

TRICKLESTAR LIMITED

(Company Registration No. 201837106C)

(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS RECEIVED FROM A SHAREHOLDER ON THE ANNUAL REPORT FOR FINANCIAL YEAR (“FY2022”)

The Board of Directors (the “**Board**”) of TrickleStar Limited (“**TrickleStar**” or the “**Company**”), together with its subsidiaries, (the “**Group**”) refers to the notice of annual general meeting (“**AGM**”) released by the Company on 9 March 2023 in relation to the Company’s AGM to be held by electronic means on 29 March 2023 at 10.30 a.m.

The Board would like to provide response to each of the specific questions received from a shareholder as follows. For the avoidance of doubt, the Company does not respond to the commentaries made by the shareholder since they merely set out context of the questions raised.

Q1. *On the cover page of the Annual Report, there was photo of high-tension cable grid. Referring to page 4 of the Annual Report about “Corporate Profile”, how much of the Group’s revenue came from “help[ing] electric utilities manage grids”?*

Company’s Response:

All our products are designed for energy optimization and a very substantial portion of our products are solely through utilities’ programs for energy consumption reduction. As such, all our products should indirectly assist utilities to manage their grids more efficiently by reducing power demands from consumers. Our connected products include demand response, which is a feature that allows utilities to control power consumption within homes by reducing power consumption during peak usage periods. While these products are still in field trials and do not significantly contribute to the company’s earnings, we envisage greater adoption of such products in the coming years.

Q2. *Please refer to page 127 of the Annual Report about “Significant Related Party Transactions”. In 2022, there was “Purchase of goods” of US\$8,300,509 from a “Corporate shareholder”. On page 8 of Annual Report on “Chairman’s Statement”, it was stated that “new credit terms from our APS manufacturer increased cash requirements”. Which “Corporate shareholder” was this?*

Company’s Response:

The corporate shareholder mentioned is a minority shareholder with less than 5% of our total outstanding shares. It has been a supplier to TrickleStar for many years on an arms-length basis.

Q3. *Please refer to page 115 of the Annual Report about “Inventories”. It was stated that “During the financial year, the Group carried out a review of the realisable value of its inventories and the review led to the recognition of write-down of inventories of US\$24,633 (2021: US\$533,150) that had been included in cost of sale line item in profit or loss.” What inventories suffered write-off of US\$24,633 in 2022? And what inventories suffered write-off of US\$533,150 in 2021?*

Company’s Response:

In 2021, the inventories that we wrote down were Energy Monitors, GSA-certified Advanced Power Strips, and Surge Protectors due to product aging. However, we also sold some of the Energy Monitors, and GSA-certified Advanced Power Strips in 2022 which had been written down in 2021, resulting in a write-back of US\$79,934.

In 2022, the inventories that we wrote down were mainly thermostats, a product we decided to discontinue mainly due to high working capital demands for commercialisation and uncertainty over the rate of potential sales.

Q4. Please refer to page 115 of the Annual Report about “Trade and other receivables”. How much of the US\$1,947,710 Trade receivables from third parties as at 31 Dec 2022 have been collected so far?

Company’s Response:

As of March 2023, over 95% of the receivables as at 31 December 2022 had been collected on a normal cycle of payment.

Q5. Please refer to page 124 of the Annual Report about “Loss before tax”. While Revenue has increased by 22.4% y-o-y, can the Remuneration Committee explain why “Salaries, bonuses and other staff benefits” under “Employee benefits expense” have increased by as much as 79.7% from \$0.514m in 2021 to \$0.925m in 2022?

Company’s Response:

37% of the increase was due to an increase in salary for the ex-CEO, Bernard Emby, when his contract was renewed and extended, 56% was attributable to the hiring of Gunananthan Nithyanantham as COO (previously the Non-Executive Director) as of 1 January 2022, and 7% was due to the bonus and changes in headcount during the year, with total employees ranged between 11 and 16.

Q6. Please refer to page 59 of the Annual Report about “Report on Corporate governance”. The remuneration band of Gunananthan Nithyanantham has more than doubled from “Below SGD100,000” in 2021 to “Between SGD250,000 to SGD500,000” in 2022. Can the Remuneration Committee share what remuneration factor(s) specifically led to the increase? How much is attributable to each of these remuneration factor(s)?

Company’s Response:

Gunananthan Nithyanantham was appointed as COO with effect from 1 January 2022, and was redesignated from Non-Executive Non-independent director to Executive Director. The entire change in total remuneration is attributable to the executive salary paid from that date.

By Order of the Board

Gunananthan Nithyanantham
Executive Director, Chief Operating Officer and Acting Chief Executive Officer

23 March 2023

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

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.