



TREK 2000 INTERNATIONAL LTD
(Registration Number 199905744N)

**MATERIAL VARIANCES BETWEEN THE PRELIMINARY UNAUDITED FULL YEAR RESULTS
ANNOUNCEMENTS AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE
FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The Board of Directors (the “**Board**”) of Trek 2000 International Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to its unaudited full year financial results announcements for the financial year ended 31 December 2023 (“**FY2023**”) released via SGXNET on 28 February 2024 (the “**Preliminary Unaudited FY2023 Financial Results**”).

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the Board wishes to announce and clarify certain material variances to the Preliminary Unaudited FY2023 Financial Results following the finalisation of the audit and issuance of the auditor’s report dated 11 April 2024 (“**Audited Financial Statements**”) by the Company’s external auditors.

The material variances and the reasons for such material variances between the Preliminary Unaudited FY2023 Financial Results and the Audited Financial Results of the Group for FY2023 are set out in the Appendix as annexed hereto.

Shareholders of the Company (“**Shareholders**”) are advised to read the Audited Financial Statements set out in the Company’s annual report for FY2023, which is released separately at SGXNET on 11 April 2024.

Shareholders and potential investors are also advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

The Board confirms that to the best of its knowledge, all material disclosures, facts and information have been provided and announced, and the Board is not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement misleading.

BY ORDER OF THE BOARD

TAN JOON YONG WAYNE
Executive Chairman and Group President

11 April 2024



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APPENDIX

A. CONSOLIDATED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		
		Audited	Preliminary Unaudited Results	Variance
		US\$'000	US\$'000	US\$'000
Revenue		16,763	16,763	–
Cost of sales		(15,247)	(15,247)	–
Gross profit		1,516	1,516	–
Other items of income:				
Interest income		699	699	–
Other income	#1	4,298	3,082	1,216
Other items of expense				
Research and development		(1,085)	(1,085)	–
Marketing and distribution	#2	(1,514)	(1,536)	22
Impairment losses on trade and other receivables	#2	(121)	(99)	(22)
General administration		(1,072)	(1,072)	–
Finance costs		(8)	(8)	–
Other expenses	#3	(1)	–	(1)
Profit before income tax		2,712	1,497	1,215
Income tax expense		(15)	(15)	–
Profit/for the year		2,697	1,482	1,215
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	#4	19	20	(1)
Items that will not be reclassified to profit or loss in subsequent periods				
Revaluation of freehold and leasehold property	#4	101	100	1
Fair value changes on equity investment at FVOCI	#5	(561)	2,014	(2,575)
Other comprehensive income for the year, net of tax		(441)	2,134	(2,575)
Total comprehensive income for the year		2,256	3,616	(1,360)



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A. CONSOLIDATED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	GROUP		
		Audited	Preliminary Unaudited Results	Variance
		US\$'000	US\$'000	US\$'000
Profit for the year attributable to:				
Owners of the Company	#1 & #3	2,690	1,475	(1,215)
Non-controlling interests		7	7	–
		2,697	1,482	(1,215)
Total comprehensive income for the year attributable to:				
Owners of the Company	#6	2,249	3,609	(1,360)
Non-controlling interests		7	7	–
		2,256	3,616	(1,360)
Earnings per share attributable to owners of the Company (expressed in cents per share)				
- Basic and Diluted	#7	0.86	0.47	0.39

Note: Explanation for the variances

#1. The revision to Audited "Other Income" by US\$1,216,000 was due to the following:

	US\$'000
(i). Revision in the fair value of 50% of our investment in Terrenus Energy Pte Ltd prior to disposal on 22 August 2023 (*a) (from US\$ 1.95 million to US\$ 725,000)	1,225
(ii). Audit adjustment to forex exchange gain in Other Income (#14)	(9)
Total	<u>1,216</u>

(*a): As the independent valuation of our investment in Terrenus Energy Pte Ltd by the independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), was not fully completed at the time of the Preliminary unaudited announcement, the Company took the conservative approach by using the preliminary indicative valuation of US\$ 1.95 million as the fair value of the 50% of the investment to be disposed for the Preliminary unaudited announcement.

Upon finalisation of the independent valuation by JLL, the fair value of the 50% of our investment in Terrenus Energy Pte Ltd was confirmed to be US\$ 725,000. As the disposal of this investment was not done at fair value, under accounting standards, SFRS (I) 13 paragraph 60, the difference of US\$ 1,225,000 (US\$ 1.95 million less US\$ 725,000) represented the amount above the fair value and was recognised as Other Income in the Profit or Loss Account.



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A. CONSOLIDATED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Note: Explanation for the variances (Cont'd)

- #2. Reclassification of Group Impairment losses of US\$ 22,000
- This was for the reclassification of provision for doubtful debts amounting to US\$ 22,000 from marketing and distribution expenses to impairment losses on trade and other receivables.
- #3. Group Other expenses of US\$ 1,000.
- This relates to the audit adjustments to foreign exchange gain/(loss) resulting in a net foreign exchange loss of US\$ 1,000 for the Group to be recognised in FY2023.
- #4. Group Foreign Currency and Asset Revaluation Reserves Variance of US\$ 1,000
- This variance arose from the foreign exchange adjustment from the revaluation of our freehold and leasehold properties as at 31 December 2023.
- #5. The revision to Audited fair value changes on equity investment at FVOCI in Other Comprehensive Income by US\$ 2,575,000 was due to the following:
- | | <u>US\$'000</u> |
|---|------------------------|
| (i). Revision in the fair value of our investment in Terrenus Energy Pte Ltd as at 22 August 2023 (*b)
(from US\$ 3.90 million to US\$ 1.45 million) | (2,450) |
| (ii). Revision in the fair value of the balance 50% of our investment in Terrenus Energy Pte Ltd as at 31 December 2023 (*c)
(from US\$ 725,000 to US\$ 600,000) | (125) |
| Total | <u>(2,575)</u> |

(*b): As mentioned in (*1) above, the Preliminary indicative valuation of 100% of our investment in Terrenus Energy Pte Ltd as at 22 August 2023 was US\$ 3.90 million (50%: US\$ 1.95 million). As the final valuation of the 100% of our investment as at 22 August 2023 was US\$ 1.45 million (50%: US\$ 725,000), an adjustment of US\$ 2.45 million for 100% of our investment (ie. US\$ 3.90 million less US\$ 1.45 million) was required to be made.

(*c): Similar to #1(i) above, an independent valuation of the balance of our investment in Terrenus Energy Pte Ltd as at 31 December 2023 was also carried out by JLL and the valuation as at 31 December 2023 was confirmed to be US\$ 600,000. As a result, a further adjustment of US\$ 125,000 (US\$ 725,000 (as at 22 August 2023) less US\$ 600,000) was made to reflect the final fair valuation of US\$ 600,000 for the unsold balance of our investment as at 31 December 2023.



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A. CONSOLIDATED STATEMENT OF PROFIT AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Note: Explanation for the variances (Cont'd)

#6, Total Comprehensive Income attributable to Owners of the Company variance of US\$1.36 million.

This variance arose from #1 to #5 above.

#7. Basis and Diluted Earnings Per Share ("EPS") variance of 0.39.

This variance in the Group EPS was due to the Audited Profit for the year attributable to Owners of the Company as compared to the Preliminary Unaudited Results announcement as illustrated below:

THE GROUP	Note	Audited	Preliminary Unaudited Results	Variance
Profit, net of tax, attributable to ordinary equity holders of the Company used in computation of basic earnings per share (US\$'000)	#1 & #3	2,690	1,475	1,215
Weighted average number of ordinary shares for basic earnings per share computation (in '000)		313,092	313,092	–
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)		313,092	313,092	–
(Amount in USD cents)				
Earnings/(loss) per ordinary share for the period after deducting any provision for preference dividends-				
(i) Basic earnings per share (in cents)		0.86	0.47	0.39
(ii) Diluted earnings per share (in cents)		0.86	0.47	0.39



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B. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	GROUP			COMPANY		
		Audited	Preliminary	Variance	Audited	Preliminary	Variance
			Unaudited			Unaudited	
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets							
Property, plant and equipment		1,335	1,335	–	–	–	–
Right-of-use assets		315	315	–	–	–	–
Investment in subsidiaries		–	–	–	881	881	–
Investment in associates		–	–	–	5	5	–
Unquoted investments	#8	600	1,950	(1,350)	600	1,950	(1,350)
		2,250	3,600	(1,350)	1,486	2,836	(1,350)
Current assets							
Inventories		3,010	3,010	–	–	–	–
Trade and other receivables	#9	596	592	4	120	121	(1)
Prepayments		8	8	–	2	2	–
Quoted investments held for trading		17,063	17,063	–	17,063	17,063	–
Unquoted investments held for trading		1,594	1,594	–	1,594	1,594	–
Short term deposits		9,621	9,621	–	9,371	9,371	–
Cash at banks and on hand		771	771	–	496	496	–
		32,663	32,659	4	28,646	28,647	(1)
Total assets		34,913	36,259	(1,346)	30,132	31,483	(1,351)
Current liabilities							
Trade payables	#9	2,806	2,792	14	1	1	–
Other payables and accruals		1,949	1,949	–	2,837	2,837	–
Lease liability	#10	94	122	(28)	–	–	–
Income tax payable		483	483	–	–	–	–
		5,332	5,346	(14)	2,838	2,838	–
Net current assets		27,331	27,313	18	25,808	25,809	(1)
Non-current liabilities							
Lease Liability	#10	165	137	28	–	–	–
Deferred taxation		126	126	–	–	–	–
		291	263	28	–	–	–
Total liabilities	#9	5,623	5,609	14	2,838	2,838	–
Net assets		29,290	30,650	(1,360)	27,294	28,645	(1,351)



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B. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

	Note	GROUP			COMPANY		
		Audited	Preliminary Unaudited Results	Variance	Audited	Preliminary Unaudited Results	Variance
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Equity attributable to owners of the Company							
Share capital		37,829	37,829	–	37,829	37,829	–
Treasury shares		(996)	(996)	–	(996)	(996)	–
Revenue reserve	#11	(12,237)	(12,321)	84	(9,122)	(9,215)	93
Capital reserve		2,717	2,717	–	–	–	–
Asset revaluation reserve	#4	1,453	1,452	1	–	–	–
Translation reserve	#4	163	164	(1)	–	–	–
Other reserves	#12	(494)	950	(1,444)	(417)	1,027	(1,444)
		<u>28,435</u>	<u>29,795</u>	<u>(1,360)</u>	<u>27,294</u>	<u>28,645</u>	<u>(1,351)</u>
Non-controlling interests		855	855	–	–	–	–
Total equity		29,290	30,650	(1,360)	27,294	28,645	(1,351)
Total liabilities and equity	#4, #9, #11 & #12	34,913	36,259	(1,346)	30,132	31,483	(1,351)
Net asset value per ordinary share (expressed in cents per share)	#13	9.08	9.52	(0.44)	8.72	9.15	(0.43)

Note: Explanation for variances

#8. The variance of US\$ 1.35 million in the Unquoted Investments was due to the following:

GROUP & COMPANY	Audited	Preliminary Unaudited Results	Variance
Valuation of the balance of our unsold investment in Terrenus Energy Pte Ltd as at 31 December 2023 (US\$'000)	600	1,950	(1,350)



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B. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

Note: Explanation for variances (Cont'd)

#9. The revisions to Audited "Trade and Other Receivables" and "Trade Payables" were as follows:

	<u>Group</u> <u>US\$'000</u>	<u>Company</u> <u>US\$'000</u>
(i). Trade Payable – Audit reclassification of advance payments to Trade and Other Receivables	(14)	–
(ii). Trade and Other Receivables – Audit reclassification of advance payments from Trade Payable and forex exchange loss to Profit or Loss account	4	(1)
(iii). Audit adjustments in forex exchange in Profit or Loss account arising from Trade Receivables (#1(ii) & #3 (Group)/#11(iii) (Company))	10	1
Total	<u>–</u>	<u>–</u>

#10. Group Lease liability adjustments of US\$ 28,000

The audit reclassification of lease liability from Current Liabilities to Non-Current Liabilities for the Group was due to the timing difference of lease liabilities.

#11. The variances of revenue reserves of US\$ 84,000 (for Group) and US\$ 93,000 (for Company) were as follows:

	<u>Group</u> <u>US\$'000</u>	<u>Company</u> <u>US\$'000</u>
(i) Revision in the fair value of 50% of our investment in Terrenus Energy Pte Ltd disposed on 22 August 2023 (#1(i)) (from US\$ 1.95 million to US\$ 725,000)	1,225	1,225
(ii) De-recognition of Revaluation Reserves relating to the 50% of our investment in Terrenus Energy Pte. Ltd. disposed on 22 August 2023, from Other Reserves to Opening Retained Earnings (#12(ii)) (from US\$ 1.95 million to US\$ 725,000)	(1,225)	(1,225)
(iii). Audit adjustment in forex exchange (#1(ii) & #3 (Group)/#9(iii) (Company))	(10)	(1)
(iv). Share Option forfeited/lapsed (#12(iv))	94	94
Total	<u>84</u>	<u>93</u>

(*d): This was related to the de-recognition of share option reserves of US\$ 94,000 arising from the forfeiture of 600,000 share options under Trek 2000 International Ltd Employee Share Option Scheme 2011 as staff resigned and did not exercise the share options under this scheme.



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B. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONT'D)

Note: Explanation for variances (Cont'd)

#12. The variances in Other Reserves were as follows:

	Group US\$'000	Company US\$'000
(i) Revision in the fair value of our investment in Terrenus Energy Pte Ltd as at 22 August 2023 (#5(i)) (from US\$ 3.90 million to US\$ 1.45 million)	(2,450)	(2,450)
(ii) De-recognition of valuation reserves from Other Reserves to Opening Retained Earnings relating to the 50% of our investment in Terrenus Energy Pte. Ltd. disposed on 22 August 2023 (#11(ii)) (from US\$ 1.95 million to US\$ 725,000)	1,225	1,225
(iii). Revision in the fair value of the balance 50% of our investment in Terrenus Energy Pte Ltd as at 31 December 2023 (#5(ii)) (from US\$ 725,000 to US\$ 600,000)	(125)	(125)
(iv). Share Option forfeited/lapsed (#11(iv))	(94)	(94)
Total	<u>(1,444)</u>	<u>(1,444)</u>

#13. The Net Asset Value per ordinary shares are computed as follows:

	GROUP			COMPANY		
	Audited	Preliminary Unaudited Results	Variance	Audited	Preliminary Unaudited Results	Variance
Total Shareholders' Fund before Non-controlling Interest (USD'000)	28,435	29,795	(1,360)	27,294	28,645	(1,351)
Number of ordinary shares (in '000)	313,092	313,092	–	313,092	313,092	–
Net asset value per ordinary share based on issued share capital at the end of the period (Amount in USD cents per share)	9.08	9.52	(0.44)	8.72	9.15	(0.43)



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C. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	GROUP		Variance
		Audited	Preliminary Unaudited Results	
		US\$'000	US\$'000	US\$'000
Operating cash flows before changes in working capital	#14	(3,224)	(3,233)	9
Cash flows generated from operating activities	#15	3,307	3,244	63
Net cash generated from operating activities	#15	3,113	3,050	63
Net cash used in investing activities	#16	4,838	4,880	(42)
Net cash used in financing activities		139	139	–
Net increase in cash and cash equivalents	#17	8,090	8,069	21
Cash and cash equivalents at beginning of the year		2,054	2,054	–
Effect of foreign exchange difference	#17	(2)	19	21
Cash and cash equivalents at end of the year		10,142	10,142	–

Note: Explanation for variances

#14. The variance of US\$ 9,000 arose from the audit adjustments to foreign exchange gain in Other Income (#1(ii)).

#15. The variance of US\$ 63,000 arose from the following audit adjustments:

	US\$'000
(i). Reclassification of advance payments from investing activities to movements in working capital to net off against the movements in other receivables (#16(i))	(30)
(ii). Audit adjustment of interest income from investing activities to movements in working capital as the accrued interest income was adjusted to the net movements in other receivables (#16(ii))	72
(iii). Audit adjustment of forex exchange gain to movements in working capital as this foreign exchange gain was related to working capital items (#17)	21
Total	<u>63</u>



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C. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Note: Explanation for variances (Cont'd)

#16. The variance of (US\$ 42,000) in investment activities arose from the following audit adjustments:

	<u>US\$'000</u>
(i). Reclassification of advance payments from investing activities to movements in working capital to net off against the movements in other receivables (#15(i))	30
(ii). Audit adjustment of interest income from investing activities to movements in working capital as the accrued interest income was adjusted to the net movements in other receivables (#15(ii))	(72)
Total	<u>(42)</u>

#17. The variance of US\$ 21,000 in net increase in cash and cash equivalent and effect of foreign exchange difference was due to the adjustment of foreign exchange gain to the movements of working capital as this arose from the working capital of the Group (#15(iii)).



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APPENDIX

D. STATEMENT SHOWING EITHER (I) CHANGES IN EQUITY OR (II) CHANGES IN EQUITY OTHER THAN THOSE ARISING FROM CAPITALISATION ISSUES AND DISTRIBUTIONS TO SHAREHOLDERS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	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										
<u>Preliminary Unaudited Results</u>										
Balance as at 1 January 2023	37,829	(996)	(14,246)	2,717	1,352	144	(689)	26,111	848	26,959
Reclassification of fair value change in equity investments	-	-	450	-	-	-	(450)	-	-	-
Share option expenses	-	-	-	-	-	-	75	75	-	75
Total comprehensive income for the year	-	-	1,475	-	100	20	2,014	3,609	7	3,616
Balance as at 31 December 2023	37,829	(996)	(12,321)	2,717	1,452	164	950	29,795	855	30,650
Variance										
Additional adjustments for the reclassification of fair value change in equity investments	#18	-	-	(1,225)	-	-	1,225	-	-	-
Adjustments to current year profit	#1 & #3	-	-	1,215	-	-	-	1,215	-	1,215
Other comprehensive income – additional adjustments for net fair value changes on unquoted equity investment	#4 & #5	-	-	-	-	1	(1)	(2,575)	-	(2,575)
Share options forfeited/lapsed	#20	-	-	94	-	-	(94)	-	-	-
Audited Balance as at 31 December 2023	37,829	(996)	(12,237)	2,717	1,453	163	(494)	28,435	855	29,290



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D. STATEMENT SHOWING EITHER (I) CHANGES IN EQUITY OR (II) CHANGES IN EQUITY OTHER THAN THOSE ARISING FROM CAPITALISATION ISSUES AND DISTRIBUTIONS TO SHAREHOLDERS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Attributable to owners of the Company								
Note	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
<u>THE COMPANY</u>								
<u>Preliminary Unaudited Results</u>								
Balance as at 1 January 2023	37,829	(996)	(12,537)	–	–	–	(612)	23,684
Reclassification of fair value change in equity investments	–	–	450	–	–	–	(450)	–
Share option expenses	–	–	–	–	–	–	75	75
Total comprehensive income for the period	–	–	2,872	–	–	–	2,014	4,886
Balance as at 31 December 2023	37,829	(996)	(9,215)	–	–	–	1,027	28,645
<u>Variance</u>								
Additional adjustments for the reclassification of fair value change in equity investments	#18	–	–	(1,225)	–	–	1,225	–
Adjustments to current year profit	#19	–	–	1,224	–	–	–	1,224
Other comprehensive income – additional adjustments for net fair value changes on unquoted equity investment	#5	–	–	–	–	–	(2,575)	(2,575)
Share options forfeited/lapsed	#20	–	–	94	–	–	(94)	–
Audited Balance as at 31 December 2023	37,829	(996)	(9,122)	–	–	–	(417)	27,294

Note: Explanation for variances

#18. The audit adjustment of US\$ 1,225,000 from Other Reserves to the Opening Retained Earnings of the Group and Company arose from the de-recognition of the Revaluation Reserves of the 50% of our investment in Terrenus Energy Pte Ltd that was disposed on 22 August 2023. (#11(ii) & 12(ii))

#19. The audit adjustment of US\$1,223,000 to the Company current year profit was tabulated below:

	<u>US\$'000</u>
(i). Revision in the fair value of <u>50%</u> of our investment in Terrenus Energy Pte Ltd disposed on 22 August 2023 (#11(i)) (from US\$ 1.95 million to US\$ 725,000)	1,225
(ii). Audit adjustment to forex exchange in Profit or Loss account (#9(iii))	(1)
Total	<u>1,224</u>



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D. STATEMENT SHOWING EITHER (I) CHANGES IN EQUITY OR (II) CHANGES IN EQUITY OTHER THAN THOSE ARISING FROM CAPITALISATION ISSUES AND DISTRIBUTIONS TO SHAREHOLDERS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

Note: Explanation for variances (Cont'd)

- #20. The audit adjustment of US\$ 94,000 from Other Reserves to the Opening Retained Earnings of the Group and Company was due to the forfeiture of 600,000 share options under Trek 2000 International Ltd Employee Share Option Scheme 2011 as staff resigned and did not exercise the share options under this scheme. (#11(iv) & 12(iv))