>Quoted Debt Investment</u>		
Credit Suisse (LUX) Fixed Maturity Bond Fund	–	2,291
Astrea V Pte Ltd Bond	–	3,721
<u>Unquoted Equity Investment</u>		
Terrenus Energy Pte Ltd	475	475
Total	475	6,487

In 1HFY2021, the Group disposed the 2 quoted debt investments which had a fair value of approximately US\$6.01 million at the date of disposal, with cumulative gain on disposal of US\$356,000 reclassified from fair value reserve to retained profits. No investment was disposed in 1HFY2020.

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

10 Financial assets at fair value through other comprehensive income (cont'd)

10.1 Fair value measurement

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

The following table presented the assets and liabilities measured at fair value:

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Group – 30 June 2021				
Financial assets				
FVTPL Investments (Quoted Investments)	21,110	9,369	-	30,479
FVTPL Investments (Unquoted Investments)	-	-	1,630	1,630
FVOCI Investments (Unquoted Investments)	-	-	475	475
Total Financial assets	21,110	9,369	2,105	32,584
Financial liabilities				
Short-term bank loan	-	-	1,600	1,600
Total Financial liabilities	-	-	1,600	1,600
Group – 31 December 2020				
Financial assets				
FVTPL Investments (Quoted Investments)	21,364	1,259	-	22,623
FVTPL Investments (Unquoted Investments)	-	-	1,637	1,637
FVOCI Investments (Quoted Investments)	6,012	-	-	6,012
FVOCI Investments (Unquoted Investments)	-	-	475	475
Total Financial assets	27,376	1,259	2,112	30,747
Financial liabilities				
	-	-	-	-

11. Intangible assets

	The Group			
	Patents US\$'000	Trademarks US\$'000	Development Costs US\$'000	Total US\$'000
As at 31 March 2021				
Cost	3,691	415	5,847	9,953
Accumulated amortisation and impairment	(3,635)	(410)	(5,636)	(9,681)
Net book value	56	5	211	272
Three (3) months ended 30 June 2021				
Opening net book amount	56	5	211	272
Additions	-	-	4	4
Acquisition of subsidiary	-	-	-	-
Written off	-	-	(11)	(11)
Amortisation charge	(6)	-	(7)	(13)
Closing net book value	50	5	197	252
As at 30 June 2021				
Cost	3,691	415	5,851	9,957
Accumulated amortisation and impairment	(3,641)	(410)	(5,654)	(9,705)
Net book value	50	5	197	252

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

11. Intangible assets (cont'd)

The Group				
	Patents US\$'000	Trademarks US\$'000	Development Costs US\$'000	Total US\$'000
As at 31 December 2020				
Cost	3,689	415	5,822	9,926
Accumulated amortisation and impairment	(3,632)	(410)	(5,629)	(9,671)
Net book value	57	5	193	255
Six (6) months ended 30 June 2021				
Opening net book amount	57	5	193	255
Additions	2	–	29	31
Acquisition of subsidiary	–	–	–	–
Impairment charge	–	–	(11)	(11)
Amortisation charge	(9)	–	(14)	(23)
Closing net book value	50	5	197	252
As at 30 June 2021				
Cost	3,691	415	5,851	9,957
Accumulated amortisation and impairment	(3,641)	(410)	(5,654)	(9,705)
Net book value	50	5	197	252

The Company			
	Patents US\$'000	Trademarks US\$'000	Total US\$'000
As at 31 March 2021			
Cost	3,145	358	3,503
Accumulated amortisation and impairment	(3,097)	(353)	(3,450)
Net book value	48	5	53
Three (3) months ended 30 June 2021			
Opening net book amount	48	5	53
Additions	–	–	–
Acquisition of subsidiary	–	–	–
Impairment charge	–	–	–
Amortisation charge	(5)	–	(5)
Closing net book value	43	5	48
As at 30 June 2021			
Cost	3,145	358	3,503
Accumulated amortisation and impairment	(3,102)	(353)	(3,455)
Net book value	43	5	48

The Company			
	Patents US\$'000	Trademarks US\$'000	Total US\$'000
As at 31 December 2020			
Cost	3,145	358	3,503
Accumulated amortisation and impairment	(3,094)	(353)	(3,447)
Net book value	51	5	56
Six (6) months ended 30 June 2021			
Opening net book amount	51	5	56
Additions	–	–	–
Acquisition of subsidiary	–	–	–
Impairment charge	–	–	–
Amortisation charge	(8)	–	(8)
Closing net book value	43	5	48
As at 30 June 2021			
Cost	3,145	358	3,503
Accumulated amortisation and impairment	(3,102)	(353)	(3,455)
Net book value	43	5	48

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

11. Intangible assets (cont'd)

11.1 Goodwill impairment

Not applicable

11.2 Patents and Trademarks

Patents and trademarks (e.g. "TREK", "Flucard" and "ThumbDrive") relate to costs of registering the invention and trademark, which are internal developments.

11.3 Development costs

During 1HFY2021, the Group wrote off development costs of US\$11,000 (1HFY2020: US\$ Nil).

12. Property, plant and equipment

In 1HFY2021, the Group acquired assets amounting to US\$44,000 (1HFY2020: US\$1,000). There was no assets disposed off in 1HFY2021 (1HFY2020: Nil).

13. Investment properties

Not applicable.

13.1 Valuation

Not applicable

14. Borrowings

Amount repayable within one (1) year or on demand

- Secured
- Unsecured

Total

Amount repayable after one (1) year

- Secured
- Unsecured

Total

The Group and the Company	
30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
1,600	-
-	-
1,600	-
-	-
-	-
-	-

The bank borrowings and credit facilities of the Group are secured over certain financial assets of the Group.

15. Share capital

	The Group and the Company			
	30 Jun 2021		31 Dec 2020	
	No. of shares	Amount US\$	No. of shares	Amount US\$
Ordinary shares issued and fully paid				
Balance as at interim period	324,116,925	37,828,941	324,116,925	37,828,941
Issue of ordinary shares by virtual of exercise of share options	-	-	-	-
End of financial period	324,116,925	37,828,941	324,116,925	37,828,941

The Company holds 10,889,000 treasury shares as at 30 June 2021 (31 December 2020: 8,114,700 treasury shares).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

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

16. Acquisition of subsidiary

Not applicable

17. Subsequent events

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

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Trek 2000 International Ltd and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second quarter and first half year period ended 30 June 2021, and explanatory notes and other information sections have not been audited or reviewed.

2. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications, disclaimer of opinion, adverse opinion or emphasis of matter (including material uncertainties on going concern)

Not applicable.

3. 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 2QFY2021, 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:

	Second Quarter Ended	
	FY2021	FY2020
Unexercised share options	<u>No. of share options</u>	<u>No. of share options</u>
Balance as at 1 January	3,700,000	3,790,000
Share options lapsed during the period	–	(90,000)
Balance as at 30 June	<u>3,700,000</u>	<u>3,700,000</u>

4. 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 30 June 2021, the share capital of the Company (excluding treasury shares) is as follows:

Ordinary shares issued and fully paid	<u>No. of shares</u>	<u>US\$</u>
Balance as at 1 January 2021	316,002,225	37,096,718
Movement in ordinary shares during the period	(2,774,300)	(250,385)
Balance as at 30 June 2021	<u>313,227,925</u>	<u>36,846,333</u>

OTHER INFORMATION (CONT'D)

5. 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, 2,774,300 shares (1HFY2020: Nil 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	2,774,300	250,385	2,774,300	250,385
Balance as at 30 June 2021	10,889,000	982,608	10,889,000	982,608

	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 30 June 2020	4,663,500	506,550	4,663,500	506,550

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	Second Quarter Ended		First Half Ended	
	FY2021	FY2020	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)	153	35	504	(1,086)
Weighted average number of ordinary shares for basic earnings per share computation (in '000)	313,648	321,340	314,552	321,340
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)	313,648	321,340	314,552	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)	0.05	0.01	0.16	(0.34)
(ii) Diluted earnings per share (in cents)	0.05	0.01	0.16	(0.34)

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.

OTHER INFORMATION (CONT'D)

7. Review of performance of the Group

In the first half of FY2021 ("1HFY2021"), the Group reported a half-year on half-year ("hoh") increase of 102.5% in revenue from US\$ 10.2 million for 1HFY2020 to US\$ 20.7 million for 1HFY2021. Gross profit increased by 59.8% from US\$ 970,000 in 1HFY2020 to US\$ 1.6 million in 1HFY2021, while net profit after tax attributable to owners of the Company in 1HFY2021 was US\$ 504,000 in contrast to the net loss after tax attributable to owners of US\$ 1.1 million in 1HFY2020.

In the second quarter of FY2021 ("2QFY2021"), the Group reported a 658.6% quarter on quarter ("qoq") increase in revenue from US\$ 1.7 million for 2QFY2020 to US\$ 12.6 million in 2QFY2021. Gross profit increased from US\$ 17,000 in 2QFY2020 to US\$ 839,000 in 2QFY2021. The Group reported a net profit after tax attributable to owners of the Company of US\$ 153,000 in 2QFY2021, an increase of US\$119,000 from the net profit after tax attribution to owners of the Company in 2QFY2020 (US\$ 34,000).

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

Revenue

The increase in revenue of 658.6% in 2QFY2021 was mainly due to the higher demand for the Group's solutions in 2QFY2021. The Group's Interactive Consumer Solution ("ICS") division continues to be a key revenue generator, accounting for 56.7% of the overall revenue in 2QFY2021. In view of the increased contribution from the Renewable Energy sector, the Company will be setting up a new business unit with effect from 1 July 2021.

Profitability

Gross profit margin increased from 1.0% to 6.7% qoq in 2QFY2021, and this was mainly attributed to the increased demand for our solutions in the industry.

Other Items of Income

- Interest income decreased by 52.0% qoq in 2QFY2021 as the funds in the fixed deposits were used to invest in quoted and unquoted investments of the company.
- Other income decreased from US\$ 726,000 in 2QFY2020 to US\$ 507,000 in 2QFY2021 mainly due to the lower gain from fair value of investments in 2QFY2021.

Expenses

The Group's total expenses amounted to US\$ 1.3 million in 2QFY2021 (2QFY2020: US\$ 968,000) representing an increase of 31.4% qoq. The factors contributing to the increase are as follow:

- Research and development expenses reported an increase of 125.1% qoq to US\$ 394,000 in 2QFY2021 (2QFY2020: US\$ 175,000). The increase was mainly due to the increase in staff costs and R&D related expenses as the R&D activities increased during this period.
- Marketing and distribution expenses increased by 95.1% qoq to US\$ 599,000 in 2QFY2021 (2QFY2020: US\$ 307,000). This was mainly due to the increase in advertising and marketing expenses in 2QFY2021.
- General administrative expenses decreased from US\$ 410,000 in 2QFY2020 to US\$ 274,000 in 2QFY2021. This was due mainly to the lower staff costs and professional fees incurred.
- Finance expenses increased from US\$ 3,000 in 2QFY2020 to US\$ 5,000 in 2QFY2021. This was due to the additional interest incurred for the bank loan.
- Other expenses was nil in 2QFY2021 as no foreign exchange loss was incurred in 2QFY2021 (2QFY2020: foreign exchange loss of USD 73,000).

Net profit after tax attributable to owners of the Company

As a result of the above, the Group reported a net profit attributable to owners of the Company of US\$ 153,000 in 2QFY2021 (2QFY2020: US\$ 34,000) and US\$ 504,000 in 1HFY2021 (1HFY2020: net loss of US\$ 1.1 million).

Other Financial Highlights

- **Property, plant and equipment** – The decrease in the Group's property, plant and equipment of US\$ 42,000 in 1HFY2021 was mainly due to depreciation of US\$ 87,000 incurred during the period. This was partly offset by investments in plant and equipment amounting to US\$ 44,000.

OTHER INFORMATION (CONT'D)

7. Review of performance of the Group (cont'd)

Other Financial Highlights (cont'd)

- **Right-of-use assets** – These assets comprised of lease commitments entered into by the Group. The leased assets in 1HFY2021 increased by US\$ 36,000 mainly due to the additional lease committed during this period. Additional leases incurred in 1HFY2021 amounted to US\$ 108,000 and this was partly offset by depreciation expenses amounting to US\$ 72,000.
- **Intangible assets** – The decrease in Group's intangible assets of US\$ 3,000 was mainly due to the costs amortised and written off amounting to US\$ 34,000 in 1HFY2021. This was partly offset by capitalisation of development costs and patent expenses amounting to US\$ 31,000.
- **Quoted investments** – The Group's investments of quoted investments in non-current asset and current assets increased by US\$ 1.9 million in 1HFY2021. In 1HFY2021, quoted investments of US\$ 6.0 million in non-current asset were fully disposed and the sales proceeds were re-invested as part of the new investments of US\$7.9 million of quoted investments in current assets. The total quoted investments as at 30 June 2021 amounted to US\$ 30.5 million (31 December 2020: total non-current and current asset amounted to US\$ 28.6 million).
- **Unquoted investments** – The Group's investment in unquoted investments decreased by US\$7,000 in 1HFY2021 mainly due to the loss on fair value of an unquoted fund. Total investments in unquoted investment as at 30 June 2021 were US\$ 2.1 million (31 December 2020: US\$ 2.1 million), comprising of US\$ 1.4 million (31 December 2020: US\$ 1.4 million) in non-current assets and US\$ 655,000 (31 December 2020: US\$ 662,000) in current assets for an unquoted fund that was held for trading.
- **Loan receivable** – The Group rendered a loan of US\$ 1.5 million to an external party for a project in 1HFY2021. The loan was for a period of 2 years with an interest rate of 6% p.a. The loan was fully secured by a corporate guarantee from the holding company of the borrower.
- **Inventories** – The Group's inventories amounted to US\$ 1.4 million as at 30 June 2021, a decrease of US\$ 136,000 from 31 December 2020 (US\$ 1.5 million). Inventory turnover days as at 30 June 2021 were 14 days (31 December 2020: 27 days).
- **Trade and other receivables** – The Group's trade and other receivables amounted to US\$ 8.2 million as at 30 June 2021 as compared to US\$ 3.4 million as at 31 December 2020. The higher trade receivable was mainly due to the higher credit sales in 1HFY2021. Trade receivable turnover days as at 30 June 2021 were 47 days (31 December 2020: 21 days).
- **Bank loan** – The Group utilised a bank loan of US\$ 1.6 million as at 30 June 2021 (31 December 2020: Nil) for its operations. The bank loan is renewable on monthly basis and secured on certain quoted investments managed by the Bank.
- **Trade payables and accruals** – The Group's trade payables and accruals amounted to US\$ 3.9 million as at 30 June 2021 as compared to US\$ 986,000 as at 31 December 2020. Higher credit purchases were made in 1HFY2021. Trade payable turnover days as at 30 June 2021 were 23 days (31 December 2020: 18 days).

Cashflow

The Group's cash and cash equivalent as at 30 June 2021 totalled US\$ 4.6 million, a decrease of US\$ 3.3 million from 31 December 2020 (US\$ 7.9 million). The decrease was mainly due to the cash outflow in investing activities of US\$ 2.7 million (mainly for quoted investments and loan receivable) and cash deficit from operating activities of US\$ 1.9 million in 1HFY2021. This was partly offset by cash surplus from financing activities of US\$ 983,000 (mainly from the proceeds of bank loan of US\$ 1.6 million) in 1HFY2021.

The cash outflow in operating activities of US\$ 1.9 million in 1HFY2021 arose mainly from the cash deficit from operations of US\$ 426,000 and investments in working capital of US\$ 1.6 million. This was partly offset by tax refund of US\$ 91,000 received in 1HFY2021.

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

Not Applicable.

OTHER INFORMATION (CONT'D)

9. 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 continues to affect the global business economy. Despite the development of vaccines and the rolling-out of vaccination programs by countries globally in recent months, infections globally continued to climb due mainly to new virus strains that were detected. Countries continue to implement lockdown measures and keep their borders closed to deal with the current outbreak. As such, we do not expect the business environment to improve and foresee the global supply chain in the semiconductor industry continues to be disrupted by these measures.

The Group foresees the industry to remain challenging in the next 12 months. During this 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 focus on Renewable Energy.

10. Dividend Information

(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.

11. 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.

12. Interested person transactions

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

13. In 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).

14. 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)).

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

OTHER INFORMATION (CONT'D)

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

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and first half year period ended 30 June 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 August 2021