



TREK 2000 INTERNATIONAL LTD (Registration Number 199905744N)

## First Half Financial Statements Announcement for the Period ended 30 June 2023

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

#### Unaudited Results for the First Half Ended 30 June 2023

	Note	First Half		Increase/ (Decrease)
		2023	2022	
		US\$'000	US\$'000	%
<b>Revenue</b>		6,573	7,392	(11.1)
Cost of sales		(6,348)	(7,093)	(10.5)
<b>Gross profit</b>		225	299	(24.7)
<b>Other items of income:</b>				
Interest income		246	137	79.6
Other income		1,166	149	682.6
<b>Other items of expense:</b>				
Research and development		(312)	(533)	(41.5)
Marketing and distribution		(547)	(732)	(25.3)
Impairment losses on trade and other receivables		(53)	(31)	71.0
General administration		(506)	(545)	(7.2)
Finance expenses		(4)	(11)	(63.6)
Other expenses		–	(5,102)	(100.0)
Profit/(loss) before income tax	6	215	(6,369)	N.M.
Income tax expense	7	–	–	–
<b>Profit/(loss) for the period</b>		<b>215</b>	<b>(6,369)</b>	<b>N.M.</b>
<b>Other comprehensive income</b>				
<b><u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u></b>				
Foreign currency translation differences		10	48	(79.2)
<b><u>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</u></b>				
Fair value changes on debt investments at FVOCI		–	1,400	(100.0)
Total other comprehensive income/(loss) for the period, net of tax		10	1,448	(99.3)
<b>Total comprehensive income/(loss) for the period</b>		<b>225</b>	<b>(4,921)</b>	<b>N.M.</b>
<b>Profit/(loss) for the period attributable to:</b>				
Owners of the Company		219	(6,354)	N.M.
Non-controlling interests		(4)	(15)	(73.3)
		<b>215</b>	<b>(6,369)</b>	<b>N.M.</b>

PS: N.M. – Not Meaningful

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

**Unaudited Results for the First Half Ended 30 June 2022 (cont'd)**

	Note	First Half		Increase/ (Decrease)
		2023	2023	
		US\$'000	US\$'000	%
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company		229	(4,906)	N.M.
Non-controlling interests		(4)	(15)	(73.3)
		<b>225</b>	<b>(4,921)</b>	<b>N.M.</b>
Earnings/(loss) per share attributable to owners of the Company (expressed in USD cents per share):				
– Basic		0.07	(2.02)	N.M.
– Diluted		0.07	(2.02)	N.M.

PS: N.M. – Not Meaningful

**B. Condensed Interim Consolidated Statement of Financial Position**

	Note	Group		Company	
		30 Jun 2023 US\$'000	31 Dec 2022 US\$'000	30 Jun 2023 US\$'000	31 Dec 2022 US\$'000
<b>Non-current assets</b>					
Property, plant and equipment	12	1,065	1,154	–	–
Right-of-use assets		359	279	–	–
Investment in subsidiaries		–	–	1,583	1,583
Investment in associates		–	–	5	5
Unquoted investments	10	1,886	1,886	1,886	1,886
		<u>3,310</u>	<u>3,319</u>	<u>3,474</u>	<u>3,474</u>
<b>Current assets</b>					
Inventories		2,323	2,407	–	–
Trade and other receivables		347	4,942	79	2,099
Prepayments		12	59	2	5
Quoted investments held for trading	10	16,619	15,898	16,619	15,898
Unquoted investments held for trading	10	1,767	1,796	1,767	1,796
Short term deposits		5,266	1,017	4,764	515
Cash at banks and on hand		584	1,537	135	105
		<u>26,918</u>	<u>27,656</u>	<u>23,366</u>	<u>20,418</u>
<b>Total assets</b>		<b><u>30,228</u></b>	<b><u>30,975</u></b>	<b><u>26,840</u></b>	<b><u>23,892</u></b>
<b>Current liabilities</b>					
Trade payables		622	711	–	1
Other payables and accruals		1,244	1,967	2,508	207
Lease liabilities		47	82	–	–
Income tax payable		781	1,029	–	–
		<u>2,694</u>	<u>3,789</u>	<u>2,508</u>	<u>208</u>
<b>Net current assets</b>		<b>24,224</b>	<b>23,867</b>	<b>20,858</b>	<b>20,210</b>
<b>Non-current liabilities</b>					
Lease liabilities		245	122	–	–
Deferred taxation		105	105	–	–
		<u>350</u>	<u>227</u>	<u>–</u>	<u>–</u>
<b>Total liabilities</b>		<b><u>3,044</u></b>	<b><u>4,016</u></b>	<b><u>2,508</u></b>	<b><u>208</u></b>
<b>Net assets</b>		<b><u>27,184</u></b>	<b><u>26,959</u></b>	<b><u>24,332</u></b>	<b><u>23,684</u></b>
<b>Equity attributable to the owners of the Company</b>					
Share capital	15	37,829	37,829	37,829	37,829
Treasury shares		(996)	(996)	(996)	(996)
Revenue reserve		(14,027)	(14,246)	(11,889)	(12,537)
Capital reserve		2,717	2,717	–	–
Asset revaluation reserve		1,352	1,352	–	–
Translation reserve		154	144	–	–
Other reserves		(689)	(689)	(612)	(612)
		<u>26,340</u>	<u>26,111</u>	<u>24,332</u>	<u>23,684</u>
Non-controlling interests		844	848	–	–
<b>Total equity</b>		<b><u>27,184</u></b>	<b><u>26,959</u></b>	<b><u>24,332</u></b>	<b><u>23,684</u></b>
<b>Total equity and liabilities</b>		<b><u>30,228</u></b>	<b><u>30,975</u></b>	<b><u>26,840</u></b>	<b><u>23,892</u></b>

**C. Condensed Interim Consolidated Statement of Changes in Equity**

	Attributable to owners of the Company								Non-Controlling Interests US\$'000	Total Equity US\$'000
	Share Capital US\$'000	Treasury Shares US\$'000	Revenue Reserve US\$'000	Capital Reserve US\$'000	Asset Revaluation Reserve US\$'000	Translation Reserve US\$'000	Other Reserves US\$'000	Total US\$'000		
<b>THE GROUP</b>										
Balance as at 1 January 2023	37,829	(996)	(14,246)	2,717	1,352	144	(689)	26,111	848	26,959
Total comprehensive income for the period	-	-	219	-	-	10	-	229	(4)	225
<b>Balance as at 30 June 2023</b>	<b>37,829</b>	<b>(996)</b>	<b>(14,027)</b>	<b>2,717</b>	<b>1,352</b>	<b>154</b>	<b>(689)</b>	<b>26,340</b>	<b>844</b>	<b>27,184</b>
Balance as at 1 January 2022	37,829	(996)	(1,040)	2,717	1,266	(40)	(1,939)	37,797	924	38,721
Total comprehensive income for the period	-	-	(6,354)	-	-	48	1,400	(4,906)	(15)	(4,921)
<b>Balance as at 30 June 2022</b>	<b>37,829</b>	<b>(996)</b>	<b>(7,394)</b>	<b>2,717</b>	<b>1,266</b>	<b>8</b>	<b>(539)</b>	<b>32,891</b>	<b>909</b>	<b>33,800</b>
<b>THE COMPANY</b>										
Balance as at 1 January 2023	37,829	(996)	(12,537)	-	-	-	-	(612)	-	23,684
Total comprehensive income for the period	-	-	648	-	-	-	-	-	-	648
<b>Balance as at 30 June 2023</b>	<b>37,829</b>	<b>(996)</b>	<b>(11,889)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(612)</b>	<b>-</b>	<b>24,332</b>
Balance as at 1 January 2022	37,829	(996)	(4,918)	-	-	-	-	(1,851)	-	30,064
Total comprehensive income for the period	-	-	(5,054)	-	-	-	-	1,400	-	(3,654)
<b>Balance as at 30 June 2022</b>	<b>37,829</b>	<b>(996)</b>	<b>(9,972)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(451)</b>	<b>-</b>	<b>26,410</b>

**D. Condensed Interim Consolidated Statement of Cash Flows**

	Note	1HFY2023 US\$'000	1HFY2022 US\$'000
<b>Cash flow from operating activities:</b>			
Profit/(loss) before income tax		215	(6,369)
Adjustments for:			
Depreciation of property, plant and equipment		90	76
Depreciation of right-of-use assets		60	75
Gain on disposal of quoted investments (net)	6	–	(34)
(Gain)/loss on fair value changes of financial assets at FVTPL (net)		(584)	5,024
Allowance for stock obsolescence (net)		–	4
Allowance for diminution in value of inventory (net)		–	55
Allowance for doubtful debts (net)		53	31
Interest income	6	(246)	(137)
Interest expense	6	4	11
Dividend income		(9)	(17)
<b>Operating loss before changes in working capital</b>		<b>(417)</b>	<b>(1,281)</b>
Decrease in trade and other receivables and prepayments		3,237	1,237
Decrease/(increase) in inventories		84	(2,913)
Decrease in trade and other payables		(857)	(2,817)
<b>Cash generated from/(used in) operating activities</b>		<b>2,047</b>	<b>(5,774)</b>
Income tax paid		(248)	(226)
Interest received/(paid)		79	(7)
<b>Net cash generated from/(used) in operating activities</b>		<b>1,878</b>	<b>(6,007)</b>
<b>Cash flow from investing activities</b>			
Advance(to)/from associate		(71)	(49)
Purchase of property, plant and equipment		(1)	(5)
Proceeds from disposal of quoted investments		–	5,934
Purchase of quoted investments		(108)	(1,581)
Purchase of unquoted investments		–	(2,000)
Loan repayment from an investee company		1,470	–
Interest received from loan to an investee company		27	44
Dividend received from quoted investments		9	17
Interest received from quoted investments		140	92
<b>Net cash generated from investing activities</b>		<b>1,466</b>	<b>2,452</b>
<b>Cash flow from financing activities</b>			
Fixed deposit pledged		–	(2,516)
Proceeds from bank loan		–	1,485
Interest paid for lease liabilities		(4)	(4)
Payment for lease liabilities		(52)	(65)
<b>Net cash used in financing activities</b>		<b>(56)</b>	<b>(1,100)</b>
Net increase/(decrease) in cash and cash equivalents		3,288	(4,655)
Exchange differences on translation of cash and cash equivalents		8	47
Cash and cash equivalents at beginning of period		2,054	5,881
<b>Cash and cash equivalents at end of period</b>		<b>5,350</b>	<b>1,273</b>

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

	30 June 2023 US\$'000	30 June 2022 US\$'000
Cash at banks and on hand	584	671
Short-term deposits	5,266	3,618
Fixed-deposit pledged	(500)	(3,016)
	<b>5,350</b>	<b>1,273</b>

## **E. Notes to the Condensed Interim Consolidated Financial Statement**

### **1. Corporate Information**

Trek 2000 International Ltd is incorporated and domiciled in Singapore and whose shares are publicly traded on the Singapore Exchange. These condensed interim consolidated financial statements as at and, for the first half year period ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of an investment holding company and the ownership of a portfolio of intellectual property.

The principal activities of the Group are:

- (a) Research, design, development and dealing in computer hardware, software, electronic components and other related products.
- (b) Marketing and distribution of computer peripherals and electronic components.
- (c) Development and marketing of web portal services, including social networking sites.

### **2. Basis of Preparation**

The condensed interim financial statements for the first half year period ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 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 as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollar, which is the Company's functional currency.

#### **2.1 New and amended standards adopted by the Group**

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

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 10 – Classification of investments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – Valuation of unquoted investments

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

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment information

The Group is organized into the following business segments:

- Customised solutions
- Interactive consumer solutions
- Renewable energy solutions
- Corporate

These operating segments are reported in a manner consistent with internal reporting provided to the management committee whose members are responsible for allocating resources and assessing performance of the operating segments.

#### 4.1 Reportable segments

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

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

**4. Segment information (cont'd)**

**4.1 Reportable segments (cont'd)**

	<b>Customised Solutions</b>	<b>Interactive Consumer Solutions</b>	<b>Renewable Energy Solutions</b>	<b>Corporate</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>1 January 2022 to 30 June 2022</b>					
Total segment revenue	1,018	4,542	1,832	–	7,392
Inter-segment revenue	–	–	–	–	–
Revenue from external parties	1,018	4,542	1,832	–	7,392
Dividend income	–	–	–	17	17
Interest income	–	–	–	137	137
Miscellaneous income	14	60	25	33	132
Total other income	14	60	25	187	286
<b>Total revenue and other income</b>	<b>1,032</b>	<b>4,602</b>	<b>1,857</b>	<b>187</b>	<b>7,678</b>
Depreciation	(21)	(93)	(37)	–	(151)
Finance expense	–	–	–	(11)	(11)
Miscellaneous expense	(11)	(48)	(19)	(5,024)	(5,102)
Segment (loss)/profit	(209)	(936)	(377)	(4,847)	(6,369)
Unallocated expenses					–
Share of profit of associated company					–
Profit before taxation					(6,369)
Taxation					–
<b>Earnings for the interim period</b>					<b>(6,369)</b>
Segment assets	1,761	7,857	4,634	24,591	38,843
Deferred income tax assets					–
<b>Total assets</b>					<b>38,843</b>
Expenditures for segment non-current assets					
- Additions to PPE	1	3	1	–	5
	<b>1</b>	<b>3</b>	<b>1</b>	<b>–</b>	<b>5</b>
Segment liabilities	308	1,377	555	1,485	3,725
Current income tax liabilities					1,230
Deferred income tax liabilities					88
<b>Total liabilities</b>					<b>5,043</b>



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

**4. Segment information (cont'd)**

**4.2 Disaggregation of Revenue**

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

<b>The Group</b>					
<b>6 months ended 30 June 2022</b>					
	<b>Customised Solutions</b>	<b>Interactive Consumer Solutions</b>	<b>Renewable Energy Solutions</b>	<b>Corporate</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b><u>Types of goods or service:</u></b>					
Sale of goods	1,018	4,542	–	–	5,560
Rendering of services	–	–	1,832	–	1,832
Rental income	–	–	–	–	–
<b>Total revenue</b>	<b>1,018</b>	<b>4,542</b>	<b>1,832</b>	<b>–</b>	<b>7,392</b>
<b><u>Timing of revenue recognition:</u></b>					
At a point in time	1,018	4,542	1,832	–	7,392
Overtime	–	–	–	–	–
<b>Total revenue</b>	<b>1,018</b>	<b>4,542</b>	<b>1,832</b>	<b>–</b>	<b>7,392</b>
<b><u>Geographical Information:</u></b>					
China/Hong Kong	1	1,817	–	–	1,818
Taiwan	–	1,644	–	–	1,644
Singapore	178	340	1,832	–	2,350
India	836	7	–	–	843
Malaysia	3	283	–	–	286
Indonesia	–	243	–	–	243
Thailand	–	112	–	–	112
Philippines	–	84	–	–	84
Others	–	12	–	–	12
<b>Total revenue</b>	<b>1,018</b>	<b>4,542</b>	<b>1,832</b>	<b>–</b>	<b>7,392</b>

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

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets held by the Group as at 30 June 2023 and 31 December 2022:

	The Group		The Company	
	30 Jun 2023 US\$'000	31 Dec 2022 US\$'000	30 Jun 2023 US\$'000	31 Dec 2022 US\$'000
<b>Financial Assets</b>				
Financial assets at fair value through other comprehensive income (FVOCI)	1,886	1,886	1,886	1,886
Financial assets at fair value through profit or loss account (FVTPL)	18,386	17,694	18,386	17,694
Cash and bank balances and trade and other receivables (amortised cost)	6,141	7,451	4,601	2,137
<b>Total Financial Assets</b>	<b>26,413</b>	<b>27,031</b>	<b>24,873</b>	<b>21,717</b>
<b>Financial Liabilities</b>				
Trade and other payables and borrowings (amortised cost)	1,916	2,636	2,132	208
<b>Total Financial Liabilities</b>	<b>1,916</b>	<b>2,636</b>	<b>2,132</b>	<b>208</b>

### 6. Profit before taxation

#### 6.1 Significant Items

	First Half		Increase/ (Decrease) %
	2023 US\$'000	2022 US\$'000	
<b>Income</b>			
Interest income from:			
– Short-term Deposits	79	–	100.0
– Quoted investments	140	92	52.2
– Loan receivables	27	44	(38.6)
Dividend income from quoted investment	9	17	(47.1)
Gain on disposal of quoted investments (net)	–	34	(100.0)
Gain/(loss) on fair value changes of financial assets designated as FVTPL (net)	584	(5,024)	N.M.
Net foreign exchange gain/(net) (net)	10	(78)	N.M.
<b>Expenses</b>			
Depreciation of property, plant and equipment	(90)	(76)	18.4
Depreciation of right-of-use assets	(60)	(75)	(20.0)
Allowance for stock obsolescence (net)	–	(4)	(100.0)
Allowance for diminution in value of inventory (net)	–	(55)	(100.0)
Allowance for doubtful debts (net)	(53)	(31)	71.0
Interest expense	(4)	(11)	(63.6)

PS: N.M. – Not Meaningful

#### 6.2 Related party transactions

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

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

### 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	First Half	
	2023 US\$'000	2022 US\$'000
Current income tax expense	-	-
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 8. Dividends

	The Group	
	1HFY2022 US\$'000	1HFY2021 US\$'000
Ordinary dividends paid:		
Interim exempt 2021 dividends	-	-
Dividend per share (net of tax)	-	-

### 9. Net Asset Value

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Number of ordinary shares (in '000)	313,092	313,092	313,092	313,092
<b>(Amount in USD cents)</b>				
Net asset value per ordinary share based on issued share capital at the end of the period	8.41	8.34	7.77	7.56

Net asset value represents total assets less total liabilities and non-controlling interests

### 10. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following:

	The Group	
	30 Jun 2023 US\$'000	31 Dec 2022 US\$'000
Quoted Debt Investment	-	-
Unquoted Equity Investment	1,886	1,886
<b>Total</b>	<b>1,886</b>	<b>1,886</b>

#### 10.1 Fair value measurement

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- (b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- (c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

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

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

#### 10.2 Fair value measurement (cont'd)

The following table presented the assets and liabilities measured at fair value:

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Group – 30 June 2023</b>				
<b>Financial assets</b>				
FVTPL Investments (Quoted Investments)	13,907	2,712	–	16,619
FVTPL Investments (Unquoted Investments)	–	–	1,767	1,767
FVOCI Investments (Unquoted Investments)	–	–	1,886	1,886
<b>Total Financial assets</b>	<b>13,907</b>	<b>2,712</b>	<b>3,653</b>	<b>20,272</b>
<b>Financial liabilities</b>				
	–	–	–	–
<b>Group – 31 December 2022</b>				
<b>Financial assets</b>				
FVTPL Investments (Quoted Investments)	12,434	3,464	–	15,898
FVTPL Investments (Unquoted Investments)	–	–	1,796	1,796
FVOCI Investments (Unquoted Investments)	–	–	1,886	1,886
<b>Total Financial assets</b>	<b>12,434</b>	<b>3,464</b>	<b>3,682</b>	<b>19,580</b>
<b>Financial liabilities</b>				
	–	–	–	–

### 11. Intangible assets

	The Group			
	Patents US\$'000	Trademarks US\$'000	Development Costs US\$'000	Total US\$'000
<b>As at 30 June 2022, 31 December 2022 and 30 June 2023</b>				
Cost	3,422	408	5,615	9,445
Accumulated amortisation, impairment and written off	(3,422)	(408)	(5,615)	(9,445)
Net book value	–	–	–	–

	The Company		
	Patents US\$'000	Trademarks US\$'000	Total US\$'000
<b>As at 30 June 2022, 31 December 2022 and 30 June 2023</b>			
Cost	2,883	350	3,233
Accumulated amortisation, impairment and written off	(2,883)	(350)	(3,233)
Net book value	–	–	–

#### 11.1 Goodwill impairment

Not applicable

#### 11.2 Patents and Trademarks

Not applicable

#### 11.3 Development costs

Not applicable

### 12. Property, plant and equipment

In 1HFY2023, the Group acquired assets amounting to US\$1,000 (1HFY2022: US\$5,000). There was no asset disposed off in 1HFY2023 (1HFY2022: Nil).

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

**13. Investment properties**

Not applicable.

**13.1 Valuation**

Not applicable

**14. Borrowings**

**Amount repayable within one (1) year or on demand**

- Secured
- Unsecured

**Total**

**Amount repayable after one (1) year**

- Secured
- Unsecured

**Total**

<b>The Group and the Company</b>	
<b>30 Jun 2023</b>	<b>31 Dec 2022</b>
<b>US\$'000</b>	<b>US\$'000</b>
-	-
-	-
-	-
-	-
-	-
-	-

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

**15. Share capital**

**Ordinary shares issued and fully paid**

Balance as at interim period

Issue of ordinary shares by virtual of exercise of share options

**End of financial period**

<b>The Group and the Company</b>			
<b>30 Jun 2023</b>		<b>31 Dec 2022</b>	
<b>No. of shares</b>	<b>Amount US\$</b>	<b>No. of shares</b>	<b>Amount US\$</b>
324,116,925	37,828,941	324,116,925	37,828,941
-	-	-	-
<b>324,116,925</b>	<b>37,828,941</b>	<b>324,116,925</b>	<b>37,828,941</b>

The Company holds 11,025,000 treasury shares as at 30 June 2023 (31 December 2022: 11,025,000 treasury shares).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 31 December 2022.

**16. Acquisition of subsidiary**

Not applicable

**17. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## OTHER INFORMATION

### 1. Review

The condensed consolidated statement of financial position of Trek 2000 International Ltd and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the first half year period ended 30 June 2023, and explanatory notes and other information sections have not been audited or reviewed.

### 2. If the figures have been audited or reviewed, please provide a statement on whether there are any qualifications, disclaimer of opinion, adverse opinion or emphasis of matter (including material uncertainties on going concern)

Not applicable.

### 3. Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the issued and paid-up capital of the Company, since the previous period reported on.

During 1HFY2023, no share options were granted under the Trek 2000 International Share Options Scheme 2011.

The outstanding share options under Trek 2000 International Share Options Scheme is as follows:

	First Half Ended	
	FY2023	FY2022
<b>Unexercised share options</b>	<u>No. of share options</u>	<u>No. of share options</u>
Balance as at 1 January	3,200,000	3,200,000
Share options lapsed during the period	–	–
<b>Balance as at 30 June</b>	<u>3,200,000</u>	<u>3,200,000</u>

### 4. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 June 2023, the share capital of the Company (excluding treasury shares) is as follows:

<b>Ordinary shares issued and fully paid</b>	<u>No. of shares</u>	<u>US\$</u>
Balance as at 1 January 2023	313,091,025	36,833,154
Movement in ordinary shares during the period	–	–
<b>Balance as at 30 June 2023</b>	<u>313,091,025</u>	<u>36,833,154</u>

**OTHER INFORMATION (CONT'D)**

**5. A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the period under review, no shares (1HFY2022: no shares) were acquired by the Company pursuant to the Share Purchase Mandate to be held as "Treasury Shares"

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

	Group		Company	
	No. of shares	US\$	No. of shares	US\$
Balance as at 1 January 2022	11,025,000	995,787	11,025,000	995,787
Purchase of shares held as Treasury Shares	–	–	–	–
<b>Balance as at 30 June 2022</b>	<b>11,025,000</b>	<b>995,787</b>	<b>11,025,000</b>	<b>995,787</b>

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

THE GROUP	First Half Ended	
	FY2023	FY2022
Profit/(loss) net of tax attributable to ordinary equity holders of the Company used in computation of basic earnings per share (US\$'000)	219	(6,354)
Weighted average number of ordinary shares for basic earnings per share computation (in '000)	313,092	313,885
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)	313,092	313,885
<b>(Amount in USD cents)</b>		
(Loss)/earnings per ordinary share for the period after deducting any provision for preference dividends:		
(i) Basic earnings/(loss) per share (in cents)	0.07	(2.02)
(ii) Diluted earnings/(loss) per share (in cents)	0.07	(2.02)

**Note:**

Basic earnings/(loss) per share amounts are calculated by dividing (loss)/profit for the period that is attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings/(loss) per share amounts are calculated by dividing (loss)/profit for the period that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

## OTHER INFORMATION (CONT'D)

### 7. Review of performance of the Group

In the first half of FY2023 ("1HFY2023"), the Group reported a half-year on half-year ("hoh") decrease of 11.1% in revenue from US\$ 7.4 million in 1HFY2022 to US\$ 6.6 million in 1HFY2023. Gross profit decreased by 24.7% from US\$ 299,000 in 1HFY2022 to US\$ 225,000 in 1HFY2023, while net profit after tax attributable to owners of the Company in 1HFY2023 was US\$ 219,000 as compared to a net loss of US\$ 6.4 million in 1HFY2022.

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

#### **Revenue**

The decrease in revenue of 11.1% in 1HFY2023 was mainly due to the weak global market. The Group's Interactive Consumer Solution ("ICS") division continues to be a key revenue generator, accounting for 87.4% of the overall revenue in 1HFY2023.

#### **Profitability**

Gross profit margin decreased from 4.0% to 3.4% in 1HFY2023, and this was mainly attributed to the lower sales demand and gross profit margin. Price pressures from the market continues to affect the industry resulting in the Group's lower profit margin in 1HFY2023.

#### **Other Items of Income**

- Interest income increased by 79.6% in 1HFY2023 as more funds were placed in short term deposits.
- Other income increased from US\$ 149,000 in 1HFY2022 to US\$ 1.2 million in 1HFY2023 mainly due to the gain from fair value of investments (US\$ 584,000) in 1HFY2023.

#### **Expenses**

The Group's total expenses amounted to US\$ 1.4 million in 1HFY2023 (1HFY2022: US\$ 7.0 million) representing a decrease of 79.6%. The factors contributing to the decrease were as follow:

- Research and development expenses reported a decrease of 41.5% to US\$ 312,000 in 1HFY2023 (1HFY2022: US\$ 533,000). The decrease was mainly due to the decrease in legal and professional fees, and staff costs during this period.
- Marketing and distribution expenses decreased by 25.3% to US\$ 547,000 in 1HFY2023 (1HFY2022: US\$ 732,000). This was mainly due to the decrease in staff costs, advertisement expenses and depreciation expenses in 1HFY2023.
- General administrative expenses decreased from US\$ 545,000 in 1HFY2022 to US\$ 506,000 in 1HFY2023. The decrease was due to the decrease in staff costs in 1HFY2023.
- Finance expenses decreased from US\$ 11,000 in 1HFY2022 to US\$ 4,000 in 1HFY2023. This was due to the lower interest expense incurred as the Company did not have any borrowings in 1HFY2023.
- Other expenses were nil in 1HFY2023 (1HFY2022: US\$ 5.1 million). The Company did not have any loss on fair value of investments or forex loss in 1HFY2022. The gain on fair value of investment and forex gain were taken into Other Income in 1HFY2023.

As a result of the above, the Group reported a net profit attributable to owners of the Company of US\$ 219,000 in 1HFY2023 (1HFY2022: net loss of US\$ 6.4 million).

#### **Other Financial Highlights**

- **Property, plant and equipment** – The decrease in the Group's property, plant and equipment of US\$ 89,000 in 1HFY2023 was mainly due to depreciation of US\$ 90,000 incurred during the period. This was partly offset by investments in plant and equipment amounting to US\$ 1,000.



## OTHER INFORMATION (CONT'D)

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

#### Other Financial Highlights (cont')

- **Right-of-use assets** – The increase in right-of-use assets in 1HFY2023 was mainly due to additional right-of-use assets recognized of US\$ 140,000. This was partly offset by the depreciation of US\$ 60,000 incurred in 1HFY2023.
- **Quoted investments** – The Group's investment in quoted investments held for trading in current assets on 30 June 2023 was US\$ 16.6 million, an increase of US\$ 721,000 from 31 December 2022 (US\$ 15.9 million). The increase was due to the gain on fair value of investment and, interest and dividend income received from the investments.
- **Unquoted investments** – The Group's investment in unquoted investments decreased by US\$ 29,000 in 1HFY2023 mainly due to the unrealized loss on fair value of an unquoted fund held for trading in 1HFY2023. Total investments in unquoted investments as at 30 June 2023 were US\$ 3.65 million (31 December 2022: US\$ 3.68 million), comprising of US\$ 1.89 million (31 December 2022: US\$ 1.89 million) in non-current assets and US\$ 1.77 million (31 December 2022: US\$ 1.80 million) in current assets for an unquoted fund that was held for trading.
- **Inventories** – The Group's inventories amounted to US\$ 2.3 million as at 30 June 2023, a decrease of US\$ 84,000 from 31 December 2022 (US\$ 2.4 million). Inventory turnover days as at 30 June 2023 were 74 days (31 December 2022: 89 days).
- **Trade and other receivables** – The Group's trade and other receivables amounted to US\$ 347,000 as at 30 June 2023 as compared to US\$ 4.9 million as at 31 December 2022. The lower trade receivable was mainly due to the higher amount received from debtors in 1HFY2023. Trade receivable turnover days as at 30 June 2023 were 5 days (31 December 2022: 84 days).
- **Trade and other payables** – The Group's trade and other payables amounted to US\$ 1.9 million as at 30 June 2023 as compared to US\$ 2.7 million as at 31 December 2022. Lower credit purchases were made in 1HFY2023. Trade payable turnover days as at 30 June 2023 were 31 days (31 December 2022: 32 days).

#### Cashflow

The Group's cash and cash equivalent as at 30 June 2023 amounted to US\$ 5.8 million as compared to US\$ 2.6 million as at 31 December 2022, an increase of US\$ 3.3 million. Out of the balance of US\$ 5.8 million as at 30 June 2023, fixed deposits pledged with banks for banking facilities amounted to US\$ 500,000.

The increase in the cash position in 1HFY2023 was mainly due to cash inflow from loan repayment received from our investee company, Terrenus Energy Pte Ltd (US\$ 1.5 million), and cash inflow generated from operations of US\$ 1.9 million.

The cash inflow generated from operations of US\$ 1.9 million in 1HFY2023 arose mainly from the improvement in working capital of US\$ 2.5 million and interest income from short term deposits amounting to US\$ 79,000. This was partially offset by the cash deficit from operating activities of US\$ 417,000 and tax expense of US\$ 248,000 in 1HFY2023.

### 8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not Applicable.

## OTHER INFORMATION (CONT'D)

**9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group foresees the global market to continue to remain challenging in the next 12 months. In this difficult period, the Group will be selective in exercising priority on projects based on their profitability, and dealing with customers.

Despite these challenges, the management is committed to exploring strategic partnerships to ensure the long-term sustainability of the Group. Moving forward, the Group continues to invest in solutions for the Renewable Energy business.

The Group will continue to be prudent in ensure a healthy balance sheet and cashflow position.

**10. Dividend Information**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial period? No

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**11. If no dividend has been declared/(recommended), a statement to that effect.**

The Company will not be declaring dividend as the Company continues to invest in research and development on the latest technology in the market.

**12. Interested person transactions**

The Company does not have any general mandate from shareholders pursuant to Rule 920.

**13. In the case of an announcement of interim financial statement (quarterly or half-yearly), the issuer's directors must confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false or misleading, in any material aspect. Please confirm that such a statement has been made.**

The Company has not issued any interim financial statements which may render the interim financial statements to be false or misleading, in any material aspect pursuant to Rule 705(5).

**14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)).**

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

On behalf of the Board of Directors

**TAN JOON YONG WAYNE**  
Executive Chairman  
11 August 2023