



TREK 2000 INTERNATIONAL LTD (Registration Number 199905744N)

First Half Financial Statements Announcement for the Period ended 30 June 2022

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

Unaudited Results for the First Half Ended 30 June 2022

	Note	First Half		Increase/ (Decrease)
		2022	2021	
		US\$'000	US\$'000	%
Revenue		7,392	20,653	(64.2)
Cost of sales		(7,093)	(19,103)	(62.9)
Gross profit		299	1,550	(80.7)
Other items of income:				
Interest income		137	191	(28.3)
Other income		149	979	(84.8)
Other items of expense:				
Research and development		(533)	(615)	(13.3)
Marketing and distribution		(732)	(1,013)	(27.7)
General administration		(576)	(542)	6.3
Finance expenses		(11)	(8)	37.5
Other expenses		(5,102)	(17)	29,911.8
(Loss)/profit before income tax	6	(6,369)	525	N.M.
Income tax expense	7	-	-	-
(Loss)/profit for the period		(6,369)	525	N.M.
Other comprehensive income				
<u>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Foreign currency translation differences		48	(67)	N.M.
<u>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</u>				
Fair value changes on debt investments at FVOCI		1,400	(315)	N.M.
Total other comprehensive income/(loss) for the period, net of tax		1,448	(382)	N.M.
Total comprehensive (loss)/income for the period		(4,921)	143	N.M.
(Loss)/profit for the period attributable to:				
Owners of the Company		(6,354)	504	N.M.
Non-controlling interests		(15)	21	N.M.
		(6,369)	525	N.M.

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) %
		2022 US\$'000	2021 US\$'000	
Total comprehensive (loss)/income attributable to:				
Owners of the Company		(4,906)	122	N.M.
Non-controlling interests		(15)	21	N.M.
		(4,921)	143	N.M.
 (Loss)/earnings per share attributable to owners of the Company (expressed in USD cents per share):				
– Basic		(2.02)	0.16	N.M.
– Diluted		(2.02)	0.16	N.M.

PS: N.M. – Not Meaningful

B. Condensed Interim Consolidated Statement of Financial Position

	Note	Group		Company	
		30 Jun 2022 US\$'000	31 Dec 2021 US\$'000	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000
Non-current assets					
Property, plant and equipment	12	1,113	1,184	–	–
Right-of-use assets		248	318	–	–
Intangible assets	11	–	–	–	–
Investment in subsidiaries		–	–	1,583	1,583
Investment in associates		–	–	5	5
Quoted investments	10	–	–	–	–
Unquoted investments	10	3,418	1,764	3,418	1,764
Loan receivable		1,466	1,466	1,466	1,466
		6,245	4,732	6,472	4,818
Current assets					
Inventories		4,152	1,298	–	–
Trade and other receivables		2,976	4,187	311	58
Prepayments		7	14	–	5
Quoted investments held for trading	10	19,221	28,259	19,221	28,259
Unquoted investments held for trading	10	1,953	511	1,953	511
Short term deposits		3,618	501	602	–
Cash at banks and on hand		671	5,880	57	15
		32,598	40,650	22,144	28,848
Total assets		38,843	45,382	28,616	33,666
Current liabilities					
Trade payables		394	3,201	–	–
Other payables and accruals		1,683	1,692	721	3,602
Short-term loan		1,485	–	1,485	–
Lease liabilities		45	106	–	–
Income tax payable		1,230	1,456	–	–
		4,837	6,455	2,206	3,602
Net current assets		27,761	34,195	19,938	25,246
Non-current liabilities					
Lease liabilities		118	118	–	–
Deferred taxation		88	88	–	–
		206	206	–	–
Total liabilities		5,043	6,661	2,206	3,602
Net assets		33,800	38,721	26,410	30,064
Equity attributable to the owners of the Company					
Share capital	15	37,829	37,829	37,829	37,829
Treasury shares		(996)	(996)	(996)	(996)
Revenue reserve		(7,394)	(1,040)	(9,972)	(4,918)
Capital reserve		2,717	2,717	–	–
Asset revaluation reserve		1,266	1,266	–	–
Translation reserve		8	(40)	–	–
Other reserves		(539)	(1,939)	(451)	(1,851)
		32,891	37,797	26,410	30,064
Non-controlling interests		909	924	–	–
Total equity		33,800	38,721	26,410	30,064
Total equity and liabilities		38,843	45,382	28,616	33,666

C. Condensed Interim Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Non-Controlling Interests US\$'000	Total Equity US\$'000	
	Share Capital US\$'000	Treasury Shares US\$'000	Revenue Reserve US\$'000	Capital Reserve US\$'000	Asset Revaluation Reserve US\$'000	Translation Reserve US\$'000	Other Reserves US\$'000			Total US\$'000
THE GROUP										
Balance as at 1 January 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)
Balance as at 30 June 2022	37,829	(996)	(7,394)	2,717	1,266	8	(539)	32,891	909	33,800
Balance as at 1 January 2021	37,829	(732)	82	2,717	1,264	23	(1,613)	39,570	899	40,469
Purchase of treasury shares	-	(250)	-	-	-	-	-	(250)	-	(250)
Total comprehensive income for the period	-	-	504	-	-	(67)	(315)	122	21	143
Balance as at 30 June 2021	37,829	(982)	586	2,717	1,264	(44)	(1,928)	39,442	920	40,362
THE COMPANY										
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)
Balance as at 30 June 2022	37,829	(996)	(9,972)	-	-	-	-	(451)	-	26,410
Balance as at 1 January 2021	37,829	(732)	(4,074)	-	-	-	-	(1,525)	-	31,498
Purchase of treasury shares	-	(250)	-	-	-	-	-	-	-	(250)
Total comprehensive income for the period	-	-	813	-	-	-	-	(315)	-	498
Balance as at 30 June 2021	37,829	(982)	(3,261)	-	-	-	-	(1,840)	-	31,746

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	1HFY2022 US\$'000	1HFY2021 US\$'000
Cash flow from operating activities:			
(Loss)/profit before income tax		(6,369)	525
Adjustments for:			
Amortisation of intangible assets		–	23
Depreciation of property, plant and equipment		76	87
Depreciation of right-of-use assets		75	72
Gain on disposal of quoted investments	6	(34)	(818)
Loss on fair value changes of financial assets at FVTPL		5,024	17
(Reversal)/allowance for stock obsolescence	6	4	(249)
Reversal for diminution in value of inventory	6	55	(11)
Allowance for doubtful debts		–	200
Interest income	6	(137)	(191)
Interest expense	6	11	8
Dividend income		(17)	(20)
Operating loss before changes in working capital		(1,312)	(357)
Decrease/(increase) in trade and other receivables and prepayments		1,219	(4,921)
(Increase)/decrease in inventories		(2,913)	396
(Decrease)/increase in trade and other payables		(2,817)	2,931
Cash used in operating activities		(5,823)	(1,951)
Income tax (paid)/refunded		(226)	91
Interest paid		(7)	(1)
Net cash used in operating activities		(6,056)	(1,861)
Cash flow from investing activities			
Proceeds from disposal of quoted investments		5,934	11,900
Purchase of property, plant and equipment		(5)	(44)
Payments for right-of-use assets		–	(38)
Purchase of quoted investments		(1,581)	(13,251)
Purchase of unquoted investments		(2,000)	–
Loan to an investee company		–	(1,486)
Interest received from loan to an investee company		44	–
Payment for patent and trademark registration expenses		–	(2)
Payment for development expenditures		–	(18)
Dividend received from quoted investments		17	20
Interest received from quoted investments		92	191
Net cash generated from/(used in) investing activities		2,501	(2,728)
Cash flow from financing activities			
Fixed deposit pledged		(2,516)	(295)
Interest paid for lease liabilities		(4)	(7)
Payment for lease liabilities		(65)	(65)
Purchase of treasury shares		–	(250)
Proceeds from bank loan		1,485	1,600
Net cash generated from/(used in) financing activities		(1,100)	983
Net increase/(decrease) in cash and cash equivalents		(4,655)	(3,606)
Exchange differences on translation of cash and cash equivalents		47	(69)
Cash and cash equivalents at beginning of period		5,881	7,444
Cash and cash equivalents at end of period		1,273	3,769

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

	30 June 2022 US\$'000	30 June 2021 US\$'000
Cash at banks and on hand	671	3,769
Short-term deposits	3,618	795
Fixed-deposit pledged	(3,016)	(795)
	1,273	3,769

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 2022 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 2022 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 2021.

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

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The amendments to the Standards are as follows:

Reference	Description
Amendment to SFRS(I) 16	COVID-19 Related Rent Concessions beyond 30 June 2021
Amendments to SFRS(I) 3	Reference to the Conceptual Framework
Amendments to SFRS(I) 1-16	Property, plant and equipment – Proceeds before Intended Use
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to SFRS(I)s 2018 - 2020	
- Amendments to SFRS(I) 1-41	Taxation in Fair Value Measurements
- Amendments to SFRS(I) 1	Subsidiary as a First-time Adopter
- Amendments to SFRS(I) 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to Illustrative Examples accompanying SFRS(I) 16	Lease Incentives

The adoption of these new and amended SFRS(I) did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

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

2. Basis of Preparation (cont'd)

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 2021.

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

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

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.

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

4. Segment information (cont'd)

4.1 Reportable segments

	Customised Solutions	Interactive Consumer Solutions	Renewable Energy Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 January 2022 to 30 June 2022					
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
Total revenue and other income	1,032	4,602	1,857	187	7,678
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					–
Earnings for the interim period					(6,369)
Segment assets	1,761	7,857	4,634	24,591	38,843
Deferred income tax assets					–
Total assets					38,843
Expenditures for segment non-current assets					
- Additions to PPE	1	3	1	–	5
	1	3	1	–	5
Segment liabilities	308	1,377	555	1,485	3,725
Current income tax liabilities					1,230
Deferred income tax liabilities					88
Total liabilities					5,043

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

4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

	Customised Solutions	Interactive Consumer Solutions	Renewable Energy Solutions	Others	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 January 2021 to 30 June 2021					
Total segment revenue	4,554	13,260	2,839	–	20,653
Inter-segment revenue	–	–	–	–	–
Revenue from external parties	4,554	13,260	2,839	–	20,653
Dividend income	–	–	–	20	20
Interest income	–	–	–	191	191
Miscellaneous income	31	91	19	818	959
Total other income	31	91	19	1,029	1,170
Total revenue and other income	4,585	13,351	2,858	1,029	21,823
Depreciation	(35)	(102)	(22)	–	(159)
Finance expense	(2)	(5)	(1)	–	(8)
Miscellaneous expense	–	–	–	(17)	(17)
Segment (loss)/profit	(107)	(313)	(67)	1,012	525
Unallocated expenses					–
Share of profit of associated company					–
Profit before taxation					525
Taxation					–
Earnings for the interim period					525
Segment assets	3,186	9,277	3,473	34,070	50,006
Deferred income tax assets					–
Total assets					50,006
Expenditures for segment non-current assets					
- Additions to PPE	10	28	6	–	44
	10	28	6	–	44
Segment liabilities	1,415	4,116	882	1,600	8,013
Current income tax liabilities					1,544
Deferred income tax liabilities					87
Total liabilities					9,644

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

4. Segment information (cont'd)

4.2 Disaggregation of Revenue

The Group				
6 months ended 30 June 2022				
Customised Solutions	Interactive Consumer Solutions	Renewable Energy Solutions	Others	Consolidated
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>				
Sale of goods	1,018	4,542	1,832	7,392
Rendering of services	–	–	–	–
Rental income	–	–	–	–
Total revenue	1,018	4,542	1,832	7,392
<u>Timing of revenue recognition:</u>				
At a point in time	1,018	4,542	1,832	7,392
Overtime	–	–	–	–
Total revenue	1,018	4,542	1,832	7,392
<u>Geographical Information:</u>				
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
Total revenue	1,018	4,542	1,832	7,392

The Group				
6 months ended 30 June 2021				
Customised Solutions	Interactive Consumer Solutions	Renewable Energy Solutions	Others	Consolidated
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<u>Types of goods or service:</u>				
Sale of goods	4,554	13,260	2,839	20,653
Rendering of services	–	–	–	–
Rental income	–	–	–	–
Total revenue	4,554	13,260	2,839	20,653
<u>Timing of revenue recognition:</u>				
At a point in time	4,554	13,260	2,839	20,653
Overtime	–	–	–	–
Total revenue	4,554	13,260	2,839	20,653
<u>Geographical Information:</u>				
China/Hong Kong	4,110	9,234	–	13,344
Taiwan	–	3,028	–	3,028
Singapore	62	199	2,839	3,100
India	380	15	–	395
Malaysia	2	319	–	321
Indonesia	–	157	–	157
Thailand	–	295	–	295
Philippines	–	12	–	12
Others	–	1	–	1
Total revenue	4,554	13,260	2,839	20,653

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 2022 and 31 December 2021:

	The Group		The Company	
	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000
Financial Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	1,953	553	1,953	553
Financial assets at fair value through profit and loss account (FVTPL)	22,639	29,981	22,639	29,981
Cash and bank balances and trade and other receivables (amortised cost)	8,688	11,883	2,434	1,538
Total Financial Assets	33,280	42,417	27,026	32,072
Financial Liabilities				
Trade and other payables and borrowings (amortised cost)	3,608	5,023	2,206	3,602
Total Financial Liabilities	3,608	5,023	2,206	3,602

6. Profit before taxation

6.1 Significant Items

	2022 US\$'000	First Half 2021 US\$'000	Increase/ (Decrease) %
Income			
Interest income from:			
– Quoted investments	93	173	(46.2)
– Loan receivables	44	18	144.4
Dividend income from quoted investment	17	20	(15.0)
Gain on disposal of quoted investments (net)	34	818	(95.8)
Net foreign exchange (loss)/gain (net)	(78)	54	N.M.
Expenses			
Depreciation of property, plant and equipment	(76)	(87)	(12.6)
Depreciation of right-of-use assets	(75)	(72)	4.2
Amortisation of intangible assets	–	(23)	(100.0)
Allowance for stock obsolescence (net)	(4)	249	N.M.
(Allowance)/reversal of diminution in value of inventory (net)	(55)	11	N.M.
Allowance for doubtful debts (net)	–	(200)	(100.0)
Loss on fair value changes of financial assets designated as FVTPL (net)	(5,024)	(17)	29,452.9
Interest expense	(11)	(8)	37.5

PS: N.M. – Not Meaningful

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

6. Profit before taxation (cont'd)

6.2 Related party transactions

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

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	
	2022 US\$'000	2021 US\$'000
Current income tax expense	-	-
Deferred income tax expense relating to origination and reversal of temporary differences	-	-
Total	-	-

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 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Number of ordinary shares (in '000)	313,092	313,092	313,092	313,092
(Amount in USD cents)				
Net asset value per ordinary share based on issued share capital at the end of the period	10.51	12.07	8.44	9.60

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 2022 US\$'000	31 Dec 2021 US\$'000
Quoted Debt Investment	-	-
Unquoted Equity Investment	1,953	553
Total	1,953	553

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

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

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**).

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

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Group – 30 June 2022				
Financial assets				
FVTPL Investments (Quoted Investments)	18,411	810	–	19,221
FVTPL Investments (Unquoted Investments)	–	–	3,418	3,418
FVOCI Investments (Unquoted Investments)	–	–	1,953	1,953
Total Financial assets	18,411	810	5,371	24,592
Financial liabilities				
	–	–	–	–
Group – 31 December 2021				
Financial assets				
FVTPL Investments (Quoted Investments)	26,820	1,439	–	28,259
FVTPL Investments (Unquoted Investments)	–	–	1,722	1,722
FVOCI Investments (Unquoted Investments)	–	–	553	553
Total Financial assets	26,820	1,439	2,275	30,534
Financial liabilities				
	–	–	–	–

11. Intangible assets

	The Group			
	Patents US\$'000	Trademarks US\$'000	Development Costs US\$'000	Total US\$'000
As at 31 December 2021				
Cost	3,653	410	5,615	9,678
Accumulated amortisation, impairment and written off	(3,653)	(410)	(5,615)	(9,678)
Net book value	–	–	–	–
Six (6) months ended 30 June 2022				
Opening net book amount	–	–	–	–
Additions	–	–	–	–
Acquisition of subsidiary	–	–	–	–
Impairment charge	–	–	–	–
Amortisation charge	–	–	–	–
Closing net book value	–	–	–	–
As at 30 June 2022				
Cost	3,653	410	5,615	9,678
Accumulated amortisation, impairment and written off	(3,653)	(410)	(5,615)	(9,678)
Net book value	–	–	–	–

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

11. Intangible assets (cont'd)

	The Company		
	Patents US\$'000	Trademarks US\$'000	Total US\$'000
As at 31 December 2021			
Cost	3,114	353	3,467
Accumulated amortisation, impairment and written off	(3,114)	(353)	(3,467)
Net book value	–	–	–
Six (6) months ended 30 June 2022			
Opening net book amount	–	–	–
Additions	–	–	–
Acquisition of subsidiary	–	–	–
Impairment charge	–	–	–
Amortisation charge	–	–	–
Closing net book value	–	–	–
As at 30 June 2022			
Cost	3,114	353	3,467
Accumulated amortisation, impairment and written off	(3,114)	(353)	(3,467)
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 1HFY2022, the Group acquired assets amounting to US\$5,0000 (1HFY2021: US\$44,000). There was no asset disposed off in 1HFY2022 (1HFY2021: Nil).

13. Investment properties

Not applicable.

13.1 Valuation

Not applicable

14. Borrowings

	The Group and the Company	
	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000
Amount repayable within one (1) year or on demand		
– Secured	1,485	–
– Unsecured	–	–
Total	1,485	–
Amount repayable after one (1) year		
– Secured	–	–
– Unsecured	–	–
Total	–	–

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

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

15. Share capital

	The Group and the Company			
	30 Jun 2022		31 Dec 2021	
	No. of shares	Amount US\$	No. of shares	Amount US\$
Ordinary shares issued and fully paid				
Balance as at interim period	324,116,925	37,828,941	324,116,925	37,828,941
Issue of ordinary shares by virtual of exercise of share options	–	–	–	–
End of financial period	324,116,925	37,828,941	324,116,925	37,828,941

The Company holds 11,025,000 treasury shares as at 30 June 2022 (31 December 2021: 11,025,000 treasury shares).

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

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 2022 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 2022, 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 1HFY2022, 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	
	FY2022	FY2021
Unexercised share options	<u>No. of share options</u>	<u>No. of share options</u>
Balance as at 1 January	3,200,000	3,700,000
Share options lapsed during the period	–	–
Balance as at 30 June	<u>3,200,000</u>	<u>3,700,000</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 2022, the share capital of the Company (excluding treasury shares) is as follows:

Ordinary shares issued and fully paid	<u>No. of shares</u>	<u>US\$</u>
Balance as at 1 January 2022	313,091,025	36,833,154
Movement in ordinary shares during the period	–	–
Balance as at 30 June 2022	<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 (1HFY2021: 2,774,300 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 2022	11,025,000	995,787	11,025,000	995,787
Purchase of shares held as Treasury Shares	–	–	–	–
Balance as at 30 June 2022	11,025,000	995,787	11,025,000	995,787
	Group		Company	
	No. of shares	US\$	No. of shares	US\$
Balance as at 1 January 2021	8,114,700	732,223	8,114,700	732,223
Purchase of shares held as Treasury Shares	2,774,300	250,385	2,774,300	250,385
Balance as at 30 June 2021	10,889,000	982,608	10,889,000	982,608

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.

THE GROUP	First Half Ended	
	FY2022	FY2021
(Loss)/profit net of tax attributable to ordinary equity holders of the Company used in computation of basic earnings per share (US\$'000)	(6,354)	504
Weighted average number of ordinary shares for basic earnings per share computation (in '000)	313,885	314,797
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)	313,885	314,797
(Amount in USD cents)		
(Loss)/earnings per ordinary share for the period after deducting any provision for preference dividends:		
(i) Basic (loss)/earnings per share (in cents)	(2.02)	0.16
(ii) Diluted (loss)/earnings per share (in cents)	(2.02)	0.16

Note:

Basic (loss)/earnings 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 (loss)/earnings 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 FY2022 ("1HFY2022"), the Group reported a half-year on half-year ("hoh") decrease of 64.2% in revenue from US\$ 20.7 million in 1HFY2021 to US\$ 7.4 million in 1HFY2022. Gross profit decreased by 80.7% from US\$ 1.6 million in 1HFY2021 to US\$ 299,000 in 1HFY2022, while net loss after tax attributable to owners of the Company in 1HFY2022 was US\$ 6.4 million as compared to a net profit of US\$ 504,000 in 1HFY2021.

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

Revenue

The decrease in revenue of 64.2% in 1HFY2022 was mainly due to the Covid-19 lockdown in China (Shanghai) in the first half of 2022 as China is our main market and the Covid-19 lockdown affected our ability to supply to our customers significantly. This was aggravated by the volatility in foreign exchange rates in 1HFY2022 especially the USD, which is the Group's functional currency. The Group's Interactive Consumer Solution ("ICS") division continues to be a key revenue generator, accounting for 61.4% of the overall revenue in 1HFY2022.

Profitability

Gross profit margin decreased from 7.5% to 4.0% in 1HFY2022, and this was mainly attributed to the lower sales demand faced in the global market in 1HFY2022.

Other Items of Income

- Interest income decreased by 28.3% in 1HFY2022 due mainly to the weak global financial market in 1HFY2022.
- Other income decreased from US\$ 979,000 in 1HFY2021 to US\$ 149,000 in 1HFY2022 mainly due to the lower gain from disposal of investments in 1HFY2022.

Expenses

The Group's total expenses amounted to US\$ 7.0 million in 1HFY2022 (1HFY2021: US\$ 2.2 million) representing an increase of 216.8%. The factors contributing to the increase are as follow:

- Research and development expenses reported a decrease of 13.3% to US\$ 533,000 in 1HFY2022 (1HFY2021: US\$ 615,000). The decrease was mainly due to the decrease in legal and professional fees during this period.
- Marketing and distribution expenses decreased by 27.7% to US\$ 732,000 in 1HFY2022 (1HFY2021: US\$ 1.0 million). This was mainly due to the decrease in provision for doubtful debt, staff salary and entertainment expenses in 1HFY2022.
- General administrative expenses increased from US\$ 542,000 in 1HFY2021 to US\$ 576,000 in 1HFY2022. The increase was due to the increase in directors' fees and professional fees incurred in 1HFY2022.
- Finance expenses increased from US\$ 8,000 in 1HFY2021 to US\$ 11,000 in 1HFY2022. This was due to the additional interest incurred for the bank loan.
- Other expenses increased from US\$ 17,000 in 1HFY2021 to US\$ 5.1 million in 1HFY2022. This was due mainly to the unrealized loss on fair value of investment in 1HFY2022 (US\$ 5.0 million) as a result of the weak global financial market and inflationary pressure on major markets in the first half of FY2022. The unrealized loss of 17.54% for our investments in 1HFY2022 was in line with the loss recorded in the major financial markets in 1HFY2022. In 1HFY2020, MSCI World Index recorded a loss of 21.21%, S&P 500 Index recorded a loss of 20.58%, Nasdaq Composite Index recorded a loss of 29.51% and Euro Stoxx Index recorded a loss of 19.62%. Other indices in major financial markets also recorded similar losses during the same period. The war in Europe, Covid-19 lockdown in China (Shanghai) and rising oil prices globally in 1HFY2022 were the major factors that caused the weakened global financial markets during this period, and these had adversely affected our investments as well. For avoidance of doubt, the loss incurred on the fair value of investment was unrealized.

Net profit after tax attributable to owners of the Company

As a result of the above, the Group reported a net loss attributable to owners of the Company of US\$ 6.4 million in 1HFY2022 (1HFY2021: net gain of US\$ 504,000).

OTHER INFORMATION (CONT'D)

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

Other Financial Highlights

- **Property, plant and equipment** – The decrease in the Group's property, plant and equipment of US\$ 71,000 in 1HFY2022 was mainly due to depreciation of US\$ 76,000 incurred during the period. This was partly offset by investments in plant and equipment amounting to US\$ 5,000.
- **Right-of-use assets** – The decrease in right-of-use assets in 1HFY2022 was mainly due to the depreciation incurred during the year. In 1HFY2022, depreciation amounted to US\$ 75,000 and this was partly offset by the additional right-of-use assets recognized of US\$ 5,000.
- **Quoted investments** – The Group's investment in quoted investments held for trading in current assets on 30 June 2022 was US\$ 19.2 million, a decrease of US\$ 9.1 million from 31 December 2021 (US\$28.3 million). During this period, US\$ 5.5 million of investment was disposed and this was partly offset by purchase of investment amounting to US\$ 1.6 million. There was an unrealized loss in fair value of investment amounting to US\$ 5.0 million due mainly to the weaker financial market caused by the Russia-Ukraine war and inflationary pressure that affected the global financial market.
- **Unquoted investments** – The Group's investment in unquoted investments increased by US\$ 3.1 million in 1HFY2022 mainly due to the additional investment in unquoted fund and revaluation of unquoted investments to fair market value. Total investments in unquoted investment as at 30 June 2022 were US\$ 5.4 million (31 December 2021: US\$ 2.3 million), comprising of US\$ 2.0 million (31 December 2021: US\$ 1.8 million) in non-current assets and US\$ 2.0 million (31 December 2021: US\$ 511,000) in current assets for an unquoted fund that was held for trading.

The increase in unquoted investments in current-assets was due to the additional investments in unquoted fund.

The increase in unquoted investments in non-current asset was due to the US\$ 1.7 million revaluation of investments to fair market value for the unquoted investment in Clouse S.A. (US\$ 300,000) and Terrenus Energy Pte Ltd (US\$1.4 million). The significant increase in the investment value of Terrenus Energy Pte Ltd was due to the investment capital raised by Terrenus Energy Pte Ltd from an independent third party at arms' length in June 2022 that reflects the fair market value of this investment, which was above the valuation amount in December 2021. As the fair market value of the unquoted investments had increased significantly, the Group revalued the unquoted investments to fair market value in June 2022 to ensure that the Group's shareholders' funds were appropriately stated.

- **Loan receivable** – The Group rendered a loan of US\$ 1.5 million to an investee company for a project in FY2021. The loan was for a period of 2 years with an interest rate of 6% p.a. The loan was fully secured by a corporate guarantee from the holding company of the borrower.
- **Inventories** – The Group's inventories amounted to US\$ 4.2 million as at 30 June 2022, an increase of US\$ 2.9 million from 31 December 2021 (US\$ 1.3 million). Inventory turnover days as at 30 June 2022 were 113 days (31 December 2021: 16 days).
- **Trade and other receivables** – The Group's trade and other receivables amounted to US\$ 3.0 million as at 30 June 2022 as compared to US\$ 4.2 million as at 31 December 2021. The lower trade receivable was mainly due to the lower credit sales in 1HFY2022. Trade receivable turnover days as at 30 June 2022 were 103 days (31 December 2021: 27 days).
- **Trade and other payables** – The Group's trade and other payables amounted to US\$ 2.1 million as at 30 June 2022 as compared to US\$ 4.9 million as at 31 December 2021. Lower credit purchases were made in 1HFY2022. Trade payable turnover days as at 30 June 2022 were 32 days (31 December 2021: 26 days).

Cashflow

The Group's cash and cash equivalent as at 30 June 2022 amounted to US\$ 4.3 million as compared to US\$ 6.4 million as at 31 December 2021, a decrease of US\$ 2.1 million. Out of the balance of US\$4.3 million as at 30 June 2022, fixed deposits pledged with banks for banking facilities amounted to US\$ 3.0 million.

The decrease in the cash position in 1HFY2022 was mainly due to cash outflow in operating activities of US\$ 6.1 million. This was partly offset by cash inflow from proceed from net disposal of investment of US\$2.5 million and bank loan of US\$ 1.5 million.

OTHER INFORMATION (CONT'D)

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

Cashflow (cont'd)

The cash outflow from operating activities of US\$ 6.1 in 1HFY2022 arose mainly from the cash deficit from operating activities amounting to US\$1.3 million, tax expense of US\$ 226,000 and net movement in working capital of US\$ 4.5 million.

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

Not Applicable.

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 COVID-19 pandemic situation has eased in recent months as countries globally started opening their borders. Despite this, recovery and stabilization to the global market is slow. The onset of the Russia-Ukraine war in Europe in 1HFY2022 that caused inflationary pressures, further add to the disruption in the global supply chain and weakened the global financial market. As such, we do not expect the business environment to improve in the next 12 months.

The Group foresees the industry to remain challenging in the next 12 months. During this period, the Group will be selective in exercising priority on projects and exercise prudence in our financial management.

To stay relevant and sustainable in this dynamic market, the Group continues to invest in R&D and focus on Renewable Energy.

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).

OTHER INFORMATION (CONT'D)

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.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first half year ended 30 June 2022 to be false and misleading in any material aspect.

On behalf of the Board of Directors

KHOR PENG SOON
Non-Executive Chairman

TAN JOON YONG WAYNE
Deputy Chairman and Executive Director

By Order of the Board

TAN JOON YONG WAYNE
Deputy Chairman and Executive Director
12 August 2022