TRICKLESTAR LIMITED

(Company Registration No. 201837106C)
(Incorporated in the Republic of Singapore

RESPONSE TO QUESTIONS RECEIVED FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ("SIAS") ON THE ANNUAL REPORT FOR FINANCIAL YEAR 2024 ("FY2024")

The Board of Directors (the "**Board**") of TrickleStar Limited ("**TrickleStar**" or the "**Company**", together with its subsidiaries, the "**Group**") refers to the questions received from SIAS in relation to the annual report for FY2024.

The Board would like to provide response to each of the specific questions received from SIAS prior to the annual general meeting to be held on 26 March 2025 as follows. For the avoidance of doubt, the Company does not respond to the commentaries made by SIAS since they are merely set out context of the questions raised.

***Q1**. Key financial highlights for the financial year ended 31 December 2024 are detailed on page 10 of the annual report and reproduced below*:



Year Ended 31 December	2024	2023	2022	2021	2020
Revenue *(US$m)*	11.5	10.3	13.8	11.3	12.9
Gross Profit *(US$m)*	2.1	2.4	3.5	1.8	3.2
Net Profit *(US$m)*	(0.7)	(0.3)	0.2	(2.4)	0.7
Total Assets *(US$m)*	7.1	8.6	8.8	9.1	11.4
Total Debt *(US$m)*	NIL	NIL	NIL	0.5	NIL
Per Share Data					
Net Assets *(US$cents)*	5.4	6.1	6.4	6.1	9.6
Earnings *(US$cents)*	(0.8)	(0.3)	0.2	(2.9)	0.9
Dividend recommended *(US$cents)*	NIL	NIL	NIL	0.15	0.45
Ratios					
Gross Profit Margin	18.7%	23.3%	25.3%	15.9%	24.9%
EBITDA Margin	(4.9%)	(1.6%)	(2.3%)	(15.7%)	5.9%
Net Profit Margin	(5.8%)	(2.7%)	1.2%	(21.2%)	5.5%
Return on Equity[1]	(14.6%)	(5.5%)	3.1%	(47.3%)	9.0%
Current Ratio	2.7	2.5	2.6	2.5	3.0
Debt to net assets ratio	NIL	NIL	NIL	9.9%	NIL

(Source: company annual report; emphasis added)

For FY2024, the group recorded revenue of US$11.48 million (FY2023: US$10.29 million) and a gross margin of 18.7% (FY2023: 23.3%). However, net losses widened to US$(0.65) million, compared to US$(0.24) million in FY2023.

(i) ***Would the newly appointed CEO provide shareholders with his assessment of the business environment, key opportunities and challenges?*** *Mr Jason John Clark was appointed as the chief executive officer on 1 January 2024 and executive director on 27 February 2025.*

Company's Response:

TrickleStar continues to navigate a dynamic business landscape shaped by evolving regulations, economic uncertainties, and increasing demand for energy-efficient solutions. The USA political situation is particularly dynamic with changes to policies and potential impacts on its economy occurring with high regularity at this time. While utility program delays, caused in part by these uncertainties, have resulted in a very slow start to 2025, market conditions are expected to improve towards the end of Q2 and into Q3. TrickleStar will endeavour to monitor conditions closely and to adapt in response to the market.

To mitigate these challenges, we are strengthening collaborations with utility companies, industry partners, and trade associations to expand our market reach. Additionally, we remain committed to maintaining TrickleStar's high product quality while optimizing operations to offer competitive pricing in response to increasing cost sensitivity among customers.

With an eye to achieve long-term growth and reducing reliance on utility-driven programs, we are actively exploring new energy-saving technologies and complementary product lines that align with emerging customer needs. Additionally, we are diversifying our business beyond the utility sector by pursuing opportunities in commercial enterprises, public-sector organizations, and direct-to-consumer channels.

By broadening our market focus and enhancing our product offerings, we aim to drive sustainable revenue growth and reinforce TrickleStar's position as a leader in energy efficiency.

(ii) ***Is management continuing to prioritise Advanced PowerStrips (APS) as the group's key product? What specific initiatives are being implemented to accelerate adoption and drive exponential growth?*** *Some shareholders are concerned that sales have stagnated over the past five years, with no significant breakthrough.*

Company's Response:

Yes, APS remain the Group's key product. The Board is very aware that the Group needs to widen its product range and has hopes that the Advanced Keyboard will achieve progress this year, which is likely to be a key year for the product.

The Group's ability to explore new products has been severely hampered since the failure of the development program in 2022, and by the working capital problems that have been the focus of the Group's attention. As they have now been largely overcome, new products and revenue sources are receiving priority.

APS sales lacked sufficient focus prior to 2022, resulting in lower market share, allowing competitors to enter the market resulting in lower margins. Over the last 2 years, we have reduced costs, renegotiated contracts with our suppliers and restored relationships

with customers. TrickleStar is hoping that the Advanced Keyboard will assist in increasing sales in 2025 and we will be actively looking for new products to add to our sales lines.

(iii) ***Does management view the "Advanced Keyboard" as a high growth, high margin new product that will improve the group's growth prospects? Can management provide an estimate of the total addressable market?***

Management attributed a (3.5)% decline in gross margin to provisions for obsolescence and anti-dumping duties, while the chairman's statement referenced a poor management decision.

Company's Response:

The Advanced Keyboard has been accepted into a utility's energy savings program and sales of this product has begun. Its margins are higher than the well-established APS and is therefore viewed as having good potential to improve the Group's growth prospects.

It has taken a considerable amount of effort to move all APS production to Vietnam and get the Advanced Keyboard ready for market over the last 2 years and, as mentioned, the possible success and market demand for this product will be assessed this year. Apart from the utility energy-efficiency programs, the product has features that should be attractive to major corporations and government departments as well as individual users. As such, the product has a large potential market, provided the cost is acceptable and other non-tangible aspects such as appreciation of the product in terms of aesthetics and user-experience.

Some statistics on the potential keyboard market is listed below-

U.S. Keyboards Market: In 2025, the revenue in the keyboards market in the United States is projected to reach approximately USD 788.5 million.
Source: Expert Market Research (CLAIGHT)

Global Computer Keyboard Market: Projections indicate that the global computer keyboard market is expected to grow from USD 6.74 billion in 2025 to USD 9.58 billion by 2035.
Source: Future Market Insights

Mechanical Keyboards Segment: The mechanical keyboards market is anticipated to expand from USD 0.012 billion in 2023 to USD 3.69 billion by 2032, reflecting a compound annual growth rate (CAGR) of 12.2%
Source: The Business Research Company

(iv) ***What was the specific misstep that led to the decline in gross margin, and what are the key priorities for FY2025 to improve margins?***

The group has reported a negative EBITDA margin for the past four years.

Company's Response:

A discount was offered to a customer based on management's belief that products they were selling were produced on a new, lower price. That belief was incorrect, resulting in only achieving a very small margin on sales to the said large customer. Implementation of new pricing strategies in 2025 should be expected to improve margins.

(v) ***Is the board concerned about the group's persistent negative EBITDA, and what. specific guidance has been given to management to reverse this trend?***

Company's Response:

This has been a prime focus for the Board since 2022. By re-focussing on APS, we have managed to restore revenue that would otherwise have been lost under the strategy prior to 2022. Further, management's priorities in 2025 include strengthening margins, expanding sales opportunities and channels, driving the growth and evolution of the Advanced Keyboard pipeline, and ensuring the careful consideration and strategic introduction of new products.

The negative EBITDA was largely due to the write-offs and provisions which had to be made stemming from the development program the company embarked on since the 2019, this has been discontinued.
Below are the write-offs and provision for the financial years 2022, 2023 and 2024:-

FY2022 - US$990,916
FY2023 - US$225,484
FY2024 - US$750,072

Q2. *The net realisable value of inventories is a key audit matter (KAM) highlighted by the independent auditors in their report on the audit of the financial statements. Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period.*

As noted in the KAM, the group's inventory balance stood at US$3.31 million as of 31 December 2024. The historical inventory levels over the past five years were:

FY2020 – US$4.47 million

FY2021 – US$2.85 million (following a significant inventory write-down of US$533,000)

FY2022 – US$3.31 million

FY2023 – US$3.34 million
FY2024 – US$3.31 million

(i) ***How is the board balancing inventory reduction with resilience against supply chain shocks? What specific metrics or targets has it set for management to enhance working capital efficiency without compromising fulfilment capabilities?***

Company's Response:

We seek to maintain around 3-4 months of stocks, which has proven to be sufficient to absorb shocks in the past.

Our key metric is gross margin on product sales that we monitor monthly.

(ii) ***What key enhancements have been made to the group's supply chain management, information systems, and enterprise resource planning (ERP) systems in recent years? How have these improvements translated into measurable cost savings and efficiency gains?***

Company's Response:

The Company has been using SAP for Supply Chain and ERP since our IPO in 2019. This has proven to be robust and has further translated to excellent stock control and

management. In 2023, a Customer Relationship Management ("**CRM**") system was introduced.

The implementation of our Company's CRM system has significantly improved TrickleStar's business operations, enhancing customer engagement, quotation and pricing management, and lead management.

With the CRM system, customer interactions are now more personalized and efficient. It allows us to track customer preferences, history, and communications, enabling timely and tailored engagement that strengthens relationships and increases customer satisfaction.

Quotation and pricing management have also become more streamlined and accurate. The system provides a centralized platform to generate, track, and manage quotes, ensuring consistency and faster response times.

In terms of lead management, the CRM system enables better tracking and nurturing of potential customers throughout the sales cycle. Automated lead capture and follow-ups ensure no opportunity is missed, supporting business growth and expanding our client base more effectively and efficiently.

Probably the biggest change since 2023 is that all APSs are now produced in Vietnam, with a newer, more cost efficient, yet robust design. The location is in view of the tariff threat from the US (even from the Biden administration). While it is still early days for the new administration, any new tariff on China (but not Vietnam) should be favourable to the Company.

Q3. *As highlighted in the financial summary, the group remained debt free but total assets have declined to US$7.1 million, a relatively modest figure for a listed company.*

(i) ***How does the board evaluate the group's optimal capital structure, and what is its stance on the use of bank borrowings? Has the board assessed whether a prudent level of leverage could enhance growth and capital efficiency?***

Company's Response:

The Group has a facility from Citibank that has been in place since 2020. However, the terms of the facility which include a cash deposit as security, have been too onerous, so the facility has been unused. The Board has considered borrowings to enhance capital efficiency but, until the Group has replenished its reputation as a strong growth company, as it was at IPO, it remains an attractive lending proposition for banks.

(ii) ***Given that the recent rights issue raised just US$0.9 million in net proceeds, incurring US$0.1 million in costs (a 10% fundraising expense ratio), did the board consider whether this was cost-effective?***

Company's Response:

Yes, this was considered. However, debt was considered to have been more expensive in terms of upfront costs, time and future interest payments.

Following the rights issue, the company's total issued shares increased from 84,282,592 to 151,708,665 as of 24 February 2025. However, on page 146 of the annual report, the shareholding statistics were only disclosed as of 17 February 2025, reflecting the pre-rights issue capital base.

(iii) ***Could the company provide an updated shareholding structure reflecting the post-rights issue capitalisation?***

Company's Response:

Below is the statistics of shareholdings as of 7 March 2025 reflecting the post-rights issue.

STATISTICS OF SHAREHOLDINGS AS AT 7 MARCH 2025

Issued and paid-up share capital	:	S$11,140,521
Number of issued shares	:	151,708,665
Class of shares	:	Ordinary shares
Voting rights on a poll	:	1 vote for each ordinary share
Number and percentage of treasury shares	:	Nil
Number and percentage of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 7 MARCH 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	15	18.52	6,580	0.01
1,001 – 10,000	8	9.88	47,624	0.03
10,001 – 1,000,000	51	62.96	8,182,683	5.39
1,000,001 and above	7	8.64	143,471,778	94.57
	81	100.00	151,708,665	100.00

TOP TWENTY TWO HOLDERS OF SHARES AS AT 7 MARCH 2025

NAME OF SHAREHOLDER		NO. OF SHARES	%
1.	OCBC Securities Private Ltd	41,953,921	28.16
2.	Bernard Christopher Emby	28,342,977	19.02
3.	Citibank Nominees Singapore Pte Ltd	22,876,963	15.35
4.	Philip Securities Pte Ltd	20,400,355	13.69
5.	United Overseas Bank Nominees (Private) Limited	19,434,867	13.04
6.	UOB Kay Hian Pte Ltd	9,324,995	6.26
7.	Lim and Tan Securities Pte Ltd	1,137,700	0.76
8.	Tiger Brokers (Singapore) Pte Ltd	816,860	0.55
9.	Lim Chin Hock	780,000	0.52
10.	Romien Chandrasegaran	692,200	0.46
11.	Timothy Ho Sin Yung	560,000	0.38
12.	Tan Eng Chua Edwin	399,600	0.27
13.	Wong Ee-Ling (Huang Yiling)	368,800	0.25
14.	CGS Intl Securities Singapore PL	360,000	0.24
15.	Li Guang Sheng	300,000	0.20
16.	S M Harun-Ur-Rashid Khan	240,000	0.16
17.	DBS Vickers Securities (S) Pte Ltd	206,100	0.14
18.	Lee KunFeng Daniel	200,000	0.13
19.	Koh Kin Tong	200,000	0.13
20.	Ng Kee Shee	200.000	0.13
21.	Seah Chao Hua	200,000	0.13
	Total:	148,995,338	99.45

Note: The percentages are computed based on 151,708,665 ordinary shares as at 7 March 2025

SUBSTANTIAL SHAREHOLDERS AS AT 7 MARCH 2025
(as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of substantial shareholders	**No. of Shares**	**%**	**No. of shares**	**%**
Bernard Christopher Emby	28,342,977	18.68	–	–
Harald Weinbrecht	19,434,867	12.81	–	–
Gunananthan Nithyanantham	14,989,611	9.88	–	–
Powertech Industrial Co. Ltd.	14,121,000	9.31	–	–
Law Cheok Chin	12,090,979	7.97	–	–

SHARES HELD BY PUBLIC

Based on the information available to the Company as at 7 March 2025, approximately 33.32% of the issued shares of the Company is held by the public. Therefore, Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with

By Order of the Board

Jason John Clark
Executive Director and Chief Executive Officer

20 March 2025

---

*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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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