



TREK 2000 INTERNATIONAL LTD (Registration Number 199905744N)

First Half Financial Statements Announcement for the Period ended 30 June 2024

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

Unaudited Results for the First Half Ended 30 June 2024

	Note	First Half		Increase/ (Decrease)
		2024	2023	
		US\$'000	US\$'000	%
Revenue		10,767	6,573	63.8
Cost of sales		(9,369)	(6,348)	47.6
Gross profit		1,398	225	521.3
Other items of income:				
Interest income		457	246	85.8
Other income		208	1,166	(82.2)
Other items of expense:				
Research and development		(467)	(312)	49.7
Marketing and distribution		(708)	(547)	29.4
Impairment losses on trade and other receivables		(68)	(53)	28.3
General administration		(553)	(506)	9.3
Finance expenses		(3)	(4)	(25.0)
Other expenses		(43)	–	100.0
Profit before income tax	6	221	215	2.8
Income tax expense	7	–	–	–
Profit for the period		221	215	2.8
Other comprehensive income				
<u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Foreign currency translation differences		27	10	170.0
<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		–	–	–
Total other comprehensive income for the period, net of tax		27	10	170.0
Total comprehensive income for the period		248	225	10.2
Profit/(loss) for the period attributable to:				
Owners of the Company		236	219	7.8
Non-controlling interests		(15)	(4)	275.0
		221	215	2.8

PS: N.M. – Not Meaningful

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

Unaudited Results for the First Half Ended 30 June 2024 (cont'd)

	Note	First Half		Increase/ (Decrease) %
		2024 US\$'000	2023 US\$'000	
Total comprehensive income/(loss) attributable to:				
Owners of the Company		263	229	14.8
Non-controlling interests		(15)	(4)	275.0
		248	225	10.2
Earnings per share attributable to owners of the Company (expressed in USD cents per share):				
– Basic		0.08	0.07	14.3
– Diluted		0.08	0.07	14.3

PS: N.M. – Not Meaningful

B. Condensed Interim Consolidated Statement of Financial Position

	Note	Group		Company	
		30 Jun 2024 US\$'000	31 Dec 2023 US\$'000	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000
Non-current assets					
Property, plant and equipment	12	1,266	1,335	–	–
Right-of-use assets		254	315	–	–
Investment in subsidiaries		–	–	881	881
Investment in associates		–	–	5	5
Unquoted investments	10	600	600	600	600
		<u>2,120</u>	<u>2,250</u>	<u>1,486</u>	<u>1,486</u>
Current assets					
Inventories		8,797	3,010	–	–
Trade and other receivables		1,048	596	5,370	120
Prepayments		6	8	1	2
Quoted investments held for trading	10	6,121	17,063	6,121	17,063
Unquoted investments held for trading	10	1,562	1,594	1,562	1,594
Short term deposits		13,026	9,621	12,921	9,371
Cash at banks and on hand		827	771	478	496
		<u>31,387</u>	<u>32,663</u>	<u>26,453</u>	<u>28,646</u>
Total assets		<u>33,507</u>	<u>34,913</u>	<u>27,939</u>	<u>30,132</u>
Current liabilities					
Trade payables		1,352	2,806	5	1
Other payables and accruals		1,946	1,949	234	2,837
Lease liabilities		44	94	–	–
Income tax payable		233	483	–	–
		<u>3,575</u>	<u>5,332</u>	<u>239</u>	<u>2,838</u>
Net current assets		27,812	27,331	26,214	25,808
Non-current liabilities					
Lease liabilities		165	165	–	–
Deferred taxation		126	126	–	–
		<u>291</u>	<u>291</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>3,866</u>	<u>5,623</u>	<u>239</u>	<u>2,838</u>
Net assets		<u>29,641</u>	<u>29,290</u>	<u>27,700</u>	<u>27,294</u>
Equity attributable to the owners of the Company					
Share capital	15	37,829	37,829	37,829	37,829
Treasury shares		(1,006)	(996)	(1,006)	(996)
Revenue reserve		(11,985)	(12,237)	(8,803)	(9,122)
Capital reserve		2,717	2,717	–	–
Asset revaluation reserve		1,453	1,453	–	–
Translation reserve		190	163	–	–
Other reserves		(397)	(494)	(320)	(417)
		<u>28,801</u>	<u>28,435</u>	<u>27,700</u>	<u>27,294</u>
Non-controlling interests		840	855	–	–
Total equity		<u>29,641</u>	<u>29,290</u>	<u>27,700</u>	<u>27,294</u>
Total equity and liabilities		<u>33,507</u>	<u>34,913</u>	<u>27,939</u>	<u>30,132</u>

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 2024	37,829	(996)	(12,237)	2,717	1,453	163	(494)	28,435	855	29,290
Purchase of Treasury Shares	–	(10)	–	–	–	–	–	(10)	–	(10)
Share option expenses	–	–	–	–	–	–	113	113	–	113
Share option forfeited/lapsed	–	–	16	–	–	–	(16)	–	–	–
Total comprehensive income for the period	–	–	236	–	–	27	–	263	(15)	248
Balance as at 30 June 2024	37,829	(1,006)	(11,985)	2,717	1,453	190	(397)	28,801	840	29,641
Balance as at 1 January 2023	37,829	(996)	(14,246)	2,717	1,352	144	(689)	26,111	848	26,959
Total comprehensive income for the period	–	–	219	–	–	10	–	229	(4)	225
Balance as at 30 June 2023	37,829	(996)	(14,027)	2,717	1,352	154	(689)	26,340	844	27,184
THE COMPANY										
Balance as at 1 January 2024	37,829	(996)	(9,122)	–	–	–	–	(417)	–	27,294
Purchase of Treasury Shares	–	(10)	–	–	–	–	–	–	–	(10)
Share option expenses	–	–	–	–	–	–	–	–	113	113
Share option forfeited/lapsed	–	–	16	–	–	–	–	–	(16)	–
Total comprehensive income for the period	–	–	303	–	–	–	–	–	–	303
Balance as at 30 June 2024	37,829	(1,006)	(8,803)	–	–	–	–	(320)	–	27,700
Balance as at 1 January 2023	37,829	(996)	(12,537)	–	–	–	–	(612)	–	23,684
Total comprehensive income for the period	–	–	648	–	–	–	–	–	–	648
Balance as at 30 June 2023	37,829	(996)	(11,889)	–	–	–	–	(612)	–	24,332

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	1HFY2024 US\$'000	1HFY2023 US\$'000
Cash flow from operating activities:			
Profit before income tax		221	215
Adjustments for:			
Depreciation of property, plant and equipment		121	90
Depreciation of right-of-use assets		60	60
Gain on disposal of property, plant and equipment	6	(1)	–
Gain on fair value changes of financial assets at FVTPL (net)		(164)	(584)
Allowance for stock obsolescence (net)		269	–
Allowance for doubtful debts (net)		68	53
Share option expenses		113	–
Interest income	6	(457)	(246)
Interest expense	6	3	4
Dividend income		–	(9)
Operating profit/(loss) before changes in working capital		233	(417)
(Increase)/decrease in trade and other receivables and prepayments		(473)	3,237
(Increase)/decrease in inventories		(6,057)	84
Decrease in trade and other payables		(1,456)	(857)
Cash (used in)/generated from operating activities		(7,753)	2,047
Income tax paid		(250)	(248)
Interest received		308	79
Net cash (used in)/generated from operating activities		(7,695)	1,878
Cash flow from investing activities			
Advance to associate		(68)	(71)
Purchase of property, plant and equipment		(51)	(1)
Proceeds from disposal of property, plant and equipment		1	–
Proceeds from disposal of quoted investments		11,224	–
Purchase of quoted investments		(86)	(108)
Loan repayment from an investee company		–	1,470
Interest received from loan to an investee company		–	27
Dividend received from quoted investments		–	9
Interest received from quoted investments		171	140
Net cash generated from investing activities		11,191	1,466
Cash flow from financing activities			
Fixed deposit unpledged		145	–
Purchase of treasury shares		(10)	–
Interest paid for lease liabilities		(3)	(4)
Payment for lease liabilities		(49)	(52)
Net cash generated from/(used in) financing activities		83	(56)
Net increase in cash and cash equivalents		3,579	3,288
Exchange differences on translation of cash and cash equivalents		27	8
Cash and cash equivalents at beginning of period		10,142	2,054
Cash and cash equivalents at end of period		13,748	5,350

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

	30 June 2024 US\$'000	30 June 2023 US\$'000
Cash at banks and on hand	827	584
Short-term deposits	13,026	5,266
Fixed deposit pledged	(105)	(500)
	13,748	5,350

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 first half year period ended 30 June 2024 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 first half year period ended 30 June 2024 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 2023.

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

In the current financial period, the Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective for the current financial year. The adoption of these new and revised SFRS(I)s did not have any material effect on the financial results or position of the Company.

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 2023.

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

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

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
- Renewable energy solutions
- Corporate

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.

4.1 Reportable segments

	Customised Solutions	Interactive Consumer Solutions	Renewable Energy Solutions	Corporate	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 January 2024 to 30 June 2024					
Total segment revenue	991	9,554	222	–	10,767
Inter-segment revenue	–	–	–	–	–
Revenue from external parties	991	9,554	222	–	10,767
Dividend income	–	–	–	–	–
Interest income	–	–	–	457	457
Miscellaneous income	4	39	1	164	208
Total other income	4	39	1	621	665
Total revenue and other income	995	9,593	223	621	11,432
Depreciation	(17)	(160)	(4)	–	(181)
Finance expense	–	–	–	(3)	(3)
Miscellaneous expense	(4)	(38)	(1)	–	(43)
Segment (loss)/profit	(37)	(352)	(8)	618	221
Unallocated expenses					–
Share of profit of associated company					–
Profit before taxation					221
Taxation					–
Earnings for the interim period					221
Segment assets	396	24,820	8	8,283	33,507
Deferred income tax assets					–
Total assets					33,507
Expenditures for segment non-current assets					
- Additions to PPE	5	45	1	–	51
	5	45	1	–	51
Segment liabilities	55	3,451	1	–	3,507
Current income tax liabilities					233
Deferred income tax liabilities					126
Total liabilities					3,866

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	Renewable Energy Solutions	Corporate	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 January 2023 to 30 June 2023					
Total segment revenue	788	5,743	42	–	6,573
Inter-segment revenue	–	–	–	–	–
Revenue from external parties	788	5,743	42	–	6,573
Dividend income	–	–	–	9	9
Interest income	–	–	–	246	246
Miscellaneous income	69	500	4	584	1,157
Total other income	69	500	4	839	1,412
Total revenue and other income	857	6,243	46	839	7,985
Depreciation	(18)	(131)	(1)	–	(150)
Finance expense	–	–	–	(4)	(4)
Miscellaneous expense	–	–	–	–	–
Segment (loss)/profit	(74)	(542)	(4)	835	215
Unallocated expenses					–
Share of profit of associated company					–
Profit before taxation					215
Taxation					–
Earnings for the interim period					215
Segment assets	1,194	8,697	64	20,273	30,228
Deferred income tax assets					–
Total assets					30,228
Expenditures for segment non-current assets					
- Additions to PPE	–	1	–	–	1
	–	1	–	–	1
Segment liabilities	259	1,885	14	–	2,158
Current income tax liabilities					781
Deferred income tax liabilities					105
Total liabilities					3,044

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

4. Segment information (cont'd)

4.2 Disaggregation of Revenue

The Group					
6 months ended 30 June 2024					
	Customised Solutions	Interactive Consumer Solutions	Renewable Energy Solutions	Corporate	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>					
Sale of goods	991	9,554	222	–	10,767
Rendering of services	–	–	–	–	–
Rental income	–	–	–	–	–
Total revenue	991	9,554	222	–	10,767
<u>Timing of revenue recognition:</u>					
At a point in time	991	9,554	222	–	10,767
Overtime	–	–	–	–	–
Total revenue	991	9,554	222	–	10,767
<u>Geographical Information:</u>					
China/Hong Kong	–	5,755	–	–	5,755
Taiwan	–	3,239	–	–	3,239
India	954	21	–	–	975
Singapore	37	191	222	–	450
Malaysia	–	188	–	–	188
Indonesia	–	141	–	–	141
Thailand	–	19	–	–	19
Philippines	–	–	–	–	–
Total revenue	991	9,554	222	–	10,767

The Group					
6 months ended 30 June 2023					
	Customised Solutions	Interactive Consumer Solutions	Renewable Energy Solutions	Corporate	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>					
Sale of goods	788	5,743	42	–	6,573
Rendering of services	–	–	–	–	–
Rental income	–	–	–	–	–
Total revenue	788	5,743	42	–	6,573
<u>Timing of revenue recognition:</u>					
At a point in time	788	5,743	42	–	6,573
Overtime	–	–	–	–	–
Total revenue	788	5,743	42	–	6,573
<u>Geographical Information:</u>					
China/Hong Kong	97	3,830	–	–	3,927
Taiwan	–	1,282	–	–	1,282
India	631	–	–	–	631
Singapore	60	232	42	–	334
Malaysia	–	223	–	–	223
Indonesia	–	105	–	–	105
Thailand	–	33	–	–	33
Philippines	–	38	–	–	38
Total revenue	788	5,743	42	–	6,573

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 2024 and 31 December 2023:

	The Group		The Company	
	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	600	600	600	600
Financial assets at fair value through profit or loss account (FVTPL)	7,683	18,657	7,683	18,657
Cash and bank balances and trade and other receivables (amortised cost)	14,803	10,775	13,496	9,986
Total Financial Assets	23,086	30,032	21,779	29,243
Financial Liabilities				
Trade and other payables and borrowings (amortised cost)	3,411	4,792	281	2,838
Total Financial Liabilities	3,411	4,792	281	2,838

6. Profit before taxation

6.1 Significant Items

	First Half		Increase/ (Decrease) %
	2024 US\$'000	2023 US\$'000	
Income			
Interest income from:			
– Short-term Deposits	367	79	364.6
– Quoted investments	90	140	(35.7)
– Loan receivables	–	27	(100.0)
Dividend income from quoted investment	–	9	(100.0)
Gain on disposal of property, plant and equipment	1	–	100.0
Gain on fair value changes of financial assets designated as FVTPL (net)	164	584	(71.9)
Expenses			
Depreciation of property, plant and equipment	(121)	(90)	34.4
Depreciation of right-of-use assets	(60)	(60)	–
Allowance for stock obsolescence (net)	(269)	–	100.0
Allowance for doubtful debts (net)	(68)	(53)	28.3
Interest expense	(3)	(4)	(25.0)
Share option expense	(113)	–	100.0
Net foreign exchange (loss)/gain (net)	(43)	10	N.M.

PS: N.M. – Not Meaningful

6.2 Related party transactions

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

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

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:

	First Half	
	2024 US\$'000	2023 US\$'000
Current income tax expense	–	–
Deferred income tax expense relating to origination and reversal of temporary differences	–	–
Total	–	–

8. Dividends

	The Group	
	1HFY2024 US\$'000	1HFY2023 US\$'000
Ordinary dividends paid:		
Interim exempt 2024 dividends	–	–
Dividend per share (net of tax)	–	–

9. Net Asset Value

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Number of ordinary shares (in '000)	312,896	313,092	312,896	313,092
(Amount in USD cents)				
Net asset value per ordinary share based on issued share capital at the end of the period	9.20	9.08	8.85	8.72

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 2024 US\$'000	31 Dec 2023 US\$'000
Quoted Debt Investment	–	–
Unquoted Equity Investment	600	600
Total	600	600

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**).

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

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

10.2 Fair value measurement (cont'd)

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 2024				
Financial assets				
FVTPL Investments (Quoted Investments)	4,681	1,440	–	6,121
FVTPL Investments (Unquoted Investments)	–	–	1,562	1,562
FVOCI Investments (Unquoted Investments)	–	–	600	600
Total Financial assets	4,681	1,440	2,162	8,283
Financial liabilities				
	–	–	–	–
Group – 31 December 2023				
Financial assets				
FVTPL Investments (Quoted Investments)	15,418	1,645	–	17,063
FVTPL Investments (Unquoted Investments)	–	–	1,594	1,594
FVOCI Investments (Unquoted Investments)	–	–	600	600
Total Financial assets	15,418	1,645	2,194	19,257
Financial liabilities				
	–	–	–	–

11. Intangible assets

	The Group			
	Patents US\$'000	Trademarks US\$'000	Development Costs US\$'000	Total US\$'000
As at 30 June 2023, 31 December 2023 and 30 June 2024				
Cost	3,422	408	5,615	9,445
Accumulated amortisation, impairment and written off	(3,422)	(408)	(5,615)	(9,445)
Net book value	–	–	–	–

	The Company		
	Patents US\$'000	Trademarks US\$'000	Total US\$'000
As at 30 June 2023, 31 December 2023 and 30 June 2024			
Cost	2,883	350	3,233
Accumulated amortisation, impairment and written off	(2,883)	(350)	(3,233)
Net book value	–	–	–

11.1 Goodwill impairment

Not applicable

11.2 Patents and Trademarks

Not applicable

11.3 Development costs

Not applicable

12. Property, plant and equipment

In 1HFY2024, the Group acquired assets amounting to US\$51,000 (1HFY2023: US\$1,000).

In 1HFY2024, the Group disposed off assets with net book value of US\$0 resulting in a net gain on disposal of US\$1k. There was no asset disposed off in 1HFY2023.

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

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 2024	31 Dec 2023
US\$'000	US\$'000
-	-
-	-
-	-
-	-
-	-
-	-

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

15. Share capital

Ordinary shares issued and fully paid

Balance as at interim period

Issue of ordinary shares by virtual of exercise of share options

End of financial period

The Group and the Company			
30 Jun 2024		31 Dec 2023	
No. of shares	Amount US\$	No. of shares	Amount US\$
324,116,925	37,828,941	324,116,925	37,828,941
-	-	-	-
324,116,925	37,828,941	324,116,925	37,828,941

The Company holds 11,220,700 treasury shares as at 30 June 2024 (31 December 2023: 11,025,000 treasury shares).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

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 2024 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 first half year period ended 30 June 2024, 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 1HFY2024, no share options were granted under the Trek 2000 International Employee Share Option Scheme 2011 and Trek 2000 International Employee Share Option Scheme 2023.

The outstanding share options under the Trek 2000 International Employee Share Option Scheme 2011 and Trek 2000 International Employee Share Option Scheme 2023 were as follows:

	First Half Ended	
	FY2024	FY2023
Unexercised share options	<u>No. of share options</u>	<u>No. of share options</u>
Balance as at 1 January	12,250,000	3,200,000
Share options forfeited/lapsed during the period	(950,000)	(600,000)
Balance as at 30 June	<u>11,300,000</u>	<u>2,600,000</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 2024, 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 2024	313,091,925	36,833,154
Movement in ordinary shares during the period	(195,700)	(10,027)
Balance as at 30 June 2024	<u>312,896,225</u>	<u>36,823,127</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, 195,700 shares (1HFY2023: no 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 2024	11,025,000	995,787	11,025,000	995,787
Purchase of shares held as Treasury Shares	195,700	10,027	195,700	10,027
Balance as at 30 June 2024	11,220,700	1,005,814	11,220,700	1,005,814

	Group		Company	
	No. of shares	US\$	No. of shares	US\$
Balance as at 1 January 2023	11,025,000	995,787	11,025,000	995,787
Purchase of shares held as Treasury Shares	–	–	–	–
Balance as at 30 June 2023	11,025,000	995,787	11,025,000	995,787

6. Earnings/(loss) 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	First Half Ended	
	FY2024	FY2023
Profit net of tax attributable to ordinary equity holders of the Company used in computation of basic earnings per share (US\$'000)	236	219
Weighted average number of ordinary shares for basic earnings per share computation (in '000)	313,021	313,092
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)	313,021	313,092
(Amount in USD cents)		
Earnings per ordinary share for the period after deducting any provision for preference dividends:		
(i) Basic earnings per share (in cents)	0.08	0.07
(ii) Diluted earnings per share (in cents)	0.08	0.07

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 FY2024 ("1HFY2024"), the Group reported a half-year on half-year ("hoh") increase of 63.8% in revenue from US\$ 6.6 million in 1HFY2023 to US\$ 10.8 million in 1HFY2024. Gross profit increased by 521.3% from US\$ 225,000 in 1HFY2023 to US\$ 1.4 million in 1HFY2024, while net profit after tax attributable to owners of the Company in 1HFY2024 was US\$ 236,000 as compared to a net profit after tax of US\$ 219,000 in 1HFY2023.

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

Revenue

The increase in revenue of 63.8% in 1HFY2024 was mainly due to the increase in the demand of the Group's solutions in 1HFY2024. The Group's Interactive Consumer Solution ("ICS") division continues to be a key revenue generator, accounting for 88.7% of the overall revenue in 1HFY2024.

Profitability

Gross profit margin increased from 3.4% in 1HFY2023 to 13.0% in 1HFY2024, and this was mainly attributed to the higher sales revenue and gross profit margin.

Other Items of Income

- Interest income increased by 85.8% in 1HFY2024 as more funds were placed in short-term deposits.
- Other income decreased from US\$ 1.2 million in 1HFY2023 to US\$ 208,000 in 1HFY2024 mainly due to the lower gain from fair value of investments and miscellaneous income in 1HFY2024.

Expenses

The Group's total expenses amounted to US\$ 1.8 million in 1HFY2024 (1HFY2023: US\$ 1.4 million) representing an increase of 29.5%. The factors contributing to the decrease were as follow:

- Research and development expenses reported an increase of 49.7% to US\$ 467,000 in 1HFY2024 (1HFY2023: US\$ 312,000). The increase was mainly due to the increase in staff costs during this period as the Group increased its R&D activities during this period.
- Marketing and distribution expenses increased by 29.4% to US\$ 708,000 in 1HFY2024 (1HFY2023: US\$ 547,000). This increase was mainly due to the increase in staff costs and travelling expenses incurred in 1HFY2024.
- General administrative expenses increased from US\$ 506,000 in 1HFY2024 to US\$ 553,000 in 1HFY2024. This increase was mainly due to the recognition of ESOS expenses (US\$ 113,000) in 1HFY2024.
- Finance expenses decreased from US\$ 4,000 in 1HFY2023 to US\$ 3,000 in 1HFY2024. This decrease was due to the lower lease interest expense incurred in 1HFY2024.
- Other expenses were US\$ 43,000 in 1HFY2024 (1HFY2023: nil). The expense incurred in 1HFY2024 was mainly due to the unrealized foreign exchange loss incurred during this period.

As a result of the above, the Group reported a net profit attributable to owners of the Company of US\$ 236,000 in 1HFY2024 (1HFY2023: US\$ 219,000).

Other Financial Highlights

- **Property, plant and equipment** – The decrease in the Group's property, plant and equipment of US\$ 70,000 in 1HFY2024 was mainly due to depreciation of US\$ 121,000 incurred during the period. This was partly offset by purchases of plant and equipment amounting to US\$ 51,000.

OTHER INFORMATION (CONT'D)

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

Other Financial Highlights (cont')

- **Quoted investments** – The Group's investment in quoted investments held for trading in current assets on 30 June 2024 was US\$ 6.1 million, a decrease of US\$ 11.0 million from 31 December 2023 (US\$ 17.1 million). The decrease was mainly due to the divestment of quoted investments during this period. The divestment resulted in a gain on disposal of investments amounting to US\$ 136,000, which was reflected as part of the gain in fair value changes of financial assets in the Profit or Loss account during this period.
- **Unquoted investments** – The Group's investment in unquoted investments decreased by US\$ 32,000 in 1HFY2024 mainly due to the unrealized loss on fair value of an unquoted fund held for trading in 1HFY2024. Total investments in unquoted investments as at 30 June 2024 were US\$ 2.16 million (31 December 2023: US\$ 2.19 million), comprising of US\$ 600,000 (31 December 2023: US\$ 600,000) in non-current assets and US\$ 1.56 million (31 December 2023: US\$ 1.59 million) in current assets for an unquoted fund that was held for trading.
- **Inventories** – The Group's inventories amounted to US\$ 8.8 million as at 30 June 2024, an increase of US\$ 5.8 million from 31 December 2023 (US\$ 3.0 million). The increase was mainly due to the tepid consumer market sentiments. Inventory turnover days as at 30 June 2024 were 178 days (31 December 2023: 76 days).
- **Trade and other receivables** – The Group's trade and other receivables amounted to US\$ 1.0 million as at 30 June 2024 as compared to US\$ 596,000 as at 31 December 2023. The higher trade receivable was mainly due to the higher sales in 1HFY2024. Trade receivable turnover days as at 30 June 2024 were 23 days (31 December 2023: 3 days).
- **Trade and other payables** – The Group's trade and other payables amounted to US\$ 3.3 million as at 30 June 2024 as compared to US\$ 4.8 million as at 31 December 2023. The lower trade and other payables were mainly due to the lower credit purchases in the last month of 1HFY2024. Trade payable turnover days as at 30 June 2024 were 31 days (31 December 2023: 33 days).

Cashflow

The Group's cash and cash equivalent as at 30 June 2024 amounted to US\$ 13.9 million as compared to US\$ 10.4 million as at 31 December 2023, an increase of US\$ 3.5 million.

The increase in cash position in 1HFY2024 was mainly due to the cash inflow from divestment of our quoted investments amounting to US\$ 11.2 million. This was partly offset by the cash outflow in operations of US\$ 7.7 million, purchase of treasury shares of US\$ 10,000 and, lease payment and interest of US\$ 52,000 in 1HFY2024.

The cash outflow in operations of US\$ 7.7 million in 1HFY2024 arose mainly from the increase in working capital of US\$ 8.0 million and payment of income tax of US\$ 250,000 in 1HFY2024. This cash outflow was partially funded by profit from operating activities of US\$ 233,000 and interest income of US\$ 308,000 received in 1HFY2024.

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

Going forward, the industry is going to be challenging in the next 12 months, particularly in the second half of this year (2HFY2024).

During this period, the Group will be selective in prioritising projects and endeavour to manage costs. The Group will also intensify its innovation efforts to improve its core storage and IOT solution, and to stay relevant and sustainable in this ever changing and challenging technology market. The Group will focus additional resources on its Renewal Energy business segment as the potential in this segment is vast.

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.

On behalf of the Board of Directors

TAN JOON YONG WAYNE

Executive Chairman

13 August 2024