

TRICKLESTAR LIMITED

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

**AUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (“FY2020”)**

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.

TRICKLESTAR LIMITED
(Company Registration No. 201837106C)

AUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

PART I - INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENTS

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

	Group		
	Year ended 31 December		
	Audited 2020	Audited 2019	Increase/ (Decrease)
	US\$	US\$	%
Revenue	12,850,046	14,524,660	(11.5)
Cost of sales	<u>(9,646,344)</u>	<u>(10,645,529)</u>	(9.4)
Gross profit	3,203,702	3,879,131	(17.4)
Other items of income			
Interest income	1,037	1,334	(22.3)
Fixed deposits interest	470	-	NM
Other income	69,153	155,787	(55.6)
Reversal of loss allowance on trade receivables	-	6,796	NM
Other items of expense			
Selling and distribution expenses	(881,718)	(1,155,910)	(23.7)
Administrative expenses	(1,719,230)	(2,628,719)	(34.6)
Finance costs	<u>(4,819)</u>	<u>(7,777)</u>	(38.0)
Profit before income tax	668,595	250,642	>100
Income tax benefit / (expense)	<u>44,086</u>	<u>(75,154)</u>	>100
Profit for the financial year attributable to owners of the Company	<u>712,681</u>	<u>175,488</u>	>100
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations, net of tax	<u>8,695</u>	<u>1,805</u>	>100
Other comprehensive income for the financial year, net of tax	<u>8,695</u>	<u>1,805</u>	>100
Total comprehensive income for the financial year attributable to owners of the Company	<u>721,376</u>	<u>177,293</u>	>100

NM. : Not meaningful

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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 charging / (crediting) the following:

	Group		
	Year ended 31 December		
	2020	2019	Increase/ (Decrease)
	Audited	Audited	%
	US\$	US\$	
<u>Cost of sales</u>			
Cost of inventories	9,436,939	10,552,830	(10.6)
Provision for slow-moving inventories	150,000	32,146	>100
<u>Other income</u>			
Government grant	(3,637)	(144,379)	(97.5)
Foreign exchange gain (Net)	(65,516)	(11,408)	>100
Reversal of loss allowance on trade receivables	-	(6,796)	NM
<u>Selling and distribution expenses</u>			
Employee benefits expense			
- Salaries, bonuses and other staff benefits	340,898	451,280	(24.5)
- Contributions to defined contribution plans	22,473	30,532	(26.4)
	363,371	481,812	
Freight outwards	199,539	180,384	10.6
Sales commission	111,185	166,727	(33.3)
Inventories processing fees	104,402	58,818	77.5
Storage fees	39,224	96,918	(59.5)
<u>Administrative expenses</u>			
Audit fees			
- Auditors' of the Company	63,157	36,755	71.8
- Other auditors	3,404	34,793	(90.2)
Non-audit fees			
- Auditors' of the Company	14,976	-	NM
- Other auditors	919	-	NM
Impairment loss on intangible assets	-	119,500	NM
Initial public offering expenses*	-	1,116,553	NM
Amortisation of intangible assets	12,142	48,574	(75.0)
Bad debts written off - trade receivables	225	14,058	(98.4)
Depreciation of plant and equipment	32,459	46,474	(30.2)
Amortisation of right-of-use assets	47,573	45,945	3.5
Performance share plan expenses	126,368	7,685	>100
Engineering fees	3,100	79,979	(96.1)
Employee benefits expense			
- Directors' fees	85,854	46,023	86.5
- Salaries, bonuses and other staff benefits	429,375	529,357	(18.9)
- Contributions to defined contribution plans	29,330	26,661	10.0
	544,559	602,041	
Plant and equipment written off	1	1	-
Interest expense on lease liabilities	4,819	7,777	(38.0)
Professional fees	467,140	50,988	>100
Research and testing	2,727	25,947	(89.5)

NM : Not meaningful

* Included in these expenses were professional fees paid to external auditors of the Company amounting to US\$Nil (2019: US\$97,352 paid to ex-external auditor BDO LLP, in respect of an allocated portion of professional services rendered as independent reporting auditors in connection with the Company's initial public offering).

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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.

	<u>Group</u>		<u>Company</u>	
	<u>Audited</u> 31-Dec-20 US\$	<u>Audited</u> 31-Dec-19 US\$	<u>Audited</u> 31-Dec-20 US\$	<u>Audited</u> 31-Dec-19 US\$
<u>ASSETS</u>				
Non-current assets				
Plant and equipment	63,303	67,236	-	-
Right-of-use assets	85,646	68,596	-	-
Investments in subsidiaries	-	-	6,286,017	4,601,706
Intangible assets	938,550	392,585	-	-
	<u>1,087,499</u>	<u>528,417</u>	<u>6,286,017</u>	<u>4,601,706</u>
Current assets				
Inventories	4,474,005	4,266,414	-	-
Trade and other receivables	2,124,158	2,781,691	148,437	1,162,771
Prepayments	30,374	59,749	-	5,674
Income tax recoverable	60,551	186,609	-	-
Cash and cash equivalents	3,671,880	2,600,014	1,684,087	996,483
	<u>10,360,968</u>	<u>9,894,477</u>	<u>1,832,524</u>	<u>2,164,928</u>
Total assets	<u>11,448,467</u>	<u>10,422,894</u>	<u>8,118,541</u>	<u>6,766,634</u>
<u>EQUITY AND LIABILITIES</u>				
Equity				
Share capital	7,304,838	7,191,788	7,304,838	7,191,788
Merger reserve	(111,376)	(111,376)	-	-
Performance share plan reserve	21,003	7,685	21,003	7,685
Foreign currency translation reserve	26,946	18,251	-	-
Retained earnings/(Accumulated losses)	648,073	(64,608)	484,082	(839,499)
Total equity	<u>7,889,484</u>	<u>7,041,740</u>	<u>7,809,923</u>	<u>6,359,974</u>
Non-current liabilities				
Deferred tax liabilities	57,620	95,073	-	-
Lease liabilities	52,585	31,298	-	-
	<u>110,205</u>	<u>126,371</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	3,375,017	3,163,943	287,099	370,604
Lease liabilities	38,489	44,870	-	-
Provision for warranty cost	13,014	9,914	-	-
Current income tax payable	22,258	36,056	21,519	36,056
	<u>3,448,778</u>	<u>3,254,783</u>	<u>308,618</u>	<u>406,660</u>
Total liabilities	<u>3,558,983</u>	<u>3,381,154</u>	<u>308,618</u>	<u>406,660</u>
Total equity and liabilities	<u>11,448,467</u>	<u>10,422,894</u>	<u>8,118,541</u>	<u>6,766,634</u>

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's borrowings and debt securities as at the end of the current financial year and as at the end of the immediately preceding year.

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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	
	Year ended 31 December	
	Audited 2020 US\$	Audited 2019 US\$
Cash flows from operating activities		
Profit before income tax	668,595	250,642
Adjustments for:		
Bad debts written-off - trade receivables	225	14,058
Allowance on trade receivables	14,622	(6,796)
Depreciation of plant and equipment	32,459	46,474
Amortisation of intangible assets	12,142	48,574
Amortisation of right-of-use assets	47,573	45,945
Initial public offering expenses	-	1,116,553
Impairment loss on intangible assets	-	119,500
Interest income	(1,037)	(1,334)
Plant and equipment written off	1	1
Provision for slow-moving inventories	150,000	32,146
Performance share plan expenses	126,368	7,685
Provision	3,100	4,094
Interest expenses	4,819	7,777
Operating cash flows before working capital changes	1,058,867	1,685,319
Working capital changes:		
Inventories	(357,591)	2,642,159
Trade and other receivables	642,686	(830,271)
Prepayments	29,375	351,727
Trade and other payables	211,074	(2,700,964)
Cash generated from operations	1,584,411	1,147,970
Income tax refunded/(paid)	127,588	(295,312)
Net cash from operating activities	1,711,999	852,658
Cash flows from investing activities		
Purchase of plant and equipment	(28,180)	(21,999)
Additions to intangible assets	(558,107)	(344,003)
Interest received	1,037	1,334
Net cash used in investing activities	(585,250)	(364,668)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	2,853,982
Initial public offering expenses	-	(1,380,453)
Repayment of obligations under leases	(55,957)	(51,056)
Dividends paid	-	(865,822)
Net cash (used in)/from financing activities	(55,957)	556,651
Net change in cash and cash equivalents	1,070,792	1,044,641
Cash and cash equivalents at beginning of financial year	2,592,688	1,546,396
Exchange difference on cash and cash equivalents	461	1,651
Cash and cash equivalents at end of financial year	3,663,941	2,592,688

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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	Performance share plan reserve	Foreign currency translation reserve	Retained earnings / (Accumulated losses)	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Group						
Balance at 1 January 2020	7,191,788	(111,376)	7,685	18,251	(64,608)	7,041,740
Profit for the financial year	-	-	-	-	712,681	712,681
<i>Other comprehensive income for the financial year, net of tax</i>						
Exchange differences on translating foreign operations	-	-	-	8,695	-	8,695
Total comprehensive income for the financial year	-	-	-	8,695	712,681	721,376
Contributions by and distributions to owners						
Share grant plan expenses	-	-	126,368	-	-	126,368
Performance shares issued	113,050	-	(113,050)	-	-	-
Total transactions with owners	113,050	-	13,318	-	-	126,368
Balance at 31 December 2020	7,304,838	(111,376)	21,003	26,946	648,073	7,889,484
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 at 1 January 2019	4,490,330	-	-	16,446	625,726	5,132,502
Profit for the financial year	-	-	-	-	175,488	175,488
<i>Other comprehensive income for the financial year, net of tax</i>						
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 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
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

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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 US\$	Performance share plan reserve US\$	Retained earnings / (Accumulated losses) US\$	Total equity US\$
Company				
Balance at 1 January 2020	7,191,788	7,685	(839,499)	6,359,974
Profit for the financial year, representing total comprehensive income for the financial year	-	-	1,323,581	1,323,581
Total comprehensive income for the financial year	-	-	1,323,581	1,323,581
Contributions by and distributions to owners				
Share grant plan expenses	-	126,368	-	126,368
Performance shares issued	113,050	(113,050)	-	-
Total transactions with owners	113,050	13,318	-	126,368
Balance at 31 December 2020	7,304,838	21,003	484,082	7,809,923
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)
Dividends	-	-	-	-
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

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 2020		As at 31 December 2019	
	Number of shares	US\$	Number of shares	US\$
Balance at the beginning of the financial period	81,791,925	7,191,788	81,791,925	7,191,788
Issue of shares pursuant to the Awards vested under the TrickleStar Performance Share Plan ⁽¹⁾	456,329	113,050	-	-
Balance at the end of the financial period	82,248,254	7,304,838	81,791,925	7,191,788

Note:

⁽¹⁾ The number of shares was calculated after taking into consideration of 2,894 shares forfeited as at 30 June 2020.

The Award shares rank pari passu in all respects with the existing shares of the Company. The Award shares have been listed and quoted on the Catalist Board of the Singapore Exchange Securities Trading limited on 08 June 2020.

The Company did not have any treasury shares, subsidiary holdings or convertible instruments as at 31 December 2020 and 31 December 2019.

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 2020 was 82,248,254 (31 December 2019: 81,791,925). There were no treasury shares held by the Company as at 31 December 2019 and 31 December 2020.

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 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 disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year reported on, which are consistent with the most recently audited financial statements for the year ended 31 December 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 effect of, the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are effective for financial years beginning on or after 1 January 2020 that are relevant to its operations. The adoption of these new/revised SFRS(I)s does not result in any changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current financial year or prior financial years.

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	
	Year ended 31 December	
	2020	2019
Profit attributable to owners of the Company (US\$)	712,681	175,488
Weighted average number of shares	82,048,923 ⁽¹⁾	74,846,720
Earnings per share - basic and diluted (US cents)	0.87	0.23

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.

Fully diluted EPS and the basic EPS for the financial years presented in the table above are the same as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its shares during these financial years.

Note:

⁽¹⁾ The weighted average number of shares in issue for the twelve months ended 31 December 2020 was computed based on 82,248,254 ordinary shares adjusted for issuance of 456,329 shares pursuant to the exercise of Performance Share Plan on 8 June 2020.

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-20	31-Dec-19	31-Dec-20	31-Dec-19
Net Asset Value per share (US cents)	9.59	8.61	9.50	7.78
Net Asset Value (US\$)	7,889,484	7,041,740	7,809,923	6,359,974
Number of ordinary shares issued	82,248,254	81,791,925	82,248,254	81,791,925

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 declined by 11.5% from US\$14.52 million in FY2019 to US\$12.85 million in FY2020. The US\$1.67 million decrease in revenue was mainly attributable to the impact of the COVID-19 pandemic, which resulted in reduced demand for the Group's products. Correspondingly, the cost of goods sold decreased by 9.4% from US\$10.65 million in FY2019 to US\$9.65 million in FY2020. The decrease in gross profit by 17.4% was mainly attributable to the average selling prices being maintained despite USA tariffs in the early part of the year and slightly higher manufacturing costs when manufacturing of advanced power strips was transferred from China to Malaysia as well as a provision for slow-moving inventories of US\$0.15 million in FY2020.

Other income

Other income decreased by US\$0.09 million, mainly due to the absence of a grant received in FY2019 of approximately US\$0.14 million (S\$0.20 million) from MAS under the Equity Market Singapore (GEMS) scheme. This was offset by an increase of US\$0.05 million in net foreign exchange gain.

Selling and distribution expenses

Selling and distribution expenses decreased by US\$0.28 million or 23.7% from US\$1.16 million in FY2019 to US\$0.88 million in FY2020, due mainly to the following:

- (i) a decrease of US\$0.11 million in salaries and other staff benefits from reduced USA sales staff headcount;
- (ii) a decrease of US\$0.06 million in sales commission;
- (iii) a decrease of US\$0.04 million in product quality inspection expenses;
- (iv) a decrease of US\$0.06 million in storage fees for third party warehousing;
- (v) a decrease of US\$0.02 million in defective item expenses;
- (vi) a decrease of US\$0.04 million in travelling and accommodation expenses;

which were partially offset by the following increases in expenses:

- a) an increase of approximately US\$0.01 million in freight outwards expense; and
- b) an increase of approximately US\$0.04 million in inventories processing fees.

Administrative expenses

Administrative expenses decreased by US\$0.91 million or 34.6% from US\$2.63 million in FY2019 to US\$1.72 million in FY2020, due mainly to the following:

- (i) the absence of US\$1.12 million net listing expenses incurred for the IPO and impairment loss of US\$0.12 million on intangible assets in FY2019;
- (ii) a decrease of US\$0.06 million in overseas travelling and accommodation expenses;
- (iii) a decrease of US\$0.08 million in engineering fees;
- (iv) a decrease of US\$0.02 million in compensation fees;
- (v) a decrease of US\$0.03 million in amortisation of intangible assets,

which were partially offset by the following increases in expenses:

- a) an increase in professional fees of US\$0.41 million; and
- b) an increase of performance share plan expenses of US\$0.11 million.

Finance costs

The decrease in finance costs in FY2020 is due to lower finance charge on lease liability.

Income tax benefit

In FY2020, the US subsidiary incurred tax losses, as a result, the current income tax benefit is mainly in relation to the tax benefits and deferred tax asset movement.

In FY2019, income tax expense is mainly due to tax payable on taxable profits from the subsidiary.

Profit after income tax

Profit after income tax increased by US\$0.54 million or 317.6%, from US\$0.17 million in FY2019 to US\$0.71 million in FY2020 was mainly due to the absent of the significant IPO expenses in FY2019. The increase 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 2020, plant and equipment decreased by US\$0.01 million as compared to the end of last financial year. This reduction was largely due to routine depreciation amounting to US\$0.03 million which was partially offset by US\$0.02 million of plant and equipment purchases.

Right of use assets

As at 31 December 2020, right-of-use assets increased by US\$0.01 million as compared to the end of last financial year. The increase was due to additional right-of-use assets in accordance with SFRS (I) 16.

Intangible assets

As at 31 December 2020, intangible assets increased largely due to additions of product development costs of US\$0.56 million which was partially offset by amortisation of US\$0.01 million.

Current assets

Current assets increased by US\$0.47 million from US\$9.89 million as at 31 December 2019 to US\$10.36 million as at 31 December 2020. The increase in current assets was mainly due to the following:

- (i) an increase of US\$1.07 million in cash and cash equivalent as explained below in the review of the Group's statement of cash flow;
- (ii) an increase of US\$0.22 million in inventories due to lower sales of inventories; which were set-off by:
 - a) a decrease of US\$0.66 million in trade and other receivables mainly due to the decrease of trade receivables, consistent with the lower revenue in FY2020 after an allowance on trade receivables of approximately US\$0.02 million;
 - b) a decrease of US\$0.13 million in income tax recoverable (as tax was refunded); and
 - c) a decrease of US\$0.03 million in prepayments.

Non-current liabilities

As at 31 December 2020, non-current liabilities amounted US\$0.11 million. There was a decrease of US\$0.02 million as compared with 31 December 2019. The decrease was due to a decrease in deferred tax liabilities of approximately US\$0.04 million and set off by an increase of lease liability under SFRS (I) 16 on Leases of approximately US\$0.02 million.

Current liabilities

Current liabilities increased by US\$0.20 million from US\$3.25 million as at 31 December 2019 to US\$3.45 million as at 31 December 2020. The increase in current liabilities was mainly due to the following:

- (i) an increase of US\$0.21 million increase in trade and other payables; which was due to the following:
 - (a) a US\$0.08 million increase in trade payables due to increase of stocks purchases from factory due to prior commitment with factory;
 - (b) a US\$0.08 million increase in accrual of expenses and an accrual of duties and freight costs of US\$0.02 million;
 - (c) an advance receipt from customers of approximately US\$0.05 million and proceeds from a USA government initiative, the Paycheck Protection Program (“PPP”) of US\$0.06;

which were largely set off by a US\$0.08 million reduction in other payables;

- (ii) set off by a decrease of US\$0.01 million in current income tax payable.

Review of the Group’s statement of cash flow

(i) Net cash generated from operating activities in FY2020 was US\$1.71 million, which comprised cash used in operating activities before working capital changes of US\$1.06 million, working capital inflow of US\$0.52 million and income tax refunded of US\$0.13 million. Working capital inflow was due to a decrease in trade and other receivables of US\$0.64 million as well as a decrease in prepayment of US\$0.03 million and an increase in increase in trade and other payables US\$0.21 million, offset by an increase in inventories of approximately US\$0.36 million.

(ii) Cash flow used in investing activities amounted to US\$0.59 million which was due to additions of product development costs of US\$0.56 million and purchases of equipment of US\$0.03 million.

(iii) The total cash flow used in financing activities of US\$0.06 million was due to repayment of obligations under leases. These resulted in a net increase in cash and cash equivalents amounting to US\$1.07 million resulting in cash and cash equivalents of US\$3.66 million as at 31 December 2020.

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

	Group	
	Year ended	
	31-Dec-20	31-Dec-19
Fixed deposit	7,939	7,326
Cash and bank balances	<u>3,663,941</u>	<u>2,592,688</u>
Cash and cash equivalents at end of financial year	3,671,880	2,600,014
Fixed deposit pledged	<u>(7,939)</u>	<u>(7,326)</u>
Cash and cash equivalents on consolidated statement of cash flows	<u><u>3,663,941</u></u>	<u><u>2,592,688</u></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.

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.

The Group expects its Advanced Power Strips (“APS”) business to enjoy good levels of demand, taking into consideration the USA’s latest energy and climate change stance, the new PlugLoad brand and the goodwill generated with its major customers by its ability to maintain prices to support their programs.

Now that some manufacturing of its APS has been successfully transferred away from China, TrickleStar has more than one contract manufacturer for the product and the USA tariff threat on that product has largely been removed. Moving ahead, TrickleStar does intend to manufacture some of its new products in China since they will target countries outside of the USA where tariffs do not exist.

While TrickleStar intends to follow its growth path, it is aware of risks, the most significant at present coming from supply chain disruptions and how quickly countries are able to control infections of Covid-19 to allow normal business and social interaction to resume. Shipping issues, in terms of availability of vessels and costs, continue to plague the industry but TrickleStar’s healthy balance sheet allows it to smoothen logistics concerns, for instance by carrying very full levels of stock. As in 2020, TrickleStar will remain vigilant to the potential impacts at all levels of its business and will endeavour to plan forward to avoid or overcome the challenges.

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

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

The Directors are pleased to recommend a first and final dividend of 0.45 US cents (US\$0.0045) per ordinary share for FY2020 ("Proposed Dividend"). The Proposed Dividend will be subject to shareholders' approval at the FY2020 annual general meeting ("AGM").

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

0.45 US cents (US\$0.0045) per ordinary share for FY2020.

(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).

Tax exempt (one-tier).

(d) The date the dividend is payable.

Subject to shareholders' approval of the dividend at the AGM, the payment date for the dividend will be announced in due course.

(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.

Subject to shareholders' approval of the Dividend at the AGM, the book closure date will be announced in due course.

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

Not applicable.

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 in FY2020.

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 as set out in Appendix 7H under Rule 720(1).

15. Use of Proceeds

The Company was listed on Catalist of the SGX-ST on 18 June 2019. The initial offering of the Company raised gross proceeds and net proceeds of S\$3.90 million and S\$2.40 million respectively. As announced on 17 September 2020, the net proceeds of S\$2.40 million have been fully utilised as follows:

Use of IPO Net Proceeds	Amount allocated as stated in the Offer Document	Amount utilised (as of 01 July 2020)	Amount Utilised (as of the date of this announcement)
Scaling our presence in markets that we operate in, expansion into new geographical markets and establishing new sales channels	S\$0.40 million	S\$0.40 million	S\$0.40 million
Product development and acquisitions of products, businesses and assets	S\$1.00 million	S\$0.84 million	S\$1.00 million
General working capital purposes	S\$1.00 million	S\$1.00 million	S\$1.00 million
Total	S\$2.40 million	S\$2.24 million	S\$2.40 million

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

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

Not applicable. In FY2020, 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 operating segments.

Not applicable.

18. A breakdown of sales and results as follows:

	Group		Increase / (Decrease) %
	2020 US\$	2019 US\$	
Sales reported for first half year	6,504,114	6,587,861	(1.27)
Operating (loss)/profit after tax before deducting non-controlling interests reported for the first half year	506,711	(298,836)	(269.56)
Sales reported for second half year	6,345,932	7,936,799	(20.04)
Operating profit after tax reported before deducting non-controlling interests for the second half year	205,970	474,324	(56.58)

The significant increase in operating profit after tax reported for the first half year of FY2020 was due mainly to the absence of listing expenses incurred in connection with the IPO in FY2019.

The decrease in operating profit after tax reported for the second half year of FY2020 was due to the reduction of sales revenue due to Covid-19 impact.

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

	Group	
	2020 US\$	2019 US\$
Ordinary Shares		
- Interim	N.A.	N.A.
- First and Final	370,117 *	N.A.
Total	<u>370,117</u>	<u>N.A.</u>

* The first and final dividend for FY2020 is subject to shareholders' approval at the forthcoming AGM of the Company.

The full year dividend pay-out for FY2020 would constitute approximately 51.9% (FY2019: N.A.) of Group's net profit after tax attributable to owners of the Company in FY2020.

Please refer to paragraph 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 subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

21. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Not applicable. During FY2020, there were no acquisition or disposal of shares in subsidiaries, associated companies of the Company or in any company which became or ceased to be a subsidiary or an associated company (as the case may be) resulting from such acquisition or disposal, as required by Rule 706A.

BY ORDER OF THE BOARD

Bernard Christopher Emby
Executive Chairman and Chief Executive Officer

26 February 2021

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 reviewed by the Company's Sponsor. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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