TRICKLESTAR LIMITED

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

Audited Financial Statement and Dividend Announcement For The Financial Year Ended 31 December 2019

TrickleStar Limited (the "**Company**") was incorporated in Singapore on 31 October 2018 under the Singapore Companies Act (Chapter 50) as a private limited company. The Company and its subsidiaries (the "**Group**") was 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.

For the purpose of this announcement, our Group's results for the financial year ended 31 December 2019 ("**FY2019** ") and comparative results for the financial year ended 31 December 2018 ("**FY2018** ") have been prepared using the pooling of interest method, and the financial statements are presented as if the business has always been combined since the beginning of the earliest period presented.

TRICKLESTAR LIMITED
(Company Registration No. 201837106C)

AUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

PART I - INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENTS

1 (a)(i) A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group		
	Twelve (12) months ended 31 December		
	Audited	Audited	Increase/
	2019	2018	(Decrease)
	US$	US$	%
Revenue	14,524,660	12,841,475	13.1
Cost of sales	(10,645,529)	(8,372,982)	27.1
Gross profit	**3,879,131**	**4,468,493**	(13.2)
Other items of income			
Interest income	1,334	1,736	(23.2)
Other income	155,787	8,297	NM
Reversal of loss allowance on trade receivables	6,796	-	NM
Other items of expense			
Selling and distribution expenses	(1,155,910)	(1,154,325)	0.1
Administrative expenses	(2,628,719)	(1,011,530)	159.9
Finance costs	(7,777)	-	NM
Profit before income tax	**250,642**	**2,312,671**	(89.2)
Income tax expense	(75,154)	(344,978)	(78.2)
Profit for the financial year attributable to owners of the Company	**175,488**	**1,967,693**	(91.1)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	1,805	(5,072)	NM
Other comprehensive income for the financial year, net of tax	1,805	(5,072)	
Total comprehensive income for the financial year attributable to owners of the Company	**177,293**	**1,962,621**	(91.0)

Note:

The consolidated statement of comprehensive income for the financial year ended 31 December 2018 has been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the Restructuring Exercise.

NM. : Not meaningful

TRICKLESTAR LIMITED

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1 (a)(ii) Notes to the Combined Statements of Comprehensive Income

The Group's profit before tax is arrived at after crediting / (charging) the following:

	Group		
	Financial Year Ended		Increase/
	31-Dec-19	31-Dec-18	(Decrease)
	US$	US$	%
Cost of sales			
Cost of inventories	(10,552,830)	(8,331,086)	26.7
Inventories written off	(32,146)	(32)	NM
Other income			
Government grants	144,379	-	NM
Foreign exchange gain, net	11,408	872	NM
Others	-	7,425	NM
Selling and distribution expenses			
Employee benefits expense			
- Salaries, bonuses and other staff benefits	(451,280)	(473,989)	(4.8)
- Contributions to defined contribution plans	(30,532)	(40,719)	(25.0)
	(481,812)	(514,708)	
Freight outwards	(180,384)	(147,123)	22.6
Sales commission	(166,727)	(205,713)	(19.0)
Inventories processing fees	(58,818)	(56,918)	3.3
Storage fees	(96,918)	(42,307)	129.1
Administrative expenses			
Audit fees			
- Auditors' of the Company	(36,755)	-	NM
- Other auditors	(34,793)	(26,883)	29.4
Impairment loss on intangible assets	(119,500)	-	NM
Initial public offering expenses*	(1,116,553)	-	NM
Amortisation of intangible assets	(48,574)	(48,574)	NM
Bad debts written off - trade receivables	(14,058)	-	NM
Depreciation of plant and equipment	(46,474)	(62,147)	(25.2)
Amorisation of right-of-use assets	(45,945)	-	NM
Engineering fees	(79,979)	(68,625)	16.5
Employee benefits expense			
- Directors' fees	(46,023)	-	NM
- Salaries, bonuses and other staff benefits	(529,357)	(384,063)	37.8
- Contributions to defined contribution plans	(26,661)	(33,266)	(19.9)
	(602,041)	(417,329)	
Operating lease expenses	-	(56,475)	(100.0)
Plant and equipment written off	(1)	(6)	(83.3)
Professional fees	(50,988)	(173,825)	(70.7)
Research and testing	(25,947)	(1,052)	NM

NM : Not meaningful

* Included in these expenses were professional fees paid to the external auditors of the Company amounting to US$97,352 (2018: US$Nil) in respect of an allocated portion of professional services rendered as independent reporting auditors in connection with the Company's initial public offering.

TRICKLESTAR LIMITED
(Company Registration No. 201837106C)

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company
	Audited 31-Dec-19 US$	Audited 31-Dec-18 US$	Audited 31-Dec-19 US$
ASSETS			
Non-current assets			
Plant and equipment	67,236	91,622	-
Right-of-use of assets	68,596	-	-
Investments in subsidiaries	-	-	4,601,706
Intangible assets	392,585	216,656	-
	528,417	308,278	4,601,706
Current assets			
Inventories	4,266,414	6,940,719	-
Trade and other receivables	2,781,691	1,958,682	1,162,771
Prepayments	59,749	411,476	5,674
Income tax recoverable	186,609	3,797	-
Cash and bank balances	2,600,014	1,553,649	996,483
	9,894,477	10,868,323	2,164,928
TOTAL ASSETS	**10,422,894**	**11,176,601**	**6,766,634**
EQUITY AND LIABILITIES			
Equity			
Share capital	7,191,788	4,490,330	7,191,788
Merger reserve	(111,376)	-	-
Share grant reserve	7,685	-	7,685
Foreign currency translation reserve	18,251	16,446	-
(Accumulated losses)/Retained earnings	(64,608)	630,623	(839,499)
Total equity	7,041,740	5,137,399	6,359,974
Non-current liabilities			
Deferred tax liabilities	95,073	2,296	-
Lease Liabilities	31,298	-	-
	126,371	2,296	-
Current liabilities			
Trade and other payables	3,163,943	5,864,907	370,604
Lease liabilities	44,870	-	-
Provision for warranty cost	9,914	5,820	-
Current income tax payable	36,056	166,179	36,056
	3,254,783	6,036,906	406,660
Total liabilities	**3,381,154**	**6,039,202**	**406,660**
Total equity and liabilities	**10,422,894**	**11,176,601**	**6,766,634**

Note:

The financial statements of the Company cover the financial period since incorporation on 31 October 2018 to 31 December 2019. This being the first set of financial statements for the Company, there are no comparative figures.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: (A) the amount repayable in one year or less, or on demand; (B) the amount repayable after one year; (C) whether the amounts are secured or unsecured; and (D) details of any collaterals.

Not applicable. There were no Group borrowings and debt securities as at the end of the current financial year and as at the end of the immediately preceding year.

TRICKLESTAR LIMITED

(Company Registration No. 201837106C)

1 (c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Twelve (12) months ended 31 December	
	Audited	Audited
	2019	2018
	US$	US$
Cash flows from operating activities		
Profit before income tax	250,642	2,312,671
Adjustments for:		
Bad debts written-off - trade receivables	14,058	-
Reversal of loss allowance on trade receivables	(6,796)	-
Depreciation of plant and equipment	46,474	62,147
Amortisation of intangible assets	48,574	48,574
Amortisation of right-of-use assets	45,945	-
Initial public offering expenses	1,116,553	-
Impairment loss on intangible assets	119,500	-
Interest income	(1,334)	(1,736)
Plant and equipment written off	1	6
Inventories written off	32,146	32
Share grant plan expenses	7,685	-
Interest expenses	7,777	-
Operating cash flows before working capital changes	**1,681,225**	**2,421,694**
Working capital changes:		
Inventories	2,642,159	(2,680,896)
Trade and other receivables	(830,271)	(436,670)
Prepayments	351,727	(399,994)
Trade and other payables	(2,700,964)	2,123,283
Provision for warranty cost	4,094	5,820
Cash generated from operations	**1,147,970**	**1,033,237**
Income tax (paid)/refunded	(295,312)	44,154
Net cash from operating activities	**852,658**	**1,077,391**
cash flows from investing activities		
Purchase of plant and equipment	(21,999)	(10,129)
Additions to intangible assets	(344,003)	(155,938)
Interest received	1,334	1,736
Net cash used in investing activities	**(364,668)**	**(164,331)**
Cash flows from financing activities		
Advances to former holding company	-	(450,000)
Proceeds from issuance of ordinary shares	2,853,982	1
Fixed deposit pledged	-	(7,253)
Initial public offering expenses	(1,380,453)	-
Repayment of obligations under leases	(43,279)	-
Interest paid	(7,777)	-
Dividends paid	(865,822)	(482,255)
Net cash from/(used in) financing activities	**556,651**	**(939,507)**
Net change in cash and cash equivalents	1,044,641	(26,447)
Cash and cash equivalents at beginning of financial year	1,546,396	1,577,907
Exchange difference on cash and cash equivalents	1,651	(5,064)
Cash and cash equivalents at end of financial year	**2,592,688**	**1,546,396**

TRICKLESTAR LIMITED

(Company Registration No. 201837106C)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Merger reserve	Share grant reserve	Foreign currency translation reserve	(Accumulated losses) /Retained earnings	Total equity
	US$	US$	US$	US$	US$	US$
Group						
Balance at 31 December 2018	4,490,330	-	-	16,446	630,623	5,137,399
Effect on adoption of SFRS(I) 16	-	-	-	-	(4,897)	(4,897)
Balance as at 1 January 2019	4,490,330	-	-	16,446	625,726	5,132,502
Profit for the financial year	-	-	-	-	175,488	175,488
Other comprehensive income for the financial year, net of tax						
Exchange differences on translating foreign operations	-	-	-	1,805	-	1,805
Total comprehensive income for the financial year	-	-	-	1,805	175,488	177,293
Contributions by and distributions to owners						
Adjustment pursuant to Restructuring Exercise	-	(111,376)	-	-	-	(111,376)
Deemed distribution to owners pursuant to the Restructuring Exercise	(4,490,329)	-	-	-	-	(4,490,329)
Issuance of new shares pursuant to the Restructuring Exercise	4,601,705	-	-	-	-	4,601,705
Issuance of new shares pursuant to an Initial Public Offering Exercise	2,853,982	-	-	-	-	2,853,982
Share issuance expense	(263,900)	-	-	-	-	(263,900)
Share grant plan expenses			7,685			7,685
Dividends	-	-	-	-	(865,822)	(865,822)
Total transactions with owners	2,701,458	(111,376)	7,685	-	(865,822)	1,731,945
Balance at 31 December 2019	**7,191,788**	**(111,376)**	**7,685**	**18,251**	**(64,608)**	**7,041,740**
Balance at 1 January 2018	4,490,329	-	-	21,518	(385,060)	4,126,787
Profit for the financial year	-	-	-	-	1,967,693	1,967,693
Other comprehensive income for the financial year, net of tax						
Exchange differences on translating foreign operations	-	-	-	(5,072)	-	(5,072)
Total comprehensive income for the financial year	-	-	-	(5,072)	1,967,693	1,962,621
Contributions by and distributions to owners						
Issue of shares	1	-	-	-	-	1
Dividends	-	-	-	-	(952,010)	(952,010)
Total transactions with owners	1	-	-	-	(952,010)	(952,009)
Balance at 31 December 2018	**4,490,330**	**-**	**-**	**16,446**	**630,623**	**5,137,399**

TRICKLESTAR LIMITED

(Company Registration No. 201837106C)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Share grant reserve	Accumulated losses	Total equity
	US$	US$	US$	US$
Company				
Issue of shares on 31 October 2018 (date of incorporation)	1	-	-	1
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(839,499)	(839,499)
Total comprehensive income for the financial year	-	-	(839,499)	(839,499)
Contributions by and distributions to owners				
Issuance of ordinary shares pursuant to the Restructuring Exercise	4,601,705	-	-	4,601,705
Issuance of ordinary shares pursuant to an Initial Public Offering Exercise	2,853,982	-	-	2,853,982
Share issuance expense	(263,900)	-	-	(263,900)
Share grant plan expenses	-	7,685	-	7,685
Total transactions with owners	7,191,787	7,685	-	7,199,472
Balance at 31 December 2019	**7,191,788**	**7,685**	**(839,499)**	**6,359,974**

Note:

The financial statements of the Company cover the financial period since incorporation on 31 October 2018 to 31 December 2019. This being the first set of financial statements for the Company, there are no comparative figures.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivison, 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.

	Company	
	Number of Ordinary Shares	Issued and Paid-up Share Capital
		US$
Issued and paid up share capital as at 30 June 2019	81,791,925	7,191,788
Issued and paid up share capital as at 31 December 2019	81,791,925	7,191,788

The Company did not have any treasury shares, subsidiary holdings or convertible instruments as at 31 December 2019 and 31 December 2018.

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.

	Company
	Number of Ordinary Shares
	As at 31-Dec-19
Total number of issued shares excluding treasury shares	81,791,925

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. There were no treasury shares during and as at the end of the financial year reported on.

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. There were no subsidiary holdings during and as at the end of the financial year reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have been audited or reviewed by the Company's auditors.

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

Refer to the attached auditors' report.

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.
This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Company's latest financial statements are not subject to any 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.**

Except as described in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as those applied for the audited combined financial statements for the financial year ended 31 December 2018 as set out in the Offer Document dated 3 June 2019.

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**

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases effective for the financial year on or after 1 January 2019.

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

	Group			
	FY2019		**FY2018**	
Profit attributable to owners of the Company (US$)	175,488		1,967,693	
Weighted average number of shares	74,846,720	(1),(2)	66,791,925	(2)
Earnings per share - basic and diluted* (US cents)	0.23		2.95	

The basic and diluted EPS for the respective financial years 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 years.

*In the current financial year the dilutive potential ordinary shares which comprise share awards granted by the Company as disclosed in Note 13 to the financial statements do not have a material impact on the diluted EPS and therefore the diluted EPS would be equivalent to the basic EPS. In the previous financial year, the Company does not have any dilutive potential ordinary shares.

The calculations of basic earnings per share for the relevant financial periods are based on the profit attributable to owners of the parent for FY2018 and FY2017 divided by the weighted average number of ordinary shares in the relevant financial periods. For comparative and illustrative purposes, the weighted average number of ordinary shares for FY2018 and FY2017 was based on the total number of ordinary shares in issue of 107,285,000 shares and 107,280,000 shares respectively, which had been retrospectively adjusted to reflect (i) the issuance of 21,456,000 new shares pursuant to the Restructuring Exercise; and (ii) the share split exercise, assuming such transactions occurred at the beginning of each of FY2018 and FY2017.

Notes:

(1) For illustrative purposes, the placement of 15,000,000 Shares pursuant to the IPO Placement is assumed to have been in issue throughout the entire period ended 31 December 2019.

(2) For illustrative purposes, the issued and paid-up share capital of the Company of 66,791,925 Shares is assumed to have been in issue throughout the entire twelve months ended 31 December 2018 and 31 December 2019.

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
	As at		As at
	31-Dec-19	**31-Dec-18**	**31-Dec-19**
NAV per Share (US Cents)	8.61	7.69	7.78
Total equity (US$)	7,041,740	5,137,399	6,359,974
Number of Shares used in computation of NAV per Share	81,791,925	66,791,925 (1)	81,791,925

Note:
(1) For illustrative purposes, the pre-IPO issued and paid-up share capital of the Company of 66,791,925 Shares is assumed to have been in issue as at 31 December 2018.

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:

Revenue and cost of sales

The Group's revenue increased by 13.1% from US$12.84 million in FY2018 to US$14.52 million in FY2019. The US$1.68 million increase in revenue was largely attributable to the regular growth in orders from existing distributors. Correspondingly, the cost of goods sold increased by 27.1% from US$8.37 million in FY2018 to US$10.65 million in FY2019. The decrease in gross profit by 13.2% was primarily attributable to the increase of tariffs from 10% to 25% imposed by USA during the FY2019.

Other income

Other income increased by US$0.15 million, mainly due to (i) a grant received of approximately US$0.14 million (S$0.20 million) from MAS under the Equity Market Singapore (GEMS) scheme, (ii) an increase of US$0.01 million in net foreign exchange gain and (iii) a reversal of impairment loss on trade receivables of US$6,796. This was offset by the absence of a sundry income of US$7,425 in FY2018.

Selling and distribution expenses

Selling and distribution expenses were maintained at approximately US$1.15 million largely due to the following:

(i) additional products quality inspection expenses of US$0.05 million as the Group had outsourced quality inspections of the Group's products to a third-party quality assurance audit firm in FY2019;

(ii) an increase of US$0.05 million in the storage fees and freight outwards expenses of US$0.03 million;

which were largely set off by the following decreases in expenses:

(iii) a decrease of US$0.04 million in sales commission that is based on collection and a decrease of US$0.03 million in salaries, bonuses and other staff benefits; and

(iv) a reduction in advertising and trade show/exhibition expenses of US$0.04 million and US$0.02 million respectively.

Administrative expenses

Administrative expenses increased by approximately US$1.62 million or 160.6% from US$1.01 million in FY2018 to US$2.63 million in FY2019. This was primarily due to the net listing expenses incurred amounting to approximately US$1.12 million for the IPO in FY2019.

Income tax expense

Income tax expense decreased by US$0.27 million or 78.2%, from US$0.34 million in FY2018 to US$0.07 million in FY2019, due to mainly reversal of over provision for income tax for the current year of approximately US$0.12 million and the absence of a deferred tax expense of US$0.17 million recognised in FY2018. The decrease was also in line with the decrease in the profit before tax.

Profit after income tax

As a result of the significant IPO expenses, profit after income tax decreased by US$1.79 million or 91.1%, from US$1.96 million in FY2018 to US$0.17 million in FY2019. The decrease was also due to the above other reasons mentioned.

Review of the Group's statement of financial position:

Plant and equipment

As at 31 December 2019, plant and equipment decreased largely due to depreciation amounting to US$0.04 million which was partially offset by a US$0.02 million of plant and equipment purchases.

Rights of use assets

As at 31 December 2019, a Right of Use of assets of approximately US$0.07 million was recognised as a result of adopting the SFRS(I) 16 Leases in FY2019.

Intangible assets

As at 31 December 2019, intangible assets increased largely due to additions of product development costs of US$0.34 million which was partially offset by an impairment of US$0.12 million and amortisation of US$0.05

Current assets

As at 31 December 2019, current assets amounted to US$9.89 million. This was a reduction of US$0.97 million as compared with 31 December 2018. The reduction was attributable largely to the following:

(i) a US$2.67 million decrease in inventories due to higher sales of inventories and a reduction in stocks purchases during FY2019 compared to FY2018 due to 2018 year-end stocks being high to help to mitigate the impact of any increases in tariffs;

(ii) a US$0.35 million reduction in prepayments which was mainly due to charging out of the prepaid IPO listing expenses to profit and loss account during FY2019; which were

(iii) largely set off by an increase of US$0.82 million in trade and other receivables due to the increase of trade receivables, consistent with the higher revenue in FY2019; and

(iv) an increase of US$0.18 million in income tax recoverable, mainly due to overprovision on a quarterly basis of US tax for current year and prior year approximately of US$0.09 million and US$0.08 million respectively and US$1.04 million in cash and cash equivalents as explained in the review of the Group's statement of cash flow.

Non-current liabilities

As at 31 December 2019, non-current liabilities amounted to US$0.13 million. There was an increase by US$0.12 million as compared with 31 December 2018. The increase was due to an increase in deferred tax liabilities with temporary differences of addition in intangible assets by US$0.09 million and an additional lease liability recognised under SFRS (I) 16 on Leases of US$0.03 million.

Current liabilities

As at 31 December 2019, current liabilities amounted to US$3.25 million. This was a reduction of US$2.78 million as compared with 31 December 2018. The reduction was attributable largely to the following:

(i) a US$2.70 million decrease in trade and other payables; which was due to the following:

(a) a US$2.37 million reduction in trade payables due to settlement of trade payables and less stocks purchases during FY2019;

(b) a US$0.33 million reduction in other payables and accrual of expenses, mainly due to duties and freight costs of approximately US$0.40 million incurred at the end of FY2018 and settled during FY2019; and

(c) offset by a higher sales commission provided in FY2019 of US$0.05 million.

(ii) a US$0.17 million settlement of income tax at the beginning of the year for the preceding year tax payable brought forward; which were

(iii) set off by the recognition of lease liability of approximately US$0.04 million under SFRS(I) 16 on leases and a provision for current year income tax payable of US$0.04 million.

Review of the Group's statement of cash flows

(i) Net cash from operating activities in FY2019 was US$0.85 million, which comprised cash used in operating activities before working capital changes of US$1.68 million, working capital outflow of US$0.53 million and income tax paid of US$0.30 million. Working capital outflow was mainly due to a decrease in trade and other payables of US$2.70 million and an increase in trade and other receivables of US$0.83 million, and mainly offset by decrease in inventories and prepayments of US$2.64 million and US$0.35 million respectively.

(ii) Cash flow used in investing activities amounted to approximately US$0.36 million which was largely attributable to product development costs incurred of approximately US$0.34 million and purchases of equipment of approximately US$0.02 million.

(iii) The total cash flow from financing activities amounted to approximately US$0.56 million which was primarily from the gross proceeds from IPO amounting to approximately US$2.85 million which was offset by approximately US$1.38 million of share issue expense and, additionally, a dividend of US$0.86 million paid by our Hong Kong subsidiary prior to the Restructuring Exercise and the IPO. These resulted in a net increase in cash and cash equivalent amounting to approximately US$1.04 million resulting in a cash and cash equivalent of approximately US$2.60 million as at 31 December 2019.

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

	Group	
	Twelve Months Ended	
	31-Dec-19	**31-Dec-18**
	US$	US$
Fixed deposits	7,326	7,253
Cash and bank balances	2,592,688	1,546,396
	2,600,014	1,553,649
Fixed deposit pledged	(7,326)	(7,253)
Cash and cash equivalents in consolidated statement of cash flows	2,592,688	1,546,396

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.

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.

So long as China and USA continue their trade struggles, significant levels of uncertainty will remain in the business environment. The Group has positioned itself as well as possible to continue selling products into USA whilst mitigating the obvious impacts of the trade war.

As at the date of this announcement, the coronavirus and its tragic consequences, is very much in view. Commercially, the Group is also feeling impact from the strong responses to control the spread: supply chains for components are being disrupted and this may well impact sales in 2020 if these commercial problems continue.

Subject to those comments, the Group will be introducing the first of a new product range to the USA market in the second half of 2020, with more new products to follow when the timing is right. Meanwhile, the Group expects its core business to develop further, taking into consideration the goodwill generated with its major customers by its ability to maintain prices to support their programs over the course 2019.

11. If a decision regarding dividend has been made: (a) Whether an interim (final) ordinary dividend has been declared (recommended); (b) (i) Amount per share, cents (ii) Previous corresponding period, cents; (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).

(a) Dividend Declared (Recommended) for the Current Financial Period Reported On

No, however there was a dividend of US$ 865,822 declared and paid by our Hong Kong subsidiary prior to the Restructuring Exercise and IPO.

(b) Dividend Declared (Recommended) for the Corresponding Period of the Immediately Preceding Financial year

No, however there was a dividend of US$ 444,755 declared and paid by our Hong Kong subsidiary prior to the Restructuring Exercise and IPO.

(c) Date payable

Note applicable.

(e) Book closure date

Note applicable.

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

No dividend has been declared or recommended for FY2019 as the Company was in accumulated deficit as at 31 December 2019.

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 IPTs.
There were no interested person transactions of S$100,000 and above entered into in FY2019.

14. Confirmations 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 (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules.

15. Use of Proceeds

The Company was listed on Catalist of the SGX-ST on 18 June 2019. The initial public offering of the Company

	Amount allocated as stated in the Offer Document (S$' million)	Amount utilised as at the date of this announcement (S$' million)	Balance of net proceeds as at the date of this announcement (S$' million)
Scaling our presence in markets that we	0.40	0.09 [(a)]	0.31
Product development, acquisitions of	1.00	0.55 [(b)]	0.45
General working capital purposes	1.00	1.00 [(c)]	-
	2.40	1.64	0.76

Notes:

(a) Scaling expenses paid for expanding presence, new markets and establishing new sales channels.
(b) Product development expenses incurred as at the date of this announcement.
(c) Approximately S$1.0 million paid on 3 July 2019 for payment of stocks to our supplier.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

16. Segmented revenue and results for business or geographical 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

Not applicable. In FY2019, the Company only has one major reportable segment (licensing technology, developing and selling advanced power strips and surge protectors, and only operates in one) geographical segment (America).

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

18. A breakdown of sales and results as follows:

	Group		
	FY2019 US$	FY2018 US$	Increase / (Decrease) %
Sales reported for first half year	**6,587,861**	5,864,360	12.34
Operating (loss)/profit after tax reported for the first half year	**(298,836)**	1,109,457	(126.94)
Sales reported for second half year	**7,936,799**	6,977,115	13.75
Operating profit after tax reported for the second half year	**474,324**	858,236	(44.73)

The significant decrease in operating profit after tax reported for the first half year of FY2019 was due mainly to listing expenses incurred in connection with the IPO.

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:
(a) Ordinary
(b) Preference
(c) Total

Not Applicable. No dividend has been recommended and declared for FY2019 and FY2018.
Please refer to paraghaph 11.

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.

The Company confirms that, to the best of its knowledge as of the date hereof, none of the persons occupying a managerial position in the Company or any of its principal subisidaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Bernard Christopher Emby
Executive Chairman and Chief Executive Officer

27 February 2020

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*TrickleStar Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 18 June 2019. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rules 226(2)(b) and 753(2) of the SGX-ST Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Joseph Au, Associate Director, Continuing Sponsorship. (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).