

TRICKLESTAR LIMITED

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

(Company Registration Number: 201837106C)

Unaudited Financial Statement and Dividend Announcement For The Six Months Ended 30 June 2019

TrickleStar Limited. (the “**Company**”) was incorporated in Singapore on 31 October 2018 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the “**Group**”) was formed through a restructuring exercise (the “**Restructuring Exercise**”) which involved a series of rationalisation of the corporate and shareholding structure as well as business and operations of our Group prior to the Company’s listing on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist**”). Please refer to the Company’s offer document dated 3 June 2019 (the “**Offer Document**”) for further details on the Restructuring Exercise. The Company was admitted to Catalist on 18 June 2019.

For the purpose of this announcement, our Group’s results for the six months ended 30 June 2019 (“**1HY2019**”) and comparative results for the six months ended 30 June 2018 (“**1HY2018**”) have been prepared using the pooling of interest method, and the combined financial statements are presented as if the business has always been combined since the beginning of the earliest period presented.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FINANCIAL RESULTS

- 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		Increase/ Decrease %
	Six (6) months ended 30-Jun-19 US\$	30-Jun-18 US\$	
Revenue	6,587,861	5,864,360	12.3
Cost of sales	(4,683,189)	(3,688,511)	27.0
Gross profit	1,904,672	2,175,849	(12.5)
Other items of income			
Other income	2,578	996	158.8
Other items of expense			
Selling and distribution expenses	(528,401)	(526,990)	0.3
Administrative expenses	(1,677,585)	(537,163)	212.3
(Loss)/Profit before income tax	(298,736)	1,112,692	(126.8)
Income tax expense	(100)	(3,235)	(96.9)
(Loss)/Profit for the financial period	(298,836)	1,109,457	(126.9)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations, net of tax	58	618	(90.6)
Total comprehensive income for the financial period	(298,778)	1,110,075	(126.9)
Total (loss)/profit attributable to:			
Owners of the Company	(298,836)	1,109,457	(126.9)
Total comprehensive income attributable to:			
Owners of the Company	(298,778)	1,110,075	(126.9)

Note:

The combined statement of comprehensive income for the financial period ended 30 June 2018 have been prepared based on the pooling-of-interest method as if the current group structure had been in existence prior to the Restructuring Exercise.

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

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

	Group		
	Six (6) months ended		Increase/
	30-Jun-19	30-Jun-18	Decrease
	US\$	US\$	%
Net foreign exchange (gain)/loss	(1,790)	-	NM
Interest income	(788)	(996)	(20.9)
Freight outwards	72,183	66,262	8.9
Inventories processing fees	26,699	26,234	1.8
Storage fees	34,407	16,416	109.6
<i>Selling and distribution expenses</i>			
Employee benefits expense			
- Directors' fee	72,075	70,380	2.4
- Salaries, bonuses and other staff benefits	239,512	266,919	(10.3)
- Contributions to defined contribution plans	2,250	-	NM
Sales commission	57,592	82,333	(30.1)
Entertainment expenses	20,674	6,661	210.4
Products quality inspection expenses	41,102	-	NM
Operating lease expenses	25,821	38,092	(32.2)
Depreciation expense	25,022	33,303	(24.9)
Amortisation expense	43,960	27,021	62.7
<i>Administrative expenses</i>			
Employee benefits expense			
- Directors' fee	2,912	-	NM
- Salaries, bonuses and other staff benefits	102,913	121,741	(15.5)
- Contributions to defined contribution plans	13,515	14,641	(7.7)
Professional fees	18,411	91,651	(79.9)
Research and testing	25,908	1,030	2,414.5
Engineering fees	(3,231)	19,285	(116.8)
Listing expenses	1,194,797	-	NM

NM : Not meaningful

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

	Group		Company	
	As at		As at	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
	US\$	US\$	US\$	US\$
<u>ASSETS</u>				
Non-current assets				
Plant and equipment	80,953	91,622	-	-
Intangible assets	362,001	216,656	-	-
Investment in subsidiaries	-	-	4,490,329	-
	442,954	308,278	4,490,329	-
Current assets				
Inventories	3,822,767	6,940,719	-	-
Trade and other receivables	1,875,360	1,958,682	7,925	-
Prepayments	14,376	411,476	-	-
Fixed deposits	7,255	7,253	-	-
Cash and bank balances	4,283,214	1,546,396	2,105,849	17,335
Current income tax recoverable	122,719	3,797	-	-
	10,125,691	10,868,323	2,113,774	17,335
TOTAL ASSETS	10,568,645	11,176,601	6,604,103	17,335
<u>EQUITY AND LIABILITIES</u>				
Equity				
Share capital	7,191,788	4,490,330	7,080,411	1
Merger reserve	(111,377)	-	-	-
Foreign currency translation account	16,504	16,446	-	-
(Accumulated losses)/Retained earnings	(534,034)	630,623	(1,196,199)	(2,626)
Total equity	6,562,881	5,137,399	5,884,212	(2,625)
Non-current liabilities				
Deferred tax liabilities	2,296	2,296	-	-
	2,296	2,296	-	-
Current liabilities				
Trade and other payables	3,997,648	5,864,907	35,264	19,960
Amount due to subsidiaries	-	-	684,627	-
Provision for warranty cost	5,820	5,820	-	-
Current income tax payable	-	166,179	-	-
	4,003,468	6,036,906	719,891	19,960
Total liabilities	4,005,764	6,039,202	719,891	19,960
Total equity and liabilities	10,568,645	11,176,601	6,604,103	17,335

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

Not applicable. There were no Group borrowings and debt securities as at the end of current financial period 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	
	Six (6) months ended	
	30-Jun-19	30-Jun-18
	US\$	US\$
Operating activities		
(Loss)/Profit before income tax	(298,736)	1,112,692
Adjustments for:		
Amortisation of intangible assets	43,960	27,021
Depreciation of plant and equipment	25,022	33,303
Interest income	(788)	(996)
Operating cash flows before working capital changes	(230,542)	1,172,020
Inventories	3,117,952	827,816
Trade and other receivables	83,322	(402,397)
Prepayments	397,100	(33,922)
Trade and other payables	(1,867,261)	(1,430,598)
Cash generated from operations	1,500,571	132,919
Income tax paid	(285,199)	(3,551)
Net cash from operating activities	1,215,372	129,368
Investing activities		
Purchase of plant and equipment	(14,353)	(5,880)
Additions to intangible assets	(189,305)	(3,266)
Interest received	788	996
Net cash used in investing activities	(202,870)	(8,150)
Financing activities		
Repayment from related party	-	51,161
Advances to former holding company	-	(450,000)
Gross proceeds from initial public offering ("IPO")	2,853,981	-
Share issue expense	(263,900)	-
Dividends paid	(865,821)	(444,755)
Net cash from / (used in) financing activities	1,724,260	(843,594)
Net change in cash and cash equivalents	2,736,762	(722,376)
Cash and cash equivalents at beginning of financial period	1,553,649	1,577,907
Exchange difference on cash and cash equivalents	58	(1,166)
Cash and cash equivalents at end of financial period	4,290,469	854,365

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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\$	Merger reserve US\$	Foreign currency translation account US\$	Retained earnings/ Accumulated losses US\$	Total equity US\$
Group					
Balance at 1 January 2019	4,490,330	-	16,446	630,623	5,137,399
Loss for the financial period	-	-	-	(298,836)	(298,836)
<i>Other comprehensive income</i>					
Exchange differences on translating foreign operations, net of tax	-	-	58	-	58
Total comprehensive income for the financial period	-	-	58	(298,836)	(298,778)
Contributions by and distributions to owners					
Restructuring exercise	111,377	(111,377)	-	-	-
Issuance of new shares pursuant to IPO	2,853,981	-	-	-	2,853,981
Share issue expense	(263,900)	-	-	-	(263,900)
Dividends	-	-	-	(865,821)	(865,821)
Total transactions with owners	2,701,458	(111,377)	-	(865,821)	1,724,260
Balance at 30 June 2019	7,191,788	(111,377)	16,504	(534,034)	6,562,881
Balance at 1 January 2018	4,490,329	-	21,518	(385,060)	4,126,787
Profit for the financial period	-	-	-	1,967,693	1,967,693
<i>Other comprehensive income</i>					
Exchange differences on translating foreign operations, net of tax	-	-	(5,072)	-	(5,072)
Total comprehensive income for the financial period	-	-	(5,072)	1,967,693	1,962,621
Contributions by and distributions to owners					
Issue of shares	1	-	-	-	1
Dividends	-	-	-	(952,010)	(952,010)
Total transactions with owners	1	-	-	(952,010)	(952,009)
Balance at 31 December 2018	4,490,330	-	16,446	630,623	5,137,399

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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\$	Retained earnings/ Accumulated losses US\$	Total equity US\$
<u>Company</u>			
Balance at 1 January 2019	1	(2,626)	(2,625)
Loss for the financial period	-	(1,193,573)	(1,193,573)
Total comprehensive income for the financial period	-	(1,193,573)	(1,193,573)
Contributions by and distributions to owners			
Restructuring exercise	4,490,329	-	4,490,329
Issuance of new shares pursuant to IPO	2,853,981	-	2,853,981
Share issue expense	(263,900)	-	(263,900)
Total transactions with owners	7,080,410	-	7,080,410
Balance at 30 June 2019	7,080,411	(1,196,199)	5,884,212

Note:

There are no comparative figures for the corresponding period of the immediately preceding financial period as the Company was only incorporated on 31 October 2018.

- 1(d)(ii) 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Company	
	Number of Ordinary Shares	Issued and Paid-up Share Capital
		S\$
Issued and paid up share capital as at 31 October 2018 and 31 December 2018	2	2
Allotment and issue of new Shares pursuant to the Restructuring Exercise	(1) 2,473,773	6,229,128
Issued and paid-up share capital post-Restructuring Exercise	2,473,775	6,229,130
Share Sub-division	(2) 66,791,925	6,229,130
Allotment and issue of new Shares pursuant to the IPO Placement	(3) 15,000,000	3,900,000
Issued and paid up share capital as at 30 June 2019	(4) 81,791,925	10,129,130

Note:

(1) As part of the Restructuring Exercise, the Company increased its issued and share capital by S\$6,229,128 with the issue of 2,473,773 Shares to Mr Bernard Christopher Emby, CircleBright Limited, Harald Weinbrecht, Powertech Industrial Co. Ltd., Law Cheok Chin, Yong Su Lin, Manuel David Morais, Emby Superannuation Fund, Patricia Lim Pek Yew and Wong Wei Tung.

(2) Share Sub-division of 1 share into 27 shares on 17 May 2019.

(3) Pursuant to the IPO, the Company issued and allotted 15,000,000 ordinary shares to raise gross proceeds of S\$3,900,000 which is approximately US\$2,853,981 based on an exchange rate of S\$1:US\$0.73179.

(4) Listing expenses incurred pursuant to the IPO amounted to approximately US\$1.46 million, of which US\$263,900 has been capitalised against share capital while the remaining approximate amount of US\$1.19 million has been included in "administrative expenses" in the consolidated statement of comprehensive income.

There were no outstanding convertibles, treasury shares or subsidiary holdings at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	Number of Ordinary Shares	
As at	30-Jun-19	31-Dec-18
Total number of issued shares excluding treasury shares	81,791,925	2

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

- 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 as at 30 June 2019 and 31 December 2018.

- 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 as at 30 June 2019 and 31 December 2018.

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

These figures have not been audited or reviewed by the Company's auditors.

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

Not applicable

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

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

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 Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases effective for the financial period on or after 1 January 2019. The adoption of this new standard from the effective date did not result in any material adjustments to the financial statements of the Group for the current financial period.

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	
	Six months ended 30 June 2019	Six months ended 30 June 2018
(Loss)/Profit attributable to owners of the Company (US\$)	(298,836)	1,109,457
Weighted average number of shares	(1), (2) 81,791,925	(2) 66,791,925
Earnings per share - basic and diluted (US cents)	(0.37)	1.66

The basic and diluted EPS for the respective financial periods are computed based on the (loss)/profit attributable to the owners of the Company and the weighted average of the Company's ordinary shares in issue during the respective financial periods.

The basic and diluted EPS are the same as there were no potentially dilutive ordinary shares in issue during and as at the end of the respective financial periods.

Note:

(1) For illustrative purposes, the placement of 15,000,000 Shares pursuant to the IPO Placement is assumed to have been in issue throughout the entire six months ended 30 June 2019.

(2) For illustrative purposes, the issued and paid-up share capital of the Company of 66,791,925 Shares is assumed to have been in issue throughout the entire six months ended 30 June 2018 and 30 June 2019.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group			Company	
	As at			As at	
	30-Jun-19	31-Dec-18		30-Jun-19	31-Dec-18
NAV per Share (Cents)	8.02	7.69		7.19	(0.00)
Total equity (US\$)	6,562,881	5,137,399		5,884,212	(2,625)
Number of Shares used in					
computation of NAV per Share	81,791,925	66,791,925 (1)		81,791,925	66,791,925 (1)

Note:

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

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's statement of comprehensive income:

Revenue and cost of sales

The Group's revenue increased by 12.3% from US\$5.86 million in 1HY2018 to US\$6.58 million in 1HY2019. The US\$0.72 million increase in revenue was largely attributable to the regular growth in orders from existing distributors and retailers as well as new retailers and online sales. Correspondingly, the cost of goods sold increased by 27.0% from US\$3.68 million in 1HY2018 to US\$4.68 million in 1HY2019. The decrease in gross profit by 12.5% was primarily attributable to the increase of tariffs from 10% to 25% imposed by the Trump Administration during the current financial period and a correspondence increase in freight inwards costs.

Other income

Interest income
Foreign exchange gain, net

	Group	
	Six months ended 30 June 2019	Six months ended 30 June 2018
	US\$	US\$
Interest income	788	996
Foreign exchange gain, net	1,790	-
	<u>2,578</u>	<u>996</u>

Other income increased from US\$996 in 1HY2018 to US\$2,578 in 1HY2019. The increase was mainly attributable to the net foreign exchange gain of US\$1,790 in 1HY2019.

Selling and distribution expenses

Selling and distribution expenses slightly increased by 0.3% of US\$1,411 to US\$0.53 million largely due to a products quality inspection expenses of US\$0.04 million which our company as the Group had outsourced quality inspections of the Group's products to a third party quality audit firm in 1HY2019. In addition, there was a higher third party inventories storage fees of US\$0.02 million which partially offset by lower sales staff salary, bonus and benefits of US\$0.02 million and reduced sales commission paid out of US\$0.03 million during 1HY2019 compared to 1HY2018.

Administrative expenses

Administrative expenses increased by approximately US\$1.14 million or 212.3% from US\$0.54 million in 1HY2018 to US\$1.68 million in 1HY2019. This is primarily due to the listing expenses incurred for the IPO of approximately US\$1.19 million recognised in 1HY2019 which was partially offset by a reduction of US\$0.07 million and US\$0.02 million in professional fees and engineering fees respectively .

Income tax expense

Income tax expense decreased by US\$3,135 from approximately US\$3,235 in 1HY2018 to US\$100 in 1HY2019. This reduction was attributable to a reduction in US states annual tax paid by our US subsidiary company during the current financial period.

Loss after income tax

For 1HY2019, the loss after income tax amounted to approximately US\$0.30 million, a reversal from a profit after income tax of US\$1.12 million in 1HY2018 due to the above-mentioned reasons.

Review of the Group's statement of financial position:

Intangible assets

As at 30 June 2019, intangible assets increased by approximately US\$0.15 million as compared to the end of last financial year. This increase was largely due to increased expenditures incurred on product development costs amounting to approximately US\$0.19 million which was partially offset by the routine amortisation amounting to US\$0.04 million.

Current assets

As at 30 June 2019, current assets amounted to US\$10.13 million. This was a reduction of US\$0.74 million as compared with 31 December 2018. The reduction was attributable largely to the following:

- (i) a US\$3.12 million decrease in inventories as a result of inventories sold as at end of last financial year ended 31 December 2018 as well as a reduction in stocks purchases during the financial period.
- (ii) a US\$0.08 million reduction in trade and other receivables which was largely attributable to a reduction of US\$0.08 million of trade debtors as a result of improved collection during 1HY2019.
- (iii) a US\$0.39 million reduction in prepayments which was largely attributable to charging out the IPO listing expenses to profit and loss account during 1HY2019; which were
- (iv) largely set off by an increase of US\$2.74 million in cash and cash equivalents as explained below and
- (v) a US\$0.11 million increase of current income tax recoverable which was mainly due to estimated income tax paid by our US subsidiary company during 1HY2019.

Non-current liabilities

As at 30 June 2019, non-current liabilities for the deferred tax liabilities remained at US\$2,296.

Current liabilities

As at 30 June 2019, current liabilities amounted to US\$4.0 million. This was a reduction of US\$2.03 million as compared with 31 December 2018. The reduction was attributable largely to the following:

(i) a US\$1.87 million decrease in trade and other payables of which approximately US\$1.26 million was due to the settlement of trade payables and less stocks purchases during the financial period as well as a reduction in accrual of expenses of approximately US\$0.60 million and a reduction in other payables of approximately US\$0.01 million.

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

Review of the Group's statement of cash flows

- (i) For 1HY2019, net cash flow generated from operations amounted to approximately US\$1.22 million, which was largely attributable to lower inventories due to stocks sold as well as reduced stocks purchases during the financial period.
- (ii) Cash flow used in investing activities amounted to approximately US\$0.20 million which was largely attributable to product development costs incurred of approximately US\$0.19 million and purchases of equipment of approximately US\$0.01 million.
- (iii) The total cash flow used in financing activities amounted to approximately US\$1.72 million which was primarily from the gross proceeds from IPO amounting to approximately US\$2.85 million which was offset by approximately US\$0.26 million of share issue expense and a dividend of US\$0.86 million paid by our Hong Kong subsidiary prior to the Restructuring Exercise and the IPO. These resulted in a net increase in cash and cash equivalent amounting to approximately US\$2.74 million resulting in a cash and cash equivalent of approximately US\$4.29 million as at 30 June 2019.
- (iv) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	Six Months Ended	
	30-Jun-19	30-Jun-18
	US\$	US\$
Fixed deposits	7,255	7,430
Cash and cash equivalents	4,283,214	846,935
Cash and cash equivalents in consolidated statement of cash flows	4,290,469	854,365

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 most significant factor TrickleStar faces is the continued imposition of tariffs by the Trump Administration. TrickleStar is working diligently to implement manufacturing outside of China, which will deliver product exempt from the China tariffs. The second half of the financial year ending 31 December 2019 may see continued margin pressure and some orders lowered or delayed as energy efficiency programs evaluate the cost effectiveness of various energy savings measures and recalibrate their budgets to account for

All vendors in the category face the same conditions and so whilst there may be impact to TrickleStar financials, it is not unique. The imposition of tariffs may result in market share gains as smaller companies struggle to fund increased working capital requirements imposed by the tariffs i.e paying tariffs before the clearance of goods into a US port.

There are no other new industry trends to report at this time.

- 11. If a decision regarding dividend has been made: (a) Whether an interim (final) ordinary dividend has been**

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

No, however there was a dividend of US\$ 865,821 declared and paid by our Hong Kong subsidiary prior to the Restructuring Exercise and IPO.

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

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

(c) Date payable

Not applicable

(e) Book closure date

Not applicable

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

In view of the Group's losses in 1HY2019, no dividend has been declared or recommended by the Board of Directors for the first half-year ended 30th June 2019.

- 13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company has not obtained an IPT mandate.

There were no interested person transactions of S\$100,000 and above entered into in 1HY2019.

14. Confirmations by the Board pursuant to Rule 705(5)

The Board of Directors of TrickleStar Limited hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group and the Company for the half year ended 30 June 2019 to be false or misleading in any material aspect.

15. Confirmations that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

16. Use of Proceeds

The Company was listed on Catalist of the SGX-ST on 18 June 2019. The initial public offering of the Company raised gross proceeds and net proceeds of S\$3.90 million and S\$2.40 million respectively. As at the date of this announcement, the net proceeds of S\$2.40 million have been utilised as follows:

	Amount allocated as stated in the Offer Document (S\$' million)	Amount utilised as at the date of this announcement (S\$' million)		Balance of net proceeds as at the date of this announcement (S\$' million)
Scaling our presence in markets that we operate in, expansion into new geographical markets and establishing new sales channels	0.40	0.04	(a)	0.36
Product development, acquisitions of products, businesses and assets	1.00	0.08	(b)	0.91
General working capital purposes	1.00	1.00	(c)	-
	<u>2.40</u>	<u>1.12</u>		<u>1.28</u>

Note:

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

BY ORDER OF THE BOARD

Bernard Christopher Emby

Executive Chairman and Chief Executive Officer

8 August 2019

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

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

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

The contact person for the Sponsor is Ms. Ling Yuet Shan, Manager, Continuing Sponsorship. (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).