



TRICKLESTAR LIMITED

(Incorporated in the Republic of Singapore on 31 October 2018)

(Company Registration Number: 201837106C)

**AUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023**

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 rationalisation 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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A. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As at 31-Dec-2023 US\$	As at 31-Dec-2022 US\$	As at 31-Dec-2023 US\$	As at 31-Dec-2022 US\$
Assets					
Non-current assets					
Property, plant and equipment	3	152,623	227,768	-	-
Intangible assets	4	70,411	2	2	2
Investment in subsidiaries	5	-	-	1,925,699	1,845,791
Trade and other receivables	7	-	-	2,129,616	-
		<u>223,034</u>	<u>227,770</u>	<u>4,055,317</u>	<u>1,845,793</u>
Current assets					
Inventories	6	3,338,917	3,310,536	-	-
Trade and other receivables	7	1,738,837	2,540,374	286,746	6,763,501
Cash and bank balances	8	3,275,087	2,736,477	615,697	597,612
		<u>8,352,841</u>	<u>8,587,387</u>	<u>902,443</u>	<u>7,361,113</u>
Assets of discontinued operations	9	-	2,683	-	-
		<u>8,352,841</u>	<u>8,590,070</u>	<u>902,443</u>	<u>7,361,113</u>
Total assets		<u><u>8,575,875</u></u>	<u><u>8,817,840</u></u>	<u><u>4,957,760</u></u>	<u><u>9,206,906</u></u>
Equity and liabilities					
Capital and reserves					
Share capital	10	7,608,524	7,490,078	7,608,524	7,490,078
Merger reserve		(111,376)	(111,376)	-	-
Share grant reserve		19,147	54,287	19,147	54,287
Foreign currency translation reserve		(36,875)	(41,203)	-	-
(Accumulated losses)/Retained earnings		<u>(2,356,248)</u>	<u>(2,074,092)</u>	<u>(2,727,032)</u>	<u>1,606,559</u>
		<u>5,123,172</u>	<u>5,317,694</u>	<u>4,900,639</u>	<u>9,150,924</u>
Non-current liabilities					
Deferred tax liabilities		1,979	3,313	-	-
Lease liabilities	11	81,668	140,579	-	-
		<u>83,647</u>	<u>143,892</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	12	3,308,597	3,223,996	57,121	55,982
Lease liabilities	11	56,452	52,717	-	-
Provision		4,007	4,007	-	-
		<u>3,369,056</u>	<u>3,280,720</u>	<u>57,121</u>	<u>55,982</u>
Liabilities directly associated with discontinued operations	9	-	75,534	-	-
		<u>3,369,058</u>	<u>3,356,254</u>	<u>57,121</u>	<u>55,982</u>
Total liabilities		<u><u>3,452,703</u></u>	<u><u>3,500,146</u></u>	<u><u>57,121</u></u>	<u><u>55,982</u></u>
Total equity and liabilities		<u><u>8,575,875</u></u>	<u><u>8,817,840</u></u>	<u><u>4,957,760</u></u>	<u><u>9,206,906</u></u>

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

	Note	Group					
		6 months ended 31 Dec		Increase/ (Decrease)	Full year ended 31 Dec		Increase/ (Decrease)
		2023	2022		2023	2022	
		US\$	US\$	%	US\$	US\$	%
Continued operations							
Revenue	13	5,290,345	7,659,285	(30.9)	10,290,231	13,820,102	(25.5)
Cost of sales		(4,323,480)	(5,693,150)	(24.1)	(7,896,840)	(10,318,116)	(23.5)
Gross profit		<u>966,865</u>	<u>1,966,135</u>	(50.8)	<u>2,393,391</u>	<u>3,501,986</u>	(31.7)
Other income	14	6,253	28,359	(78.0)	23,653	8,019	195.0
Selling and distribution expenses		(391,389)	(538,021)	(27.3)	(796,198)	(1,048,982)	(24.1)
Administrative expenses		(895,535)	(1,574,497)	(43.1)	(1,856,946)	(2,581,396)	(28.1)
Finance costs	15	(3,610)	(23,657)	(84.7)	(7,888)	(36,409)	(78.3)
Loss before tax	16	<u>(317,416)</u>	<u>(141,681)</u>	124.0	<u>(243,988)</u>	<u>(156,782)</u>	55.6
Income tax (expense)/credit	17	(8,903)	579,957	N.M	(31,134)	599,391	N.M
(Loss)/Profit for the period/year from continuing operations		<u>(326,319)</u>	<u>438,276</u>	N.M	<u>(275,122)</u>	<u>442,609</u>	N.M
Discontinued operations							
Loss from discontinued operations	9	(3,013)	(278,306)	(98.9)	(7,034)	(278,306)	(97.5)
Total (loss)/profit for the period/year		<u>(329,332)</u>	<u>159,970</u>	N.M	<u>(282,156)</u>	<u>164,303</u>	N.M
Other comprehensive income:							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations		19,030	5,066	275.6	4,328	(3,736)	N.M
Other comprehensive income for the financial period, net of tax		19,030	5,066	275.6	4,328	(3,736)	N.M
Total comprehensive income for the financial period/year		<u>(310,302)</u>	<u>165,036</u>	N.M	<u>(277,828)</u>	<u>160,567</u>	N.M
Earnings per share attributable to owners of the Company (cents)							
From continuing and discontinued operations		(0.39)	(0.19)	(305.4)	(0.34)	0.20	N.M
From continuing operations		<u>(0.39)</u>	<u>0.53</u>	N.M	<u>(0.33)</u>	<u>0.53</u>	N.M

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 US\$	Total equity US\$
Balance as at 1 January 2023	7,490,078	(111,376)	54,287	(41,203)	(2,074,092)	5,317,694
Loss for the year	-	-	-	-	(282,156)	(282,156)
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	-	-	-	4,328	-	4,328
Total comprehensive income for the financial year	-	-	-	4,328	(282,156)	(277,828)
Performance share plan expenses	-	-	83,306	-	-	83,306
Performance shares issued	118,446	-	(118,446)	-	-	-
Total transactions with owners, recognised directly in equity	118,446	-	(35,140)	-	-	83,306
Balance as at 31 December 2023	<u>7,608,524</u>	<u>(111,376)</u>	<u>19,147</u>	<u>(36,875)</u>	<u>(2,356,248)</u>	<u>5,123,172</u>

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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 2022	7,417,635	(111,376)	32,480	(37,467)	(2,238,395)	5,062,877
Profit for the year	-	-	-	-	164,303	164,303
<i>Other comprehensive income for the financial year</i>						
Exchange differences on translating foreign operations	-	-	-	(3,736)	-	(3,736)
Total comprehensive loss for the financial year	-	-	-	(3,736)	164,303	160,567
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 31 December 2022	<u>7,490,078</u>	<u>(111,376)</u>	<u>54,287</u>	<u>(41,203)</u>	<u>(2,074,092)</u>	<u>5,317,694</u>

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

Company	Share capital US\$	Share grant reserve US\$	(Accumulated losses)/ Retained earnings US\$	Total equity US\$
Balance at 1 January 2023	7,490,078	54,287	1,606,559	9,150,924
Loss for the year, representing total comprehensive income for the financial year	-	-	(4,333,591)	(4,333,591)
Performance share plan expenses	-	83,306	-	83,306
Performance shares issued	118,446	(118,446)	-	-
Total transactions with owners, recognised directly in equity	118,446	(35,140)	-	83,306
Balance as at 31 December 2023	<u>7,608,524</u>	<u>19,147</u>	<u>(2,727,032)</u>	<u>4,900,639</u>
Balance at 1 January 2022	7,417,635	32,480	870,550	8,320,665
Profit for the year, representing total comprehensive income for the financial year	-	-	736,009	736,009
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 31 December 2022	<u>7,490,078</u>	<u>54,287</u>	<u>1,606,559</u>	<u>9,150,924</u>

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D. Condensed Interim Consolidated Statement of Cash Flows

Note	Group Full year	
	31-Dec-2023 US\$	31-Dce-2022 US\$
Cash flows from operating activities		
	(282,156)	164,303
Adjustments for:		
	74,782	85,669
	11,524	-
	(2,887)	586
	-	18,640
	41	2,464
	-	(1,194)
	113,828	24,633
	(5,175)	(1,046)
	83,306	94,250
	7,888	36,409
	31,134	(599,391)
	3,754	505,897
	36,039	331,220
Changes in:		
	(142,209)	(488,474)
	810,115	101,622
	9,067	394,253
	713,012	338,621
	(35,476)	25,736
	677,536	364,357
Cash flows from investing activities		
	(1,090)	(3,182)
	(85,687)	(147,892)
	845	2,307
	5,175	1,046
	(80,757)	(147,721)
Cash flows from financing activities		
	(43)	1,300,397
	-	(500,000)
	(7,888)	(36,409)
	(55,176)	(62,985)
	(63,107)	701,003
	533,672	917,639
	2,529,217	1,623,451
	4,895	(11,873)
	3,067,784	2,529,217

TRICKLESTAR LIMITED
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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 is 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 consolidated financial statements for the six months and full year ended 31 December 2023 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 consolidated 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 2022.

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 consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

The condensed interim consolidated 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.

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

2.4 Use of estimates and judgements

The preparation of the condensed interim consolidated 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 were applied to the consolidated financial statements as at and for the financial year ended 31 December 2022.

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 6 – Net realisable value of inventories
- Note 7 – Expected credit loss on trade and other 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 2023. 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 ended 31 December 2023. 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 are 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>Leasehold buildings</u> US\$	<u>Renovation</u> US\$	<u>Machinery</u> US\$	<u>Tools and equipment</u> US\$	<u>Furniture and fittings</u> US\$	<u>Office equipment</u> US\$	<u>Computer</u> US\$	<u>Total</u> US\$
Cost								
At 1 January 2022	208,333	55,012	12,361	297,228	57,261	12,405	113,639	756,239
Additions	208,772	-	-	-	43	-	3,139	211,954
Disposal	-	(18,777)	-	(296,994)	(21,781)	(2,837)	(52,288)	(392,677)
Written off	(29,160)	(32,487)	-	-	(5,012)	(1,420)	(5,055)	(73,134)
Currency re-alignment	-	(329)	-	(13)	(220)	(147)	(1,658)	(2,367)
At 31 December 2022	387,945	3,419	12,361	221	30,291	8,001	57,777	500,015
Additions	-	-	-	-	-	-	1,090	1,090
Disposal	-	-	-	-	-	-	(2,531)	(2,531)
Currency re-alignment	-	(143)	-	(10)	(139)	(152)	(964)	(1,408)
At 31 December 2023	387,945	3,276	12,361	211	30,152	7,849	55,372	497,166
Accumulated depreciation								
At 1 January 2022	154,897	43,790	9,777	297,060	47,386	6,240	70,666	629,816
Depreciation	60,556	3,142	1,882	46	5,813	1,623	12,607	85,669
Disposal	-	(18,775)	-	(296,993)	(20,895)	(1,433)	(49,810)	(387,906)
Written off	(19,494)	(25,481)	-	-	(3,644)	(865)	(5,010)	(54,494)
Currency re-alignment	-	(131)	-	(3)	(98)	(51)	(555)	(838)
At 31 December 2022	195,959	2,545	11,659	110	28,562	5,514	27,898	272,247
Depreciation	60,324	642	702	46	1,361	685	11,022	74,782
Disposal	-	-	-	-	-	-	(1,645)	(1,645)
Currency re-alignment	-	(121)	-	(7)	(112)	(63)	(538)	(841)
At 31 December 2023	256,283	3,066	12,361	149	29,811	6,136	36,737	344,543
Net carrying amount								
At 31 December 2022	191,986	874	702	111	1,729	2,487	29,879	227,768
At 31 December 2023	131,662	210	-	62	341	1,713	18,635	152,623

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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\$	Company Technical know-how US\$	Total US\$
Cost					
At 1 January 2023	242,871	2,122,125	2,364,996	2	2
Additions	-	85,687	85,687	-	-
At 31 December 2023	242,871	2,207,812	2,450,683	2	2
Accumulated amortization					
At 1 January 2023	242,869	-	242,869	-	-
Amortization	-	11,524	11,524	-	-
At 31 December 2023	242,869	11,524	11,524	-	-
Impairment loss					
At 1 January 2023	-	2,122,125	2,122,125	-	-
Additions	-	3,754	3,754	-	-
At 31 December 2023	-	2,125,879	2,125,879	-	-
Net carrying amount					
At 31 December 2023	2	70,409	70,411	2	2

	Technical know-how US\$	Group Development cost US\$	Total US\$	Company Technical know-how US\$	Total US\$
Cost					
At 1 January 2022	242,871	1,974,233	2,217,104	-	-
Additions	-	147,892	147,892	2	2
At 31 December 2022	242,871	2,122,125	2,364,996	2	2
Accumulated amortization					
At 1 January 2022/31 December 2022	242,869	-	242,869	-	-
Impairment loss					
At 1 January 2022	-	1,616,228	1,616,228	-	-
Additions	-	505,897	505,897	-	-
At 31 December 2022	-	2,122,125	2,122,125	-	-
Net carrying amount					
At 31 December 2022	2	-	2	2	2

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

5. Investment in subsidiaries

	Company	
	31-Dec-2023	31-Dec-2022
	US\$	US\$
Unquoted equity shares, at cost		
At beginning of financial year	1,845,791	6,410,291
Impairment loss	-	(4,658,750)
Performance share plan	79,908	94,250
At end of financial year	<u>1,925,699</u>	<u>1,845,791</u>

6. Inventories

	Group	
	31-Dec-2023	31-Dec-2022
	US\$	US\$
At cost or net realisable value:		
Trading goods	2,503,034	2,535,719
Goods-in-transit	835,883	774,817
	<u>3,338,917</u>	<u>3,310,536</u>

During the financial year ended 31 December 2023, 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\$269,626 before write-backs of sales of stocks that had been fully provided for in 2022. The net provision for inventories was US\$113,828 (2022: US\$24,633) 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	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	US\$	US\$	US\$	US\$
Trade receivables				
– third parties	1,170,632	1,950,597	-	-
Less: Allowance for expected credit losses	-	(2,887)	-	-
	<u>1,170,632</u>	<u>1,947,710</u>	<u>-</u>	<u>-</u>
Other receivables				
– third parties	2,534	3,882	-	-
– subsidiaries	-	-	2,407,101	6,763,501
Advance to suppliers	355,889	423,211	-	-
Prepayments	23,108	40,392	6,013	-
Income tax recoverable	5,858	2,850	-	-
Deposits	177,131	120,224	-	-
GST receivables	3,685	2,105	3,248	-
	<u>1,738,837</u>	<u>2,540,374</u>	<u>2,416,362</u>	<u>6,763,501</u>
Non-current	-	-	2,129,616	-
Current	<u>1,738,837</u>	<u>2,540,374</u>	<u>286,746</u>	<u>6,763,501</u>
	<u>1,738,837</u>	<u>2,540,374</u>	<u>2,416,362</u>	<u>6,763,501</u>

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

7. Trade and other receivables (cont'd)

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

	Group	
	31-Dec-2023	31-Dec-2022
	US\$	US\$
At beginning of financial year	2,887	2,301
(Reversal of loss)/loss allowance made	(2,887)	586
At end of financial year	<u>-</u>	<u>2,887</u>

The Group determined 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).

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand. As at 31 December 2023, the Company assessed that the credit risk in relation to these amounts due from subsidiaries have not significantly increased since its initial recognition. However, the Company expects certain non-trade amounts due from subsidiaries to be received in equal instalments over a repayment tenure of 37 years. Consequently, the Company has classified these receivables as non-current.

8. Cash and bank balances

	Group		Company	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	US\$	US\$	US\$	US\$
Cash at banks	2,773,100	2,234,663	121,013	103,059
Fixed deposits	501,987	501,814	494,684	494,553
Cash and cash equivalents per statements of financial position	<u>3,275,087</u>	<u>2,736,477</u>	<u>615,697</u>	<u>597,612</u>
Fixed deposit pledged	(207,303)	(207,260)	(200,000)	(200,000)
Cash and cash equivalents per consolidated statement of cash flows	<u>3,067,784</u>	<u>2,529,217</u>	<u>415,697</u>	<u>397,612</u>

9. Discontinued operations

In December 2022, the Group began a process to deregister its 100%-owned subsidiary, TrickleStar Limited (Hong Kong). The entire assets and liabilities related to TrickleStar Limited (Hong Kong) were presented as a discontinued operation as of 31 December 2023, and the complete results from TrickleStar Limited (Hong Kong) were separately presented on the statement of comprehensive income as “Discontinued operations” for the year ended 31 December 2022. The deregistration was completed on 1 December 2023.

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

9. Discontinued operations (cont'd)

(a) The results of the discontinued operations in relation to TrickleStar Limited (Hong Kong) are as follows:

	6 months ended 31 Dec		Group		Full year ended 31 Dec		Increase/ (Decrease) %
	2023	2022	Increase/ (Decrease)	2023	2022	Increase/ (Decrease)	
	US\$	US\$	%	US\$	US\$	%	
Other income	1,160	4,359	(73.4)	1,168	4,359	(73.2)	
Administrative expenses	(4,173)	(282,665)	(98.5)	(8,202)	(282,665)	(8,202)	
Loss for the year from discontinued operation	<u>(3,013)</u>	<u>(278,306)</u>	(98.9)	<u>(7,034)</u>	<u>(278,306)</u>	(97.5)	

(b) The impact of the discontinued operations on the cash flows of the Group are as follows:

	Group	
	31-Dec-2023 US\$	31-Dec-2022 US\$
Operating cash (outflows)/inflows	<u>(79,885)</u>	<u>1,049</u>

(c) Details of the current assets of discontinued operations are as follows:

	Group	
	31-Dec-2023 US\$	31-Dec-2022 US\$
Prepayment	<u>-</u>	<u>2,683</u>

(d) Details of the current liabilities directly associated with discontinued operations are as follows:

	Group	
	31-Dec-2023 US\$	31-Dec-2022 US\$
Other payables and accruals	<u>-</u>	<u>75,534</u>

(e) Details of the non-current assets classified as discontinued operations are as follows:

	Company	
	31-Dec-2023 US\$	31-Dec-2022 US\$
Investment in subsidiary	-	4,658,750
Less: impairment of investment in subsidiary	-	(4,658,750)
	<u>-</u>	<u>-</u>

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

10. Share capital

	Group and Company			
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	Number of ordinary shares	Number of ordinary shares	US\$	US\$
Issued and paid-up capital				
Balance at beginning of financial year	83,179,330	82,674,915	7,490,078	7,417,635
Issuance of shares pursuant to the awards vested under the performance share plan	420,431	504,415	118,446	72,443
Balance at end of financial year	<u>83,599,761</u>	<u>83,179,330</u>	<u>7,608,524</u>	<u>7,490,078</u>

The Company has issued 420,431 and 504,415 ordinary shares amounting to US\$118,446, and US\$72,443 for the years ended 31 December 2023 and 31 December 2022, respectively.

11. Lease liabilities

Group as a lessee

The Group has lease contracts for office premise and warehouses in United States of America and Malaysia. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

Carrying amount of right-of-use assets classified within property, plant and equipment

	Group Leasehold buildings US\$
At 1 January 2022	53,436
Addition	208,772
Depreciation	(60,556)
Written-off	(9,666)
At 31 December 2022	<u>191,986</u>
Depreciation	(60,324)
At 31 December 2023	<u>131,662</u>

Lease liabilities

	Group	
	31-Dec-2023	31-Dec-2022
	US\$	US\$
Non-current	81,668	140,579
Current	56,452	52,717
	<u>138,120</u>	<u>193,296</u>

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

12. Trade and other payables

	Group		Company	
	31-Dec-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022
	US\$	US\$	US\$	US\$
Trade payables				
– third parties	42,401	419,707		
– a corporate shareholder	3,061,082	2,552,942	-	-
Other payables				
– third parties	37,835	34,921	23,805	12,653
– subsidiary	-	-	11,026	-
Accrued operating expenses	167,279	216,426	22,290	43,329
	<u>3,308,597</u>	<u>3,223,996</u>	<u>57,121</u>	<u>55,982</u>

13. Revenue

	6 months ended 31 Dec		Group	Full year ended 31 Dec		Increase/
	2023	2022	Increase/	2023	2022	(Decrease)
	US\$	US\$	(Decrease)	US\$	US\$	(Decrease)
			%			%
Timing of revenue recognition: At a point in time						
Sale of goods	<u>5,348,695</u>	<u>7,659,285</u>	(30.2)	<u>10,290,231</u>	<u>13,820,102</u>	(25.5)

The Group has disaggregated revenue based on the location of customers from which revenue was generated in Note 19.

14. Other income

	6 months ended 31 Dec		Group	Full year ended 31 Dec		Increase/
	2023	2022	(Decrease)	2023	2022	(Decrease)
	US\$	US\$	%	US\$	US\$	%
Foreign exchange gain, net	(402)	26,835	(101.5)	15,189	3,647	316.5
Interest income	3,366	550	512.0	5,175	1,046	394.7
Other income	402	1,559	(74.2)	402	3,326	(87.9)
Reversal of loss allowance for expected credit losses/(expected credit loss) on trade receivables	2,887	(585)	(593.5)	2,887	-	N.M
	<u>6,253</u>	<u>28,359</u>	<u>(78.0)</u>	<u>23,653</u>	<u>8,019</u>	<u>195.0</u>

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

15. Finance costs

	6 months ended 31 Dec		Group		Full year ended 31 Dec		Increase/ (Decrease) %
	2023	2022	Increase/ (Decrease)	2023	2022	Increase/ (Decrease)	
	US\$	US\$	%	US\$	US\$	%	
Interest expense							
- lease liabilities	3,610	3,358	7.5	7,888	4,555	73.2	
- borrowings	-	20,299	(100.0)	-	31,854	(100.0)	
	<u>3,610</u>	<u>23,657</u>	<u>(84.7)</u>	<u>7,888</u>	<u>36,409</u>	<u>(78.3)</u>	

16. Loss before tax

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

	6 months ended 31 Dec		Group		Full year ended 31 Dec		Increase/ (Decrease) %
	2023	2022	Increase/ (Decrease)	2023	2022	Increase/ (Decrease)	
	US\$	US\$	%	US\$	US\$	%	
Cost of sales							
Cost of inventories	4,170,328	5,530,954	(24.6)	7,740,588	10,123,651	(23.5)	
Inventories write-down	<u>127,367</u>	<u>24,633</u>	<u>417.1</u>	<u>113,828</u>	<u>24,633</u>	<u>362.1</u>	
Selling and distribution expenses							
Employee benefits expense							
- Salaries, bonuses and other staff benefits	175,003	237,773	(26.4)	350,073	502,176	(30.3)	
- Contributions to defined contribution plan	8,108	13,717	(40.9)	21,749	32,661	(33.4)	
Freight outwards	65,559	114,277	(42.6)	127,344	199,726	(36.2)	
Inventories processing fees	44,556	31,799	40.1	84,587	60,759	39.2	
Sales commission	31,841	62,708	(49.2)	80,795	109,420	(26.2)	
Storage fees	<u>15,852</u>	<u>37,638</u>	<u>(57.9)</u>	<u>36,689</u>	<u>44,813</u>	<u>(18.1)</u>	
Administrative expenses							
Depreciation of property, plant and equipment	36,026	37,062	(2.8)	74,782	85,669	(12.7)	
Employee benefits expense							
- Directors' fees	92,622	60,920	52.0	180,401	118,070	52.8	
- Salaries, bonuses and other staff benefits	407,281	496,349	(17.9)	776,963	925,127	(16.0)	
- Contributions to defined contribution plan	50,340	32,387	55.4	107,933	67,596	59.7	
Impairment loss on intangible assets	3,754	505,897	(99.3)	3,754	505,897	(99.3)	
Performance share plan expenses	28,285	-	N.M	83,306	94,250	(11.6)	
Professional fees	<u>48,072</u>	<u>24,769</u>	<u>94.1</u>	<u>86,188</u>	<u>48,927</u>	<u>76.2</u>	

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

17. Income tax expense

	6 months ended 31 Dec		Group		Full year ended 31 Dec		Increase/ (Decrease) %
	2023	2022	Increase/ (Decrease)	2023	2022	Increase/ (Decrease)	
	US\$	US\$	%	US\$	US\$	%	
Current income tax							
- current financial year	8,903	2,030	338.6	11,496	3,580	221.1	
- under/(over) provision in respect of prior years	<u>1,334</u>	<u>(9,705)</u>	(113.7)	<u>20,972</u>	<u>(30,689)</u>	(168.3)	
	<u>10,237</u>	<u>(7,675)</u>	(233.4)	<u>32,468</u>	<u>(27,109)</u>	(219.8)	
Deferred tax							
- current financial year	-	-	N.M	-	-	N.M	
- over provision in respect of prior years	<u>(1,334)</u>	<u>(572,282)</u>	(99.8)	<u>(1,334)</u>	<u>(572,282)</u>	(99.8)	
	<u>(1,334)</u>	<u>(572,282)</u>	(99.8)	<u>(1,334)</u>	<u>(572,282)</u>	(99.8)	
Total income tax expense/(credit)	<u>8,903</u>	<u>(579,957)</u>	(101.5)	<u>31,134</u>	<u>(599,391)</u>	(105.2)	

18. Dividends

There is no dividend to be declared for FY2023.

19. 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 advanced power strips, surge protectors, electrical and energy-saving products.

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

19. Segment information (cont'd)

Geographical information

The following table presents the Group's revenue and non-current assets information for the financial periods/year ended 31 December 2023 and 31 December 2022:

	6 months ended 31 Dec		Increase/ (Decrease) %	Group Full year ended 31 Dec		Increase/ (Decrease) %
	2023	2022		2023	2022	
	US\$	US\$		US\$	US\$	
Total revenue						
United States of America	5,290,345	7,659,285	(30.9)	10,290,231	13,815,029	(25.5)
Others	-	-	N.M	-	5,073	(100.0)
	<u>5,290,345</u>	<u>7,659,285</u>	<u>(30.9)</u>	<u>10,290,231</u>	<u>13,820,102</u>	<u>(25.5)</u>

	Group Full year ended 31 Dec	
	2023	2022
	US\$	US\$
Total non-current assets		
United States of America	231,462	209,909
Others	9,572	17,861
	<u>223,034</u>	<u>227,770</u>

Major customers

Revenue of approximately 85% (2022: 84%) is derived from 6 (2022: 6) major customers.

20. Events after reporting period

On 10 January 2024, the Company granted share awards (the "Awards") consisting of 823,579 ordinary shares to employees and directors of the Group pursuant to the Tricklestar Performance Share Plan.

F. Other Information required under Appendix 7C of the Catalist 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 31 December 2023		As at 31 December 2022	
	Number of shares	US\$	Number of shares	US\$
Balance at the beginning of the financial period	83,179,330	7,490,078	82,674,915	7,417,635
Issue of shares pursuant to the Awards vested under the TrickleStar Performance Share Plan ⁽¹⁾	420,431	118,446	504,415	72,443
Balance at the end of the financial period	83,599,761	7,608,524	83,179,330	7,490,078

Notes:

⁽¹⁾ The Company had, on 19 June 2023 allotted and issued 420,431 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 31 December 2023 and 31 December 2022.

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 31 December 2023 was 83,599,761 (31 December 2022: 83,179,330). There were no treasury shares held by the Company as at 31 December 2023 and 31 December 2022.

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 31 December 2023.

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 been audited by the Company's auditors in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

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

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.

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.

	6 months ended 31 Dec		Increase/ (Decrease) %	Group Full year ended 31 Dec		Increase/ (Decrease) %
	2023	2022		2023	2022	
	US\$	US\$		US\$	US\$	
From continuing and discontinued operations						
(Loss)/Profit attributable to owners of the Company (US\$)	(329,332)	159,970	(305.9)	(282,156)	164,303	(271.7)
Weighted average number of shares ⁽¹⁾	83,599,761	83,179,330	0.5	83,405,023	82,953,678	0.5
Earnings per share – basic and diluted (US cents)	(0.39)	0.19	(305.4)	(0.34)	0.20	(270.0)
From continuing operations						
(Loss)/Profit attributable to owners of the Company (US\$)	(326,319)	438,276	(174.5)	(275,122)	442,609	(162.2)
Weighted average number of shares ⁽¹⁾	83,599,761	83,179,330	0.5	83,405,023	82,953,678	0.5
Earnings per share – basic and diluted (US cents)	(0.39)	0.53	(174.1)	(0.33)	0.53	(161.8)

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.

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

The diluted EPS for the respective financial periods is substantially the same as per basic EPS after adjusting for the remaining outstanding share awards at the respective reporting date.

Notes:

⁽¹⁾ The weighted average number of shares in issue for the six months and twelve months ended 31 December 2023 was computed based on 83,599,761 and 83,405,023 ordinary shares, respectively, which include the issuance of 420,431 shares pursuant to the exercise of Performance Share Plan on 19 June 2023.

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	
	31 Dec 2023 US\$	31 Dec 2022 US\$	31 Dec 2023 US\$	31 Dec 2022 US\$
Net asset value	5,123,172	5,317,694	4,900,639	9,150,924
Number of ordinary shares issue	83,599,761	83,179,330	83,599,761	83,179,330
Net asset value per share based on existing issued share capital as at the end of the respective year (US\$ cents)	6.13	6.39	5.86	11.00

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.

Review of the Group's statement of comprehensive income:

2H 2023 VS 2H 2022

Revenue decreased by 30.9%, or US\$2.37 million, to US\$5.29 million in 2H 2023, mainly due to pricing pressure. Customers, being more price-sensitive than in prior years, opted for competitors' offering lower prices, resulting in a loss of potential sales. Additionally, we adjusted our pricing structure in the light of the competition, which further reduced the revenue amount.

The cost of sales decreased by 24.1% or US\$1.37 million in 2H 2023, as compared to the higher decrease in sales, but this included a significant provision of US\$0.27 million against stocks. The stock provisions were necessitated by the poor market response to, and almost non-existent sales of, the Portable Power Station and the Dryer Saver that had been developed by TrickleStar prior to 2023. The provision was partially offset by sales of stocks of other products previously provided for, where management had successfully found buyers for those products. The net provision for stocks was US\$0.11 million.

The gross profit margin of 18.3% for 2H 2023, significantly decreased compared to 25.7% in the same period last year, due to the provision against stock, which lowered the gross profit margin by 2.1%. Another contributing factor to the decrease was the necessary downward pricing adjustment during the period.

Other income decreased by US\$0.02 million in 2H 2023, mainly due to the fluctuation of exchange rates during the period.

Selling and distribution expenses decreased by US\$0.15 million in 2H 2023, mainly due to lower freight expenses which in line with the decreased sales and reduced commissions resulting from decreased sales.

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

2H 2023 VS 2H 2022 (cont'd)

Administrative expenses decreased by US\$0.68 million in 2H 2023 mainly due to a significant decrease in impairment loss for intangible assets and non-recurring expenses related to the settlement of unexpected liabilities arising in relation to development projects. The remuneration of the former CEO, which the Company had borne until April 2023, also ceased for 2H FY2023.

Finance costs decreased by US\$0.02 million mainly due to full repayment of bank borrowing at the end of FY2022.

As a result of the aforementioned reasons, the Group recorded a loss before tax of US\$0.32 million in 2H 2023, as compared to a loss before tax of US\$0.14 million in 2H 2022.

The Group recorded income tax expenses of US\$0.009 million for 2H 2023, which was mainly in relation to the operating profits registered by the profitable entities.

The Group reported a net loss attributable to owners of the Company of US\$0.33 million.

FY 2023 VS FY 2022

Revenue decreased by 25.5% or US\$3.53 million to US\$10.29 million in FY2023, mainly due to pricing pressure. Customers, being more price-sensitive than in prior years, opted for competitors' offering lower prices, resulting in a loss of potential sales. Additionally, we adjusted our pricing structure in the light of the competition, which further reduced the revenue amount. We also began FY2023 with low stock levels of the right products required by customers due to management's reduced focus on APS sales in 2022, a position that the Company has managed to correct as 2023 progressed.

The cost of sales decreased by 23.5% or US\$2.42 million which is in line with the decreased revenue. However, the amount includes a significant provision of US\$0.27 million against stocks, necessitated by the poor market response to, and almost non-existent sales of, the Portable Power Station and the Dryer Saver that had been developed by TrickleStar prior to 2023. The provision was partially offset by sales of stocks of other products previously provided for, where management had successfully found buyers for those products.

Gross profit decreased by 31.7% to US\$2.39 million in FY2023 from US\$3.50 million in FY2022. The gross profit margin, excluding the US\$0.27 million net provision for the discontinued Portable Power Station and Dryer Saver products (partially offset by successful sales of US\$0.16 million of other stocks that were previously written-off in 2022), decreased to 24.3% in FY2023 from 25.3% in FY2022 (including the stock provision, the gross margin for FY2023 was 23.3%). Aside from the stock write-offs, this decrease was mainly attributable to the impact of pricing adjustment.

Other income increased by US\$0.01 million in FY2023, mainly due to the forex gains.

Selling and distribution expenses decreased by 24.1% or US\$0.25 million, from US\$1.05 million in FY2022 to US\$0.80 million in FY2023, mainly due to the following:

- (i) a decrease of US\$0.16 million in staff costs as a result of decreasing headcount;
- (ii) a decrease of US\$0.07 million in freight costs, which was in line with decreased sales; and
- (iii) a decrease of US\$0.03 million in sales commission as a result of decreased sales.

Administrative expenses decreased by US\$0.72 million or 28.1% from US\$2.58 million in FY2022 to US\$1.86 million in FY2023 mainly due to the following:

- (i) cessation of the former CEO's remuneration from April 2023 resulting in savings of approximately US\$0.07 million from the combination of the CEO role with the COO;
- (ii) a decrease of US\$0.09 million in salaries and other staff benefits;
- (iii) a decrease of US\$0.50 million in impairment losses for intangible assets; and
- (iv) a decrease of US\$0.49 million in settlement costs in FY2022 of the unexpected dispute arising in relation to the 2022 discontinued Thermostat development project.

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

FY 2023 VS FY 2022 (cont'd)

which were partially offset by the following increases in expenses:

- (i) an increase of US\$0.06 million in directors' fee;
- (ii) an increase of US\$0.04 million in professional fees; and
- (iii) further provisions aggregating US\$0.07 million relating to scrapping costs of prior models of the Advanced Keyboard which were unsuited to the market and further unexpected liabilities relating to the Thermostat project.

Finance costs decreased in FY2023 because the Group repaid all bank borrowings at the end of last year and did not incur any further bank borrowings during the year.

As a result of the aforementioned reasons, the Group recorded a loss before tax of US\$0.24 million in FY2023, as compared to a loss before tax of US\$0.16 million in FY2022. Note that, excluding the stocks provision for the Portable Power Station and Dryer Saver, and liabilities from discontinued projects, profit before tax was US\$0.02 million.

The Group recorded income tax expenses of US\$0.03 million for FY2023, primarily related to the operating profits generated by the profitable entities.

The Group reported a net loss attributable to owners of the Company of US\$0.28 million for FY2023, as compared to a net profit of US\$0.16 million in FY2022.

Review of the Group's statement of financial position:

Property, plant and equipment as at 31 December 2023 decreased by US\$0.07 million, reflecting the depreciation charge of US\$0.07 million.

Intangible assets as at 31 December 2023 increased by US\$0.07 million mainly due to product development costs of US\$0.08 million incurred during the financial period, partially offset by amortization of US\$0.01 million during the same period.

Current assets as at 31 December 2023 decreased by US\$0.24 million mainly due to the following:

- (i) an increase in cash and bank balances of US\$0.54 million; and
- (ii) an increase in inventories of US\$0.03 million.

which were offset by:

- (i) a decrease in trade and other receivables of US\$0.72 million resulting from decreased sales; and
- (ii) a decrease in prepayments of US\$0.08 million.

Non-current liabilities as at 31 December 2023 decreased by US\$0.06 million due to decrease in lease liabilities of US\$0.06 million.

Current liabilities as at 31 December 2023 increased by US\$0.08 million mainly due to an increase of US\$0.08 million in trade and other payables.

The Group had a positive working capital of US\$5.12 million as at 31 December 2023.

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

Review of the Group's statement of cash flows

- (i) Net cash from operating activities in FY2023 was US\$0.68 million, which comprised operating cash flows before working capital changes of US\$0.04 million, working capital inflow changes of US\$0.71 million and income tax paid of US\$0.03 million. The working capital inflow changes were due to an increase in inventories of US\$0.14 million and a decrease in trade and other receivables of US\$0.81 million.
- (ii) Cash flow used in investing activities amounted to US\$0.08 million, resulting from additions to product development costs of US\$0.08 million.
- (iii) The total cash flow used in financing activities of US\$0.06 million was due to repayment of obligations under leases of US\$0.06 million.

The above movements resulted in a net increase in cash and cash equivalents amounting to US\$0.53 million resulting in cash and cash equivalents of US\$3.07 million as at 31 December 2023.

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

	Group	
	Full year ended 31 December	
	2023	2022
Fixed deposits	501,987	501,814
Cash and cash equivalents	2,773,100	2,234,663
Cash and cash equivalents at end of financial year	3,275,087	2,736,477
Fixed deposit pledged	(207,303)	(207,260)
Cash and cash equivalents on consolidated statement of cash flows	<u>3,067,784</u>	<u>2,529,217</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.

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.

Advanced Power Strips (APS) continue to be the principle revenue generator for TrickleStar and we have made a renewed focus on selling these products and maintaining their competitive position. During the year it was apparent that our customers were becoming price sensitive and, in response, we carried out a full review of the APS and have found ways to reduce manufacturing costs. We have opened discussions for new sales routes, which we intend will make the products more competitive and extend their commercial life.

Our Advanced Keyboard went through further, necessary upgrades in 2023, which meant scrapping prior models, and we had a product ready for the market towards the end of 2023. We also developed a marketing and sales strategy for the keyboard including a new website and the appointment of sales agents worldwide. TrickleStar's Water Heater Controller has begun to see some market traction and we continue to promote this product.

The two other remaining products from the product development program of 2018-2022, the Portable Power Station and the Dryer Saver, both received very poor market response and have been discontinued.

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

After completing settlements of US\$0.49 million in unexpected contractual commitments mainly related to the Thermostat project that was discontinued in 2022 and after making stock provisions aggregating US\$0.70 million for other products, we believe that all the legacy complications of the discontinued development program have now surfaced. These liabilities could have been greater, but for management's negotiations and search for successful outcomes with our suppliers and manufacturers. These negotiations have been positive in nature and concerns that those stakeholders had over TrickleStar's previous approach with them and our direction have been overcome.

The transition that began at the end 2022 continued through 2023. Having restored a level of financial health to TrickleStar, the Group now aims for organic and non-organic growth going forward. TrickleStar needs to diversify and we will consider opportunities that arise, including those where other groups may make use of our strong USA distribution network.

Meanwhile, TrickleStar will continue to be focused on profitability and cash generation based on the products we now have.

Whilst there are signs that inflationary pressures are easing worldwide, we need to maintain caution against continued high interest rates and cost increases in our production lines. Uncertainties through Middle East and European wars affect shipping costs and the strength of the US\$, that we need to consider.

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

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

There is no final dividend to be declared for this 2H 2023.

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

NIL

(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 2H 2023 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 of S\$100,000 and above entered into during FY2023.

- 14. 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).

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

During FY2023, 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. However, in December 2022, the Group initiated a process to deregister its 100%-owned subsidiary, TrickleStar Limited (Hong Kong). The deregistration was completed on 1 December 2023.

- 16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Refer to Note 19 in this condensed interim financial statements.

- 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Not material changes in contributions to turnover and earnings by the operating segments.

- 18. A breakdown of sales as follows:**

	Group		Increase/ (Decrease) %
	Year ended 31 Dec 2023 US\$	2022 US\$	
First half			
Sales reported for first half year	4,999,886	6,160,817	(18.8)
Operating profit after tax reported for first half year	47,176	4,333	988.8
Second half			
Sales reported for second half year	5,290,345	7,659,285	(30.9)
Operating (loss)/profit after tax reported for second half year	(329,332)	159,970	(305.9)

The increase in operating profit after tax reported for 1H FY2023 was mainly due to lower shipping cost, which lowered the landed costs and freight expenses.

The decrease in operating profit after tax reported for 2H FY2023 was mainly due to a significant provision for stocks and a significant reduction in sales.

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

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not Applicable.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704 (10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in TrickleStar Limited or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Gunananthan Nithyanantham

Executive Director and Chief Operating Officer

28 February 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate FinancePte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange SecuritiesTrading 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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