



TRICKLESTAR LIMITED

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

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



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TRICKLESTAR LIMITED
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A. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 30-Jun-2022 (Unaudited) US\$	As at 31-Dec-2021 (Audited) US\$	As at 30-Jun-2022 (Unaudited) US\$	As at 31-Dec-2021 (Audited) US\$
Assets					
Non-current assets					
Property, plant and equipment	3	65,023	126,423	-	-
Intangible assets	4	490,114	358,007	-	-
Investment in subsidiaries	5	-	-	6,504,541	6,410,291
		<u>555,137</u>	<u>484,430</u>	<u>6,504,541</u>	<u>6,410,291</u>
Current assets					
Inventories	6	3,128,855	2,846,695	-	-
Trade and other receivables	7	3,312,097	2,642,887	191,813	289,794
Cash and bank balances	8	2,666,431	3,131,108	1,648,409	1,651,724
		<u>9,107,383</u>	<u>8,620,690</u>	<u>1,840,222</u>	<u>1,941,518</u>
Total assets		<u><u>9,662,520</u></u>	<u><u>9,105,120</u></u>	<u><u>8,344,763</u></u>	<u><u>8,351,809</u></u>
Equity and liabilities					
Capital and reserves					
Share capital	9	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		(46,269)	(37,467)	-	-
(Accumulated losses)/Retained earnings		(2,234,062)	(2,238,395)	779,916	870,550
		<u>5,152,658</u>	<u>5,062,877</u>	<u>8,324,281</u>	<u>8,320,665</u>
Non-current liabilities					
Deferred tax liabilities		575,748	575,595	-	-
		<u>575,748</u>	<u>575,595</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	10	2,918,889	2,903,172	20,482	31,144
Lease liabilities		10,024	57,175	-	-
Provision		5,201	5,201	-	-
Borrowings	11	1,000,000	500,000	-	-
Income tax liabilities		-	1,100	-	-
		<u>3,934,114</u>	<u>3,466,648</u>	<u>20,482</u>	<u>31,144</u>
Total liabilities		<u><u>4,509,862</u></u>	<u><u>4,042,243</u></u>	<u><u>20,482</u></u>	<u><u>31,144</u></u>
Total equity and liabilities		<u><u>9,662,520</u></u>	<u><u>9,105,120</u></u>	<u><u>8,344,763</u></u>	<u><u>8,351,809</u></u>

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

	Note	Group 30 Jun 2022 US\$	30 Jun 2021 US\$	Increase/ (Decrease) %
Revenue	12	6,160,817	5,663,851	8.77
Cost of sales		(4,624,966)	(4,219,663)	9.61
Gross profit		<u>1,535,851</u>	<u>1,444,188</u>	6.35
Other income	13	7,788	68,705	(88.66)
Selling and distribution expenses		(510,961)	(485,125)	5.33
Administrative expenses		(1,035,027)	(750,920)	37.83
Finance costs	14	(12,752)	(2,810)	353.81
(Loss)/Profit before tax	15	(15,101)	274,038	(105.51)
Income tax credit	16	19,434	1,232	N.M
Profit for the financial period		<u>4,333</u>	<u>275,270</u>	(98.43)
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations		(8,802)	(7,361)	19.58
Other comprehensive loss for the financial period, net of tax		(8,802)	(7,361)	19.58
Total comprehensive income for the financial period		<u>(4,469)</u>	<u>267,909</u>	(101.67)
Earnings per share attributable to owners of the Company (cents)				
Basic and diluted (cents)		<u>0.01</u>	<u>0.33</u>	(96.97)

N.M : Not Meaningful

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C. Condensed Interim Statements of Changes in Equity

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

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

Group	Share capital US\$	Merger reserve US\$	Share grant reserve US\$	Foreign currency translation reserve US\$	(Accumulated losses)/ 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
Profit for the period	-	-	-	-	275,270	275,270
<i>Other comprehensive income for the financial period</i>						
Exchange differences on translating foreign operations	-	-	-	(7,361)	-	(7,361)
Total comprehensive income for the financial period	-	-	-	(7,361)	275,270	267,909
Performance share plan expenses	-	-	122,361	-	-	122,361
Performance shares issued	122,361	-	(122,361)	-	-	-
Dividends	-	-	-	-	(370,117)	(370,117)
Total transactions with owners, recognised directly in equity	122,361	-	-	-	(370,117)	(247,756)
Balance as at 30 June 2021	7,427,199	(111,376)	21,003	19,585	553,226	7,909,637

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

Company	Share capital US\$	Share grant reserve US\$	Retained earnings US\$	Total equity US\$
Balance as at 1 January 2022	7,417,635	32,480	870,550	8,320,665
Loss for the period, representing total comprehensive income for the financial period	-	-	(90,634)	(90,634)
Performance share plan expenses	-	94,250	-	94,250
Performance shares issued	72,443	(72,443)	-	-
Total transactions with owners, recognised directly in equity	72,443	21,807	-	94,250
Balance as at 30 June 2022	<u>7,490,078</u>	<u>54,287</u>	<u>779,916</u>	<u>8,324,281</u>
Balance as at 1 January 2021	7,304,838	21,003	484,082	7,809,923
Profit for the period, representing total comprehensive income for the financial period	-	-	339,701	339,701
Performance share plan expenses	-	122,361	-	122,361
Performance shares issued	122,361	(122,361)	-	-
Dividends	-	-	(370,117)	(370,117)
Total transactions with owners, recognised directly in equity	122,361	-	(370,117)	(247,756)
Balance as at 30 June 2021	<u>7,427,199</u>	<u>21,003</u>	<u>453,666</u>	<u>7,901,868</u>

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D. Condensed Interim Consolidated Statement of Cash Flows

	Note	Group 30 Jun 2022 US\$	30 Jun 2021 US\$
Cash flows from operating activities			
(Loss)/Profit before tax		(15,101)	274,038
Adjustments for:			
Depreciation of property, plant and equipment		48,607	42,300
Loss on disposal of property, plant and equipment		1,311	-
Interest expenses	14	12,752	2,139
Interest income		(496)	(99)
Property, plant and equipment written off		2,292	-
Performance share plan expenses		94,250	122,361
Operating cash flows before working capital changes		143,615	440,739
Inventories		(282,160)	1,024,010
Trade and other receivables		(666,603)	93,068
Trade and other payables		13,662	(1,975,999)
Cash used in operations		(791,486)	(418,182)
Income tax refunded/(paid)		17,782	(3,410)
Net cash used in operating activities		(773,704)	(421,592)
Cash flows from investing activities			
Purchase of intangible assets		(132,107)	(396,357)
Purchase of plant and equipment		(3,106)	(31,514)
Proceeds from disposal of plant and equipment		929	-
Interest received		496	99
Net cash used in investing activities		(133,788)	(427,772)
Cash flows from financing activities			
Fixed deposit pledged		-	(1,500,000)
Dividend paid		-	(370,117)
Proceeds from borrowings		500,000	500,000
Interest paid		(12,752)	(2,139)
Repayment of lease liabilities		(37,893)	(28,124)
Net cash from/(used in) financing activities		449,355	(1,400,380)
Net change in cash and cash equivalents		(458,137)	(2,249,744)
Cash and cash equivalents at beginning of financial year		1,623,300	3,663,941
Effects of currency translation on cash and cash equivalents		(6,118)	(6,844)
Cash and cash equivalents at the end of financial period		1,159,045	1,407,353

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E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

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

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

2. Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months ended 30 June 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 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 financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

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

2.3 Functional and presentation currency

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

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

2.4 Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2021.

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 ending 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 is subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

2.7 Seasonal Operations

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



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

3. Property, plant and equipment

<u>Group</u>	<u>Computer</u> US\$	<u>Tools and</u> <u>equipment</u> US\$	<u>Furniture</u> <u>and fittings</u> US\$	<u>Office</u> <u>equipment</u> US\$	<u>Renovation</u> US\$	<u>Machinery</u> US\$	<u>Leasehold</u> <u>buildings</u> US\$	<u>Total</u> US\$
Cost								
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	3,106	-	-	-	-	-	-	3,106
Disposal	-	-	(1,758)	(1,747)	-	-	-	(3,505)
Written off	(5,049)	-	(5,008)	(1,419)	(22,062)	-	(29,160)	(62,698)
Currency re-alignment	(1,883)	(14)	(235)	(163)	(645)	-	-	(2,940)
At 30 June 2022	109,813	297,214	50,260	9,076	32,305	12,361	179,173	690,202
Accumulated depreciation								
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	6,260	23	3,942	973	1,760	1,236	34,413	48,607
Disposal	-	-	(915)	(350)	-	-	-	(1,265)
Written off	(5,010)	-	(3,643)	(868)	(22,054)	-	(19,494)	(51,069)
Currency re-alignment	(572)	(2)	(96)	(43)	(197)	-	-	(910)
At 30 June 2022	71,344	297,081	46,674	5,952	23,299	11,013	169,816	625,179
Net carrying amount								
At 31 December 2021	42,973	168	9,875	6,165	11,222	2,584	53,436	126,423
At 30 June 2022	38,469	133	3,586	3,124	9,006	1,348	9,357	65,023

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

4. Intangible assets

	Technical know-how US\$	Group Development cost US\$	Total US\$
Cost			
At 1 January 2022	242,871	1,974,233	2,217,104
Additions	-	132,107	132,107
At 30 June 2022	<u>242,871</u>	<u>2,106,340</u>	<u>2,349,211</u>
Accumulated amortisation			
At 1 January 2022 and 30 June 2022	242,869	-	242,869
Accumulated impairment loss			
At 1 January 2022 and 30 June 2022	-	1,616,228	1,616,228
Net carrying amount			
At 30 June 2022	<u>2</u>	<u>490,112</u>	<u>490,114</u>
Cost			
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>
Accumulated amortisation			
At 1 January 2021	242,869	-	242,869
Amortisation	-	-	-
At 31 December 2021	<u>242,869</u>	<u>-</u>	<u>242,869</u>
Accumulated impairment loss			
At 1 January 2021	-	119,500	119,500
Addition	-	1,496,728	1,496,728
At 31 December 2021	<u>-</u>	<u>1,616,228</u>	<u>1,616,228</u>
Net carrying amount			
At 31 December 2021	<u>2</u>	<u>358,005</u>	<u>358,007</u>

In the prior financial period, the Group carried out a review of the recoverable amount of its development costs taking into account a shortage of component parts in the development process resulting in extraordinarily long lead times, 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\$ 1,496,728 in capitalised product development cost.

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

5. Investment in subsidiaries

	Company	
	30-Jun-2022	31-Dec-2021
	US\$	US\$
Unquoted equity shares, at cost		
At beginning of financial year/period	6,410,291	6,286,017
Performance share plan	94,250	124,274
At end of financial year/period	<u>6,504,541</u>	<u>6,410,291</u>

6. Inventories

	Group	
	30-Jun-2022	31-Dec-2021
	US\$	US\$
Trading goods	2,441,848	949,964
Goods-in-transit	687,007	1,896,731
	<u>3,128,855</u>	<u>2,846,695</u>

In prior financial period, 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\$533,150 that had been included in cost of sales line item in the condensed interim consolidated statement of profit or loss and comprehensive income.

7. Trade and other receivables

	Group		Company	
	30-Jun-2022	31-Dec-2021	30-Jun-2022	31-Dec-2021
	US\$	US\$	US\$	US\$
Trade receivables				
– third parties	1,887,551	1,789,280	-	-
Less: Loss allowance	(2,301)	(2,301)	-	-
	<u>1,885,250</u>	<u>1,786,979</u>	-	-
Other receivables				
– third parties	2,516	2,516	-	-
– subsidiaries	-	-	190,186	289,794
Advance to suppliers	1,126,134	555,537	-	-
Prepayments	122,293	124,516	-	-
GST receivables, net	2,055	-	1,627	-
Income tax recoverable	3,128	2,576	-	-
Deposits	170,721	170,763	-	-
	<u>3,312,097</u>	<u>2,642,887</u>	<u>191,183</u>	<u>289,794</u>

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

7. Trade and other receivables (cont'd)

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

	Group	
	30-Jun-2022	31-Dec-2021
	US\$	US\$
At beginning of financial year/period	2,301	17,826
Reversal of loss allowance	-	(15,525)
At end of financial year/period	2,301	2,301

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

8. Cash and bank balances

	Group		Company	
	30-Jun-2022	31-Dec-2021	30-Jun-2022	31-Dec-2021
	US\$	US\$	US\$	US\$
Cash at banks	1,159,045	1,623,451	148,258	151,724
Fixed deposits	1,507,386	1,507,657	1,500,151	1,500,000
Cash and cash equivalents per statements of financial position	2,666,431	3,131,108	1,648,409	1,651,724
Fixed deposit pledged	(1,507,386)	(1,507,657)	(1,500,151)	(1,500,000)
Cash and cash equivalents per consolidated statement of cash flows	1,159,045	1,623,451	148,258	151,724

9. Share capital

	Group and Company			
	30-Jun-2022	31-Dec-2021	30-Jun-2022	31-Dec-2021
	Number of ordinary shares	Number of ordinary shares	US\$	US\$
Issued and paid-up capital				
Balance at beginning of financial year/period	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/period	83,179,330	82,674,915	7,490,078	7,417,635

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

10. Trade and other payables

	Group		Company	
	30-Jun-2022 US\$	31-Dec-2021 US\$	30-Jun-2022 US\$	31-Dec-2021 US\$
Trade payables				
– third parties	164,799	-	-	-
– corporate shareholder	2,223,244	2,404,073	-	-
	<u>2,388,043</u>	<u>2,404,073</u>	<u>-</u>	<u>-</u>
Other payables				
– third parties	295,978	42,915	174	4,631
Accrued operating expenses	234,868	456,184	20,308	26,513
	<u>2,918,889</u>	<u>2,903,172</u>	<u>20,482</u>	<u>31,144</u>

11. Borrowings

	Group	
	30-Jun-2022 US\$	31-Dec-2021 US\$
Short-term loan (secured)	<u>1,000,000</u>	<u>500,000</u>

The secured short-term loan bears interest at 3.5% (1H 2021: 3.5%) per annum and is repayable on demand.

Aggregate amount of the Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Jun-22		As at 31-Dec-21	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
1,000,000	-	500,000	-

Detail of any collateral

The short-term loan is secured by a corporate guarantee provided by the Company and requires the Company to maintain US\$1,500,000 deposit collateral in the bank.

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

12. Revenue

	Group		Increase/ (Decrease)
	30 Jun 2022	30 Jun 2021	%
	US\$	US\$	
Timing of revenue recognition: At a point in time			
Sale of goods	6,160,817	5,663,851	8.77

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

13. Other income

	Group		Increase/ (Decrease)
	30 Jun 2022	30 Jun 2021	%
	US\$	US\$	
Government grants	-	62,800	N.M
Foreign exchange gain, net	5,525	5,638	(2.00)
Interest income	345	99	248.48
Fixed deposit interest	151	168	(10.12)
Sales of scraps	1,767	-	N.M
	<u>7,788</u>	<u>68,705</u>	(88.66)

14. Finance costs

	Group		Increase/ (Decrease)
	30 Jun 2022	30 Jun 2021	%
	US\$	US\$	
Interest expense			
- lease liabilities	1,197	2,139	(44.04)
- borrowings	11,555	671	1,622.06
	<u>12,752</u>	<u>2,810</u>	353.81

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

15. Profit/(Loss) before tax

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

	Group		Increase/ (Decrease)
	30 Jun 2022	30 Jun 2021	%
	US\$	US\$	
Cost of sales			
Cost of inventories	4,592,697	4,207,074	9.17
Selling and distribution expenses			
Employee benefits expense			
– Salaries, bonuses and other staff benefits	264,403	233,138	13.41
– Contributions to defined contribution plan	18,944	17,182	10.25
Freight outwards	85,449	69,801	22.42
Inventories processing fees	28,960	44,675	(35.18)
Sales commission	46,712	80,788	(42.18)
Storage fees	7,175	18,210	(60.60)
Administrative expenses			
Audit fees			
– Auditor of the Company	36,125	38,006	(4.95)
Depreciation of property, plant and equipment	48,607	42,557	14.22
Employee benefits expense			
– Directors' fees	158,700	64,811	144.87
– Salaries, bonuses and other staff benefits	327,228	240,721	35.94
– Contributions to defined contribution plan	35,209	17,843	97.33
Performance share plan expenses	94,250	122,362	(22.97)
Professional fees	24,158	(44,482)	(154.31)
Research and testing	4,302	906	374.83

16. Income tax expense

	Group		Increase/ (Decrease)
	30 Jun 2022	30 Jun 2021	%
	US\$	US\$	
Current income tax			
- current financial period	1,550	456	239.91
- overprovision in respect of prior years	(20,984)	(1,688)	1,143.13
	(19,434)	(1,232)	1,477.44
Total income tax credit	(19,434)	(1,232)	1,477.44

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

17. Dividends

There is no interim dividend to be declared for the first half of FY2022.

18. Segment information

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

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

Geographical information

The following table presents the Group's revenue and non-current assets information for the financial periods ended 30 June 2022 and 30 June 2021:

	Group	Group	Increase/
	30 Jun 2022	30 Jun 2021	(Decrease)
	US\$	US\$	%
Total revenue			
United States of America	6,155,744	5,503,084	11.86
Canada	-	160,607	(100.00)
Others	5,073	160	3,070.63
	<u>6,160,817</u>	<u>5,663,851</u>	8.77
	Group	Group	Increase/
	30 Jun 2022	31 Dec 2021	(Decrease)
	US\$	US\$	%
Total non-current assets			
United States of America	525,263	441,925	(63.60)
Hong Kong	97	732	(97.73)
Others	29,777	41,773	(21.17)
	<u>555,137</u>	<u>484,430</u>	(62.62)

Major customers

Revenue of approximately 82% (1H 2021: 84%) are derived from 5 (1H 2021: 5) major customers.

19. Events after reporting period

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

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

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

Changes in share capital

	Number of shares			
	As at 30 June 2022		As at 30 June 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 ⁽¹⁾	504,415	72,443	426,661	122,361
Balance at the end of the financial period	83,179,330	7,490,078	82,674,915	7,417,635

Notes:

⁽¹⁾ The Company had, 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 30 June 2022 and 30 June 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 30 June 2022 was 83,179,330 (30 June 2021: 82,674,915). There were no treasury shares held by the Company as at 30 June 2022 and 31 December 2021.

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

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period ended 30 June 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 not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all the outstanding audit issue on the financial statements have been adequately disclosed.

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

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

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

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

Not applicable.

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

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

	Group		Increase/ (Decrease) %
	30 Jun 2022 US\$	30 Jun 2021 US\$	
Profit attributable to owners of the Company (US\$)	4,333	275,270	(98.43)
Weighted average number of shares ⁽¹⁾	82,717,137	82,295,926	0.51
Earnings per share – basic and diluted (US cents)	0.01	0.33	(96.97)

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

Notes:

⁽¹⁾ The weighted average number of shares in issue for the six months ended 30 June 2022 was computed based on 82,717,137 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.

- 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 Jun 2022 US\$	31 Dec 2021 US\$	30 Jun 2022 US\$	31 Dec 2021 US\$
Net asset value	5,152,658	5,062,877	8,324,281	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 period/year (US\$ cents)	6.19	6.12	10.01	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.**

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

Review of the Group's statement of comprehensive income:

1H 2022 VS 1H 2021

Revenue increased by 8.77% or US\$0.49 million to US\$6.16 million for the financial period ended 30 June 2022 ("1H 2022"), mainly due to slight improvements in demand as compared to 1H 2021, which was previously significantly impacted by the resurgence of the Alpha and Delta COVID variant in U.S.

Cost of sales increased by 9.61% or US\$0.40 million in 1H 2022, which is in line with the increase in revenue and increase in the input component costs and shipping costs.

Gross profit margin decreased slightly to 24.93% in 1H 2022 as compared to 25.49% in 1H 2021, mainly due to the increase in input component costs and shipping costs.

Other income decreased by 88.66% or US\$0.06 million due to the Paycheck Protection Program implemented by the US Government in 1H 2021, which was no longer repeated since 31 May 2021.

Selling and distribution expenses increased by US\$0.02 million in 1H 2022, mainly due to higher freight expenses as a result of increased sales.

Administrative expenses increased by US\$0.28 million due to the increase in headcount for the administrative and operations team and an increase in IT expenses.

Finance costs increased by US\$0.01 million mainly due to increase in bank borrowings.

As a result of the reasons aforementioned, the Group recorded a loss before tax of US\$15,101 in 1H 2022, as compared to a profit before tax of US\$0.27 million in 1H 2021.

The Group recorded income tax credit of US\$0.02 million for 1H 2022, which was mainly due to the overpayment of income tax for FY2021.

The Group reported a net profit attributable to the owners of the Company of US\$0.004 million.

Review of the Group's statement of financial position:

Property, plant and equipment as at 30 June 2022 decreased by US\$0.06 million from 31 December 2021, mainly due to a depreciation charge of US\$0.05 million and write-off of property, plant and equipment of US\$0.01 million.

Intangible assets as at 30 June 2022 increased by US\$0.13 million from 31 December 2021, due to additions of product development costs during the financial period.

Current assets as at 30 June 2022 increased by US\$0.48 million from 31 December 2021, mainly due to the following:

- (i) an increase in trade and other receivables of US\$0.67 million mainly for advances to suppliers of US\$0.57 million and increase in trade receivables of US\$0.09 million; and
- (ii) an increase in inventory of US\$0.28 million

which were partially offset by a decrease in cash and bank balances of US\$0.46 million.

Current liabilities as at 30 June 2022 increased by US\$0.46 million mainly due to an increase of US\$0.50 million in bank borrowing, which was partially offset by a decrease of US\$0.04 million in lease liabilities due to repayments during the financial period.

The Group has a positive working capital of US\$5.17 million as at 30 June 2022.

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

Review of the Group's statement of cash flows

- (i) Net cash used in operating activities in 1H 2022 was US\$0.77 million, which comprised operating cash flows before working capital changes of US\$0.14 million, working capital inflow changes of US\$0.79 million and income tax refund of US\$0.01 million. Working capital inflow changes were due to an increase in inventories of US\$0.28 million and increase in trade and other receivables of US\$0.67 million, which were offset by a decrease in trade and other payables of US\$0.01 million.
- (ii) Cash flows used in investing activities amounted to US\$0.13 million which was due to additions of product development costs of US\$0.13 million.
- (iii) The total cash flows from financing activities of US\$0.45 million was due to proceeds from bank borrowing of US\$0.50 million which were offset by repayment of lease liabilities of US\$0.04 million and interest paid of US\$0.01 million.

The above movements have resulted in a net decrease in cash and cash equivalent amounting to US\$0.46 million resulting in cash and cash equivalent of US\$1.16 million as at 30 June 2022.

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

	Group	
	30 Jun 2022	30 Jun 2021
Fixed deposits	1,507,386	1,507,681
Cash and cash equivalents	1,159,045	1,407,353
Cash and cash equivalents at end of financial period	2,666,431	2,915,034
Fixed deposit pledged	(1,507,386)	(1,507,681)
Cash and cash equivalents on consolidated statement of cash flows	<u>1,159,045</u>	<u>1,407,353</u>

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

No forecast or prospect statement was previously given to shareholders.

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

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Sales of the Group's traditional Advanced Power Strips ("APS") were stronger than expected in 1H 2022. Conversely, expected sales of new products have been substantially below expectations, mainly due to late completion of products, the impact of Covid on marketing activities and trade events, and the products having to be run through requisite approval processes of utilities in North America. However, the feedback and discussions with potential buyers remain positive. Supply chain pressures in the form of long lead times for some, but not all, components have eased somewhat, which has allowed the Group to maintain supplies of APS. Nevertheless, lead times for many components remain above traditional levels and some of the Group's manufacturing partners have requested prepayments whilst components are awaited to enable end-product goods to be manufactured, which has impacted the Group's working capital ratios.

As a result of the foregoing, the Group is maintaining a cautious approach to its finances and potential stock levels with overtrading and inflationary pressures in mind.

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

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

There is no interim dividend to be declared or recommended for 1H 2022.

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

Not applicable.

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

Nil.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been recommended for 1H 2022 in order to preserve the Group's working capital.

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

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

The Group has not obtained a general mandate from shareholders for interested person transactions. There were no interested person transactions entered into by the Group for 1H 2022 of S\$100,000 and above as required to be disclosed.

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

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group for the half year results ended 30 June 2022 to be false or misleading in any material respect.

Bernard Christopher Emby
Executive Chairman and Chief
Executive Officer

Gunananthan Nithyanantham
Executive Director and Chief
Operating Officer

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

During 1H 2022, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary or associated company.

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

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

BY ORDER OF THE BOARD

Bernard Christopher Emby
Executive Chairman and Chief Executive Officer
14 August 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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