



TRICKLESTAR LIMITED

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

Placement of 15,000,000 Placement Shares at S\$0.26 for each Placement Share, payable in full on application

OFFER DOCUMENT DATED 3 JUNE 2019

(Registered by the Singapore Exchange Securities Trading Limited (the "SGX-ST") acting as agent on behalf of the Monetary Authority of Singapore (the "Authority") on 3 June 2019)

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this Offer Document carefully, and consider whether you understand what is described in this Offer Document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

An application has been made by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") to the SGX-ST for permission to deal in, and for the quotation of, all the ordinary shares (the "Shares") in the capital of TrickleStar Limited (the "Company") that are already issued, the new Shares which are the subject of this Placement (the "Placement Shares"), the new Shares which may be issued under the TrickleStar Performance Share Plan (the "Award Shares") and the new Shares which may be issued upon the exercise of the options granted under the TrickleStar Employee Share Option Scheme (the "Option Shares") to be listed for quotation on Catalist (as defined herein). Acceptance of applications will be conditional upon issue of the shares or units of shares and upon listing of all the issued shares or units of shares of the Company. Monies paid in respect of any application accepted will be returned if the admission and listing do not proceed. The dealing in and quotation of the Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Placement is made in or accompanied by this Offer Document that has been registered by the SGX-ST acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor, Issue Manager and Placement Agent (as defined herein) confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the shares or units of shares being offered for investment.

The registration of this Offer Document by the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the Catalist Rules, have been complied with.

Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Sponsor, Issue Manager and Placement Agent



PrimePartners Corporate Finance Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200207389D)



Cleantech
Energy Efficiency
IoT
Demand Response



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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Bernard Christopher Emby (Executive Chairman and Chief Executive Officer) Gunananthan A/L Nithyanantham (Non-Executive Non-Independent Director) Jeremy John Figgins (Lead Independent Director) Chuah Jern Ern (Independent Director) Ling Hee Keat (Independent Director)
COMPANY SECRETARY	:	Selena Leong Siew Tee ACS, ACIS
REGISTERED OFFICE	:	80 Robinson Road #02-00 Singapore 068898
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Tricor Barbinder Share Registration Services 80 Robinson Road #02-00 Singapore 068898
SPONSOR, ISSUE MANAGER, AND PLACEMENT AGENT	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	BDO LLP 600 North Bridge Road #23-01 Parkview Square Singapore 188778 Partner-in-charge: Leong Hon Mun Peter (A member of the Institute of Singapore Chartered Accountants)
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISER TO THE COMPANY ON SINGAPORE LAW	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
LEGAL ADVISER TO THE COMPANY ON HONG KONG LAW	:	Nixon Peabody CWL 5 th Floor, Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong
LEGAL ADVISER TO THE COMPANY ON MALAYSIA LAW	:	Shook Lin & Bok 20 th Floor, AmBank Group Building 55, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia

CORPORATE INFORMATION

SPECIAL COUNSEL TO THE COMPANY ON USA LAW : **Nixon Peabody LLP**
One Embarcadero Centre 32nd Floor
San Francisco, CA 94111
United States of America

PRINCIPAL BANKER : **Oversea-Chinese Banking Corporation Limited**
63 Chulia Street
#10-00
Singapore 049514

RECEIVING BANKER : **Oversea-Chinese Banking Corporation Limited**
63 Chulia Street
#10-00
Singapore 049514

DEFINITIONS

In this Offer Document and the accompanying Application Forms, the following definitions apply where the context so admits:

Group Companies

“Company”	:	TrickleStar Limited
“Group”	:	Our Company and its subsidiaries
“TrickleStar HK”	:	TrickleStar Limited, our Hong Kong subsidiary
“TrickleStar Malaysia”	:	TrickleStar (M) Sdn Bhd, our Malaysia subsidiary
“TrickleStar USA”	:	TrickleStar Inc. (formerly known as TrickleStar LLC), our USA subsidiary

Other Corporations and Agencies

“Authority”	:	The Monetary Authority of Singapore
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	The Central Provident Fund
“Powertech”	:	Powertech Industrial Co. Ltd.
“PPCF”, “Issue Manager”, “Sponsor” or “Placement Agent”	:	PrimePartners Corporate Finance Pte. Ltd.
“Receiving Bank”	:	Oversea-Chinese Banking Corporation Limited
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services

Legislations and Regulations

“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time

DEFINITIONS

“SFR” : The Securities and Futures (Offer of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time

General

“Application Forms” : The printed application forms to be used for the purpose of the Placement and which form part of this Offer Document

“Application List” : The list of applications for subscription of the Placement Shares

“associate” : As defined in the SFR:

(a) in relation to an entity, means:

(i) in a case where the entity is a substantial shareholder, controlling shareholder, substantial interest-holder or controlling interest-holder: its related corporation, related entity, associated company or associated entity; or

(ii) in any other case:

(1) a director or an equivalent person of the entity;

(2) where the entity is a corporation, a controlling shareholder of the entity;

(3) where the entity is not a corporation, a controlling interest-holder of the entity;

(4) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the entity; or

(5) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be, of the entity, and

(b) in relation to an individual, means:

(i) any member of the individual’s immediate family;

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(ii) a trustee of any trust of which the individual or any member of the individual's immediate family is:

(1) a beneficiary; or

(2) where the trust is a discretionary trust, is a discretionary object,

when the trustee acts in that capacity; or

(iii) any corporation in which the individual, one or more members of the individual's immediate family, or the individual and one or more members of the individual's immediate family together, whether directly or indirectly, has or have interests in voting shares of an aggregate of not less than 30.0% of the total votes attached to all voting shares,

or, if the context so requires, may have the meaning ascribed to it in the Catalist Rules

"Audit Committee"	:	The audit committee of our Company as at the date of this Offer Document and from time to time
"Awards"	:	A contingent award of fully paid Shares granted under the TrickleStar Performance Share Plan
"Award Shares"	:	The Shares transferred or new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards which may be granted under the TrickleStar Performance Share Plan
"Board" or "Board of Directors"	:	The board of Directors of our Company as at the date of this Offer Document and from time to time
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"CEO"	:	The chief executive officer of our Company as at the date of this Offer Document and from time to time
"CFO"	:	The chief financial officer of our Company as at the date of this Offer Document and from time to time
"Constitution"	:	The constitution of our Company, as amended or modified from time to time

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“Controlling Shareholder”	:	As defined in the Catalist Rules: (a) a person who holds directly or indirectly 15.0% or more of the nominal amount of all the voting shares in our Company (unless otherwise determined by the SGX-ST); or (b) a person who in fact exercises control over our Company, or, if the context so requires, may have the meaning ascribed to it in the SFR
“Director(s)”	:	The director(s) of our Company as at the date of this Offer Document and from time to time
“Entity at Risk”	:	(a) Our Company; (b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of our Company that is not listed on the SGX-ST or an approved exchange, provided that our Group, or our Group and our Interested Person(s), has control over the associated company
“EPS”	:	Earnings per Share
“Executive Director”	:	An executive director of our Company as at the date of this Offer Document and from time to time
“Executive Officer”	:	An executive officer of our Group as at the date of this Offer Document and from time to time
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Hong Kong”	:	The Hong Kong Special Administrative Region of the PRC
“GST”	:	Goods and services tax
“Independent Director”	:	An independent director of our Company as at the date of this Offer Document and from time to time
“Interested Person”	:	(a) A Director, CEO or Controlling Shareholder of our Company; or

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		(b) an associate of any such Director, CEO or Controlling Shareholder
“Interested Person Transaction”	:	A transaction between an Entity at Risk and an Interested Person
“Latest Practicable Date”	:	3 May 2019, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
“Listing”	:	The listing of our Company and the quotation of our Shares on Catalist
“Listing Date”	:	The date of commencement of dealing in our Shares on Catalist
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Nominating Committee”	:	The nominating committee of our Company as at the date of this Offer Document and from time to time
“Non-Executive Director”	:	A non-executive director of our Company (including an Independent Director) as at the date of this Offer Document and from time to time
“NTA”	:	Net tangible assets
“Offer Document”	:	This Offer Document dated 3 June 2019 issued by our Company in respect of the Placement
“Official List”	:	The list of issuers maintained by the SGX-ST in relation to Catalist
“Option(s)”	:	The share option(s) which may be granted pursuant to the TrickleStar Employee Share Option Scheme
“Option Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of Options which may be granted under the TrickleStar Employee Share Option Scheme
“PER”	:	Price earnings ratio
“Period Under Review”	:	The period which comprises FY2016, FY2017 and FY2018

DEFINITIONS

“Placement”	:	The placement by PPCF of the Placement Shares on behalf of our Company for subscription at the Placement Price, subject to and on the terms and conditions set out in this Offer Document
“Placement Agreement”	:	The placement agreement dated 3 June 2019 entered into between our Company and PPCF in connection with the Listing, details of which are set out in the section entitled “Plan of Distribution” and the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document
“Placement Price”	:	S\$0.26 for each Placement Share
“Placement Shares”	:	The 15,000,000 new Shares which are the subject of the Placement
“PRC”	:	People’s Republic of China
“Relevant Period”	:	The period from 1 January 2016 up to the Latest Practicable Date
“Remuneration Committee”	:	The remuneration committee of our Company as at the date of this Offer Document and from time to time
“Restructuring Exercise”	:	The restructuring exercise undertaken in connection with the Listing, details of which are set out in the section entitled “Restructuring Exercise” of this Offer Document
“Securities Account”	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“Service Agreements”	:	The service agreements entered into between (a) our Company and our Executive Chairman and CEO, Bernard Christopher Emby; and (b) our Company and our CFO, Lai Wan Ming, details of which are set out in the sub-section entitled “Directors, Management and Employees – Service Agreements” of this Offer Document
“SFRS(I)”	:	Singapore Financial Reporting Standards (International)
“SGXNET”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“Share(s)”	:	Ordinary share(s) in the capital of our Company
“Share Sub-Division”	:	The sub-division of 2,473,775 Shares in the issued share capital of our Company into 66,791,925 Shares

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“Shareholder(s)”	:	The registered holder(s) of Shares, except where the registered holder is CDP, the term “Shareholder(s)” shall, in relation to such Shares, mean the Depositor(s) whose Securities Account(s) is/are credited with Shares
“Sponsorship and Management Agreement”	:	The full sponsorship and management agreement dated 3 June 2019 entered into between our Company and PPCF in connection with the Listing, details of which are set out in the section entitled “Plan of Distribution” and the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document
“Substantial Shareholder”	:	A person who has an interest in one or more voting shares, and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all the voting shares (excluding treasury shares) in our Company
“Taiwan”	:	Republic of China
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“TrickleStar Employee Share Option Scheme” or “Scheme”	:	The TrickleStar Employee Share Option Scheme, which was adopted by our Company on 17 May 2019, the terms of which are set out in “Appendix D – Rules of the TrickleStar Employee Share Option Scheme” to this Offer Document
“TrickleStar Performance Share Plan” or “Plan”	:	The TrickleStar Performance Share Plan, which was adopted by our Company on 17 May 2019, the terms of which are set out in “Appendix C – Rules of the TrickleStar Performance Share Plan” to this Offer Document
“USA” or “US”	:	United States of America

Currencies, Units and Others

“NT\$”	:	New Taiwan dollar, the lawful currency of Taiwan
“RM”	:	Malaysian ringgit, the lawful currency of Malaysia
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“toe”	:	Tonnes of oil equivalent
“US\$” and “US cents”	:	United States dollars and cents respectively, the lawful currency of USA
“%” or “per cent.”	:	Per centum

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Any capitalised terms relating to the TrickleStar Performance Share Plan which are not defined in this section of this Offer Document shall have the meanings ascribed to them as defined in “Appendix C – Rules of the TrickleStar Performance Share Plan” to this Offer Document.

Any capitalised terms relating to the TrickleStar Employee Share Option Scheme which are not defined in this section of this Offer Document shall have the meanings ascribed to them as defined in “Appendix D – Rules of the TrickleStar Employee Share Option Scheme” to this Offer Document.

The expressions “associated entity”, “controlling interest-holder”, “related corporation”, “related entity”, “subsidiary”, “subsidiary entity” and “substantial interest-holder” shall have the meanings ascribed to them respectively in the SFA, the SFR, the Companies Act and/or the Catalist Rules, as the case may be.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Unless otherwise stated, any reference in this Offer Document and/or the Application Forms to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the SFA, the SFR, the Companies Act or any statutory modification thereof and used in this Offer Document and/or the Application Forms shall, where applicable, have the meaning ascribed to it under the SFA, the SFR, the Companies Act or any statutory modification thereto, as the case may be.

Any reference in this Offer Document and/or the Application Forms to Shares being allotted and issued to an applicant includes the allotment and issue to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document and/or the Application Forms is a reference to Singapore time, unless otherwise stated.

Any reference to “we”, “us”, “our”, “ourselves” or other grammatical variations thereof in this Offer Document is a reference to our Company, our Group, or any member of our Group, as the context requires.

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

References in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively to this Offer Document.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides an explanation and description of some of the technical terms and abbreviations used in this Offer Document. The terms and abbreviations and their assigned meanings should not be treated as being definitive of their meanings, and may not correspond to standard industry or common meanings or usage, as the case may be, of these terms and abbreviations:

“Advanced Powerstrip” or “APS”	:	A smart power strip with energy-saving and surge protection functionality, automatically cutting off power supply to plugged-in electronic appliances when these appliances are not in use, thereby reducing energy usage
“CFL”	:	Compact fluorescent light
“deemed savings”	:	Validated estimates of energy-savings that can be attributed to energy efficiency measures
“demand response”	:	Changes in electricity usage by end-users in response to time-based rates or other forms of financial incentives
“Energy Efficiency Resource Standards” or “EERS”	:	A policy that requires utilities companies or other entities to achieve a specified amount of energy-savings within a specified timeframe
“energy meter” or “energy monitor”	:	A device that measures the amount of electric energy consumed by an electrically powered device
“LED”	:	Light-emitting diode
“load controller”	:	A device that controls and monitors the state of an electrical load
“plug-load”	:	The energy used by products that are powered by means of an ordinary alternating current plug
“power strip”	:	A block of electrical sockets that attaches to the end of a flexible cable (typically with a mains plug on the other end), allowing multiple electrical devices to be powered from a single electrical socket
“printed circuit board”	:	An electronic circuit consisting of thin strips of a conducting material which have been etched from a layer fixed to a flat insulating sheet called a printed circuit board, and to which integrated circuits and other components are attached
“surge protector”	:	An appliance or device designed to protect electrical devices from voltage spikes

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us, our Directors, Executive Officers, employees or authorised persons acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “predicts”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words and phrases. However, you should note that these words or phrases are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to:

- (a) our revenue and profitability;
- (b) projections of capital expenditure in general and other financial items;
- (c) cost measures, planned strategy and anticipated expansion plans;
- (d) expected growth in demand and expected industry trends; and
- (e) any other matters discussed in this Offer Document regarding matters that are not historical fact,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, *inter alia*, the following:

- (a) changes in political, social and economic conditions, the regulatory environment, laws and regulations and interpretation thereof in the jurisdictions where we conduct business or expect to conduct business;
- (b) the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- (c) changes in currency exchange rates;
- (d) changes in customer preferences and needs;
- (e) changes in technology;
- (f) changes in competitive conditions and our ability to compete under such conditions;
- (g) changes in our senior management team or loss of key employees;
- (h) changes in our future capital needs and the availability of financing and capital to fund these needs; and
- (i) other factors beyond our control.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of these factors are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document. These forward-looking statements are applicable only as at the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document.

None of our Company, our Directors, the Sponsor, Issue Manager and Placement Agent or any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. Our actual future results may differ materially from those anticipated in those forward-looking statements as a result of the risks faced by us. Our Company, our Directors and the Sponsor, Issue Manager and Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

We are, however, subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered by the SGX-ST, acting as agent on behalf of the Authority, but before the close of the Placement, we become aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor, Issue Manager and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit an offering of the Placement Shares and the distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Sponsor, Issue Manager and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us and the Sponsor, Issue Manager and Placement Agent.

Each person to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be (a) copied, photocopied or duplicated in any form by any means; or (b) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

DETAILS OF THE PLACEMENT

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority does not imply that the SFA, the Catalist Rules or any other legal or regulatory requirements, have been complied with. The SGX-ST, acting as agent on behalf of the Authority, has not, in any way, considered the merits of our existing issued Shares, the Placement Shares or, as the case may be, being offered or in respect of which the Placement is made, for investment. We have not lodged this Offer Document in any other jurisdiction.

An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued, the Placement Shares, which are the subject of the Placement, as well as the Award Shares and the Option Shares on Catalist. Such permission will be granted when we have been admitted to the Official List of Catalist. Our acceptance of applications will be conditional upon, *inter alia*, the issue of the Placement Shares and upon permission being granted by the SGX-ST for the listing and quotation of, all of our Shares including the Placement Shares, as well as the Award Shares and the Option Shares on Catalist. If the admission, listing and trading of our Shares do not occur or the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim against us and the Sponsor, Issue Manager and Placement Agent.

No Shares will be allotted on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor to confirm that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the Placement Shares being offered for investment.

Admission to the Official List of Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares, the Placement Shares, the Award Shares or the Option Shares.

We are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure. In particular, if after the registration of this Offer Document, but before the close of the Placement, we become aware of:

- (a) a false or misleading statement or matter in the Offer Document;
- (b) an omission from the Offer Document of any information that should have been included in it under the requirements of Section 243 of the SFA or under the Catalist Rules; or

DETAILS OF THE PLACEMENT

- (c) a new circumstance that has arisen since the Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority and which would have been required by Section 243 of the SFA to be included in the Offer Document if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we may, in consultation with the Sponsor, Issue Manager and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

- (a) where the Placement Shares have not been issued to the applicants, our Company shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
- (b) where the Placement Shares have been issued to the applicants, our Company shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated that they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;

DETAILS OF THE PLACEMENT

- (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us the Placement Shares, which they do not wish to retain title in; or
- (iii) (A) treat the issue of the Placement Shares as void, in which case the issue of the Placement Shares shall be deemed void; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, as the case may be, pay to the applicants all monies paid by them for the Placement Shares.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, pay to the applicant all monies paid by the applicant on account of the applicant's application for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us and the Sponsor, Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he will not have any claim against us and the Sponsor, Issue Manager and Placement Agent.

Pursuant to Section 242 of the SFA, the Authority may, in certain circumstances issue a stop order (the "**Stop Order**") to our Company, directing that no Shares or no further Shares to which this Offer Document relates, be allotted, issued or sold. Such circumstances will include a situation where this Offer Document (i) contains any statement or matter which, in the Authority's opinion, is false or misleading, (ii) omits any information that should have been included in it under Section 243 of the SFA, (iii) does not, in the Authority's opinion, comply with the requirements of the SFA, or (iv) the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority issues a Stop Order and applications to subscribe for the Placement Shares have been made prior to the Stop Order, then:

- (a) where the Placement Shares have not been issued to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid on account of their applications for the Placement Shares; or
- (b) where the Placement Shares have been issued to the applicants, the issue of the Placement Shares shall be deemed to be void and our Company shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the Placement Shares.

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share of revenue or other benefit arising therefrom, and they will not have any claims against our Company and the Sponsor, Issue Manager and Placement Agent.

DETAILS OF THE PLACEMENT

This Offer Document has been seen and approved by our Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts the omission of which would make any statements in this Offer Document misleading, and that this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context.

Neither us, the Sponsor, Issue Manager and Placement Agent nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us or the Sponsor, Issue Manager and Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Placement, nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in our affairs, conditions or prospects, or the Placement Shares or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and/or the Authority and the public and if required, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST and/or Authority. All applicants should take note of any such announcements, or supplementary or replacement offer document and, upon the release of such an announcement, or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any other persons other than the applicants in connection with their application for the Placement Shares or for any other purposes.

This Offer Document does not constitute an offer, solicitation or invitation of the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

DETAILS OF THE PLACEMENT

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from:

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay
#10-00
Income at Raffles
Singapore 049318

A copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Placement will open from 3 June 2019 immediately upon the registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority (the “**Registration**”), until 12.00 noon on 14 June 2019.

The Application List will open immediately upon the Registration on 3 June 2019 and will remain open until 12.00 noon on 14 June 2019 or for such further period or periods as our Company may, in consultation with the Sponsor, Issue Manager and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or a replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application of the Placement Shares are set out in “Appendix E – Terms and Conditions and Procedures for Application and Acceptance” to this Offer Document.

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable on the trading of our Shares is set out below for your reference:

Indicative date and time	Event
3 June 2019 (immediately upon registration of this Offer Document)	Open of the Placement
14 June 2019 at 12.00 noon	Close of Application List
18 June 2019 at 9.00 a.m.	Commence trading on a “ready” basis
21 June 2019	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be on 14 June 2019, the date of admission of our Company to the Official List of Catalist will be on 18 June 2019, the SGX-ST’s shareholding spread requirement will be complied with and the Placement Shares will be allotted and issued and fully paid-up prior to 18 June 2019. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedure may be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the decision to permit commencement of trading on a “ready” basis and the commencement date of such trading.

Investors should consult the SGX-ST’s announcement on the “ready” trading date posted on the internet at the SGX-ST’s website at <http://www.sgx.com> or check with their brokers on the date on which trading on a “ready” basis will commence.

We may, at our discretion, with the agreement of the Sponsor, Issue Manager and Placement Agent, subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the period during which the Application List is open, provided that such period shall not be shorter than two (2) Market Days.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through (a) an SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com>; and/or (b) in a local newspaper in Singapore.

We will provide details of the results of the Placement (including the level of subscription for the Placement Shares and the results of the distribution of the Placement Shares pursuant to the Placement), as soon as it is practicable, after the close of the Application List through an SGXNET announcement to be posted on the internet at the SGX-ST’s website at <http://www.sgx.com>.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Placement Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

INDICATIVE TIMETABLE FOR LISTING

Where an application is rejected, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk within 14 Market Days (or such shorter period as the SGX-ST may require) after the close of the Placement (provided that such refunds are made in accordance with the procedures set out in “Appendix E – Terms and Conditions and Procedures for Application and Acceptance” to this Offer Document).

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant at his own risk within 14 Market Days (or such shorter period as the SGX-ST may require) after the close of the Placement (provided that such refunds are made in accordance with the procedures set out in “Appendix E – Terms and Conditions and Procedures for Application and Acceptance” to this Offer Document).

Where the Placement does not proceed for any reason, the full amount of application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant at his own risk within five (5) Market Days (or such shorter period as the SGX-ST may require) after the Placement is discontinued (provided that such refunds are made in accordance with the procedures set out in “Appendix E – Terms and Conditions and Procedures for Application and Acceptance” to this Offer Document).

PLAN OF DISTRIBUTION

THE PLACEMENT

The Placement is for 15,000,000 Placement Shares offered for subscription in Singapore under the Placement at the Placement Price.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by our Company, in consultation with the Sponsor, Issue Manager and Placement Agent, after taking into consideration, *inter alia*, prevailing market conditions and estimated market demand for the Placement Shares determined through a book-building process. The Placement Price is payable in full on application.

Investors may apply to subscribe for any number of Placement Shares in integral multiples of 100 Shares. In order to ensure a reasonable spread of Shareholders, we have the absolute discretion to prescribe a limit to the number of Placement Shares to be allotted and/or allocated to any single applicant and/or to allot and/or allocate Placement Shares above or under such prescribed limit as we shall deem fit.

Subject to the terms and conditions set out in the Sponsorship and Management Agreement and the Placement Agreement entered into between our Company and PPCF, details of which are set out in the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, our Company has appointed PPCF, and PPCF has agreed to act, as full sponsor for and to manage the Listing and to procure subscriptions for the Placement Shares.

PLACEMENT SHARES

Application for the Placement Shares may be made by way of Application Forms or such other forms of application as PPCF deems appropriate. The terms and conditions and procedures for application and acceptance are set out in “Appendix E – Terms and Conditions and Procedures for Application and Acceptance” to this Offer Document.

Subscribers of the Placement Shares may be required to pay brokerage or selling commission of up to 3.5% (and any applicable taxes such as GST where applicable) of the Placement Price to the Placement Agent or any sub-placement agent that may be appointed by the Placement Agent.

SPONSORSHIP AND MANAGEMENT AGREEMENT

Pursuant to the Sponsorship and Management Agreement entered into between our Company and PPCF, details of which are set out in the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, our Company has appointed PPCF, and PPCF has agreed to act, as full sponsor for and to manage the Listing. PPCF will receive a management fee for its services rendered in connection with the Listing.

PLACEMENT AGREEMENT

Pursuant to the Placement Agreement entered into between our Company and PPCF, details of which are set out in the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, our Company has appointed PPCF to procure subscriptions for the Placement Shares on the terms and subject to the conditions set out in the Placement Agreement. PPCF will receive a placement commission from our Company on the aggregate gross proceeds raised under the Placement of 3.5% for such services rendered. Subject to applicable laws and regulations, PPCF shall be at liberty at its own expense to make sub-placement arrangements for the Placement Shares upon such terms and conditions as PPCF may deem fit.

PLAN OF DISTRIBUTION

INTERESTS OF THE SPONSOR, ISSUE MANAGER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, our Company does not have a material relationship with PPCF, save as disclosed below and in the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document:

- (a) PPCF is the Sponsor, Issue Manager and Placement Agent, in relation to the Listing; and
- (b) PPCF will be the continuing sponsor of our Company for a period of not less than three (3) years from the date our Company is admitted to the Official List of Catalist.

SUBSCRIPTION FOR PLACEMENT SHARES

To the best of our knowledge and belief, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for more than 5.0% of the Placement Shares in the Placement.

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for more than 5.0% of the Placement Shares. If such person(s) were to make an application for more than 5.0% of the Placement Shares and are subsequently allotted and/or allocated such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment and allocation of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

No Shares may be allotted and issued and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

OFFER DOCUMENT SUMMARY

The following summary highlights certain information found in greater detail elsewhere in this Offer Document and should be read in conjunction with the full text of this Offer Document. As it is a summary, it does not contain all the information that prospective investors should consider before investing in our Shares. Prospective investors should read this entire Offer Document carefully, especially the matters set out under the section entitled “Risk Factors” of this Offer Document, before deciding to invest in our Shares.

OUR COMPANY

Our Company was incorporated in Singapore on 31 October 2018 under the Companies Act as a private company limited by shares under the name of “TrickleStar Pte. Ltd.”. On 17 May 2019, our Company was converted into a public company limited by shares and our name was changed to “TrickleStar Limited”.

OUR BUSINESS

We design and supply affordable, simple and easy-to-use energy-saving products to help consumers reduce energy consumption in their homes and workplaces. These products also protect consumer devices and help minimise environmental impact by reducing energy wastage from appliances and consumer electronics products. Our portfolio of energy-saving products includes Advanced Powerstrips, load controllers, energy monitors, energy meters and surge protectors. Our energy-saving products are primarily purchased by electric utilities, energy efficiency programs, implementation contractors and energy auditors in the USA.

Our business model is asset-light and customer-centric with a particular focus on the development of intellectual property, brand, development and marketing of energy-saving products. As at the Latest Practicable Date, our headquarters, which serves as our corporate office, is located in Kuala Lumpur, Malaysia. Our sales office and main warehouse facilities are located in the USA in order to facilitate better access and reach to our customers who are based in the USA and Canada.

Currently, we outsource our manufacturing to an independent contract manufacturer established in Taiwan and which operates its manufacturing facility in the PRC, to leverage on their production efficiencies to achieve better costing for our products, in line with our asset-light business model.

OFFER DOCUMENT SUMMARY

SUMMARY OF OUR FINANCIAL INFORMATION

The following tables present a summary of the financial highlights of our Group and should be read in conjunction with the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document and “Appendix A – Independent Auditors’ Report and Audited Combined Financial Statements of TrickleStar Limited and its Subsidiaries for the Financial Years ended 31 December 2016, 2017 and 2018” to this Offer Document.

Selected combined statements of comprehensive income of our Group

(US\$)	← Audited →		
	FY2016	FY2017	FY2018
Revenue	8,894,077	10,321,649	12,841,475
(Loss)/Profit before income tax	(248,600)	475,836	2,312,671
(Loss)/Profit for the financial year	(256,285)	646,653	1,967,693
Total comprehensive income for the financial year ⁽¹⁾	(258,498)	670,384	1,962,621
(Loss)/Profit attributable to owners of the parent	(256,285)	646,653	1,967,693
Total comprehensive income attributable to owners of the parent	(258,498)	670,384	1,962,621
(LPS)/EPS (US cents) ⁽¹⁾⁽²⁾	(0.38)	0.97	2.95
Adjusted (LPS)/EPS (US cents) ⁽³⁾	(0.31)	0.79	2.41

Notes:

- (1) Had the Service Agreements (set out in the sub-section entitled “Directors, Management and Employees – Service Agreements” of this Offer Document) been in place since 1 January 2018, our profit for the financial year, total comprehensive income for the financial year and EPS for FY2018 computed based on our Company’s pre-Placement issued and paid-up share capital of 66,791,925 Shares would have been approximately US\$1.95 million, US\$1.95 million and 2.92 US cents respectively.
- (2) For illustrative purposes, the pre-Placement (LPS)/EPS for the periods under review have been computed based on the (loss)/profit attributable to owners of the parent and our Company’s pre-Placement issued and paid-up share capital of 66,791,925 Shares.
- (3) For illustrative purposes, the post-Placement adjusted (LPS)/EPS for the periods under review have been computed based on the (loss)/profit attributable to owners of the parent and our Company’s post-Placement issued and paid-up share capital of 81,791,925 Shares.

OFFER DOCUMENT SUMMARY

Selected combined statement of financial position of our Group

(US\$)	← Audited →		
	As at 31 December 2016	As at 31 December 2017	As at 31 December 2018
Non-current assets	301,693	425,900	308,278
Current assets	7,804,746	7,442,511	10,868,323
Total assets	8,106,439	7,868,411	11,176,601
Total equity	4,067,085	4,126,787	5,137,399
Total non-current liabilities	–	–	2,296
Total current liabilities	4,039,354	3,741,624	6,036,906
Total equity and liabilities	8,106,439	7,868,411	11,176,601
NAV per Share (US cents) ⁽¹⁾	6.09	6.18	7.69

Note:

(1) NAV per Share is computed based on the total equity and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares.

Please also refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for further details.

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have enabled and will continue to enable us to capitalise on the trends and opportunities in our business:

- (a) an efficient and reliable supply chain and scalable business;
- (b) our products have an established track record and reputation;
- (c) we have an experienced and dedicated management team; and
- (d) we have an established network of customers within the USA.

Further details of our business strategies and future plans are set out under the sub-section entitled "General Information on our Group – Competitive Strengths" of this Offer Document.

OFFER DOCUMENT SUMMARY

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the continued growth of our business are as follows:

- (a) scaling our presence in markets that we operate in, expansion into new geographical markets and establishing new sales channels; and
- (b) product development, and acquisitions of products, businesses and assets.

Further details of our business strategies and future plans are set out under the sub-section entitled “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document.

OUR CONTACT DETAILS

Our registered office is located at 80 Robinson Road #02-00 Singapore 068898, and telephone and facsimile numbers of our registered office are (65) 6236 3333 and (65) 6236 4399 respectively. Our principal place of business is located at C3-U6-15 Solaris Dutamas Jalan Dutamas 1 50480 Kuala Lumpur Wilayah Persekutuan Malaysia, and the telephone and facsimile numbers of our principal place of business are (603) 6205 3120 and (603) 6206 2076 respectively. Our email address is investor.relations@tricklestar.com and our Company’s website is <http://www.tricklestar.com>. Information contained on our website does not constitute part of this Offer Document. Our Company registration number is 201837106C.

EXCHANGE RATES

The following table sets out the highest and lowest exchange rates between US\$ and S\$ for each of the last six (6) completed months prior to the Latest Practicable Date:

	S\$/US\$ ⁽¹⁾	
	Highest	Lowest
November 2018	1.3842	1.3704
December 2018	1.3764	1.3629
January 2019	1.3665	1.3456
February 2019	1.3610	1.3473
March 2019	1.3609	1.3470
April 2019	1.3631	1.3518

Note:

- (1) The above exchange rates have been computed with reference to exchange rates quoted from Bloomberg L.P. and should not be construed as representations that the US\$ or S\$ amounts (as the case may be) actually represent such US\$ or S\$ amounts, or that the US\$ or S\$ amounts (as the case may be) have been, or could be, converted into the US\$ or S\$ (as the case may be) at the rate indicated, or at any other rate, or at all. Bloomberg L.P. has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors and the Sponsor, Issue Manager and Placement Agent have taken reasonable action to ensure that the information is extracted accurately and correctly, and has been reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy and correctness of the relevant information.

As at the Latest Practicable Date, the exchange rate between US\$ and S\$ was US\$1 to S\$1.3605.

The following table sets out, for each of the relevant financial years or period indicated, the average and closing exchange rates between US\$ and S\$. Where applicable, the exchange rates in the table below are used for the translation of our Group's financial statements disclosed elsewhere in this Offer Document.

	S\$/US\$ ⁽¹⁾	
	Average ⁽²⁾	Closing
FY2016	1.3821	1.4468
FY2017	1.3735	1.3360
FY2018	1.3497	1.3629

Notes:

- (1) The above exchange rates have been computed with reference to exchange rates quoted from Bloomberg L.P. and should not be construed as representations that the US\$ or S\$ amounts (as the case may be) actually represent such US\$ or S\$ amounts, or that the US\$ or S\$ amounts (as the case may be) have been, or could be, converted into the US\$ or S\$ (as the case may be) at the rate indicated, or at any other rate, or at all. Bloomberg L.P. has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors and the Sponsor, Issue Manager and Placement Agent have taken reasonable action to ensure that the information is extracted accurately and correctly, and has been reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy and correctness of the relevant information.
- (2) The above average exchange rates have been computed by using the average of the exchange rates between US\$ and S\$ on the last day of each month during the relevant period.

THE PLACEMENT

Placement Size	:	15,000,000 Placement Shares by way of the Placement. The Placement Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with our existing issued Shares.
Placement Price	:	S\$0.26 for each Placement Share, payable in full on application.
The Placement	:	The Placement comprises a placement by the Sponsor, Issue Manager and Placement Agent on behalf of our Company of 15,000,000 Placement Shares at the Placement Price by way of placement, subject to and on the terms and conditions of this Offer Document.
Purpose of the Placement	:	<p>Our Directors are of the view that the listing of our Company and quotation of our Shares on Catalist will enhance our corporate profile internationally and enable us to tap the capital and debt markets for the expansion of our business operations.</p> <p>The Placement will also provide the members of the public, our management, employees and business associates who have contributed to our success with an opportunity to participate in the equity of our Company. In addition, the proceeds from the Placement Shares will provide us with, <i>inter alia</i>, additional capital to finance our business expansion and for general working capital.</p>
Listing Status	:	Prior to the Placement, there has been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to the admission of our Company to the Official List of Catalist and permission to deal in, and for the quotation of, our Shares being granted by the SGX-ST.
Risk Factors	:	Investing in our Shares involves risks which are set out in the section entitled “Risk Factors” of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

PLACEMENT STATISTICS

Placement Price 26.00 cents

NAV

NAV per Share based on the audited combined statement of financial position of our Group as at 31 December 2018⁽¹⁾:

(a) before adjusting for the estimated net proceeds from the allotment and issue of the Placement Shares and based on our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares 10.48 cents

(b) after adjusting for the estimated net proceeds from the allotment and issue of the Placement Shares and based on our Company's post-Placement issued and paid-up share capital of 81,791,925 Shares 11.49 cents

Premium of Placement Price over the NAV per Share as at 31 December 2018:

(a) before adjusting for the estimated net proceeds from the allotment and issue of the Placement Shares and based on our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares 148.1%

(b) after adjusting for the estimated net proceeds from the allotment and issue of the Placement Shares and based on our Company's post-Placement issued and paid-up share capital of 81,791,925 Shares 126.3%

EPS

EPS based on the audited combined statement of comprehensive income of our Group for FY2018 and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares⁽²⁾ 3.98 cents

EPS based on the audited combined statement of comprehensive income of our Group for FY2018 and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares, assuming that the Service Agreements had been in place since 1 January 2018⁽²⁾ 3.95 cents

PER

PER based on the Placement Price, the EPS for FY2018 and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares 6.53

PER based on the Placement Price, the EPS for FY2018 and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares, assuming that the Service Agreements had been in place since 1 January 2018 6.58

Net operating cash flow

Net operating cash flow per Share based on the audited combined statement of cash flows of our Group for FY2018 and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares⁽²⁾ 2.18 cents

PLACEMENT STATISTICS

Net operating cash flow per Share based on the audited combined statement of cash flows of our Group for FY2018 and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares, assuming that the Service Agreements had been in place since 1 January 2018⁽²⁾ 2.15 cents

Price to net operating cash flow

Ratio of Placement Price to net operating cash flow per Share for FY2018 based on our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares 11.93

Ratio of Placement Price to net operating cash flow per Share for FY2018 based on our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares, assuming that the Service Agreements had been in place since 1 January 2018 12.09

Market capitalisation

Market capitalisation based on the Placement Price and our Company's post-Placement issued and paid-up share capital of 81,791,925 Shares S\$21.27 million

Notes:

- (1) The closing exchange rate as at 31 December 2018 as set out in the section entitled "Exchange Rates" of this Offer Document has been utilised for the purposes of conversion.
- (2) The average exchange rate for FY2018 as set out in the section entitled "Exchange Rates" of this Offer Document has been utilised for the purposes of conversion.

RISK FACTORS

An investment in our Shares involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, could be substantial and are inherent in our business.

Prospective investors should carefully consider and evaluate each of the following considerations and all the other information set forth in this Offer Document (including the financial statements and the notes thereto) before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general economic, political and regulatory conditions, the securities markets and ownership of our Shares, including possible future dilution in the value of our Shares. These are not the only risks we face. Some risks are not yet known to us and there may be others which we currently believe are not material but may subsequently turn out to be so. Factors that affect the price of our Shares may change, and the following should not be construed as a comprehensive listing of all the risk factors. Prospective investors are advised to apprise themselves of all factors involving the risks of investing in our Shares from their professional advisers before making any decision to invest in our Shares.

If any of the following considerations, risks and uncertainties develops into actual events, our financial position, financial performance, cash flows, results of operations, business operations, prospects and/or any investment in our Shares could be, directly or indirectly, materially and adversely affected. In the event that this occurs, the trading price of our Shares could fluctuate or decline due to any of these considerations, risks and uncertainties and investors may lose all or part of their investment in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks and uncertainties faced by us described below and elsewhere in this Offer Document, including the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position".

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY

We depend on the continued service of our management team, key executives and employees

Our business depends heavily on our key management personnel who are responsible for proposing the strategic direction of our Group, implementing our business strategies, and overseeing the day-to-day operations of our Group. In particular, we rely on the expertise, experience, leadership and contributions of our founder, Executive Chairman and CEO, Bernard Christopher Emby and our Non-Executive Non-Independent Director, Gunananthan A/L Nithyanantham, whose combined expertise in the energy efficiency industry is instrumental in driving our Group's business and who would be difficult to replace. We cannot assure you that we will be able to recruit and retain suitable replacements should they leave, as skilled personnel with the appropriate experience in our industry are limited and competition for the employment of such personnel is intense. We also rely on the expertise of our Executive Officers and other skilled employees, including personnel in our finance, accounts and operations functions, engineers, and sales and marketing staff, as we continue to focus on the development and expansion of our business.

RISK FACTORS

While Service Agreements have been entered into between our Company and CEO and CFO, respectively, these Service Agreements may be terminated by our CEO and CFO, as the case may be, or by our Company by notice in writing. If one or more of these employees are unable to or unwilling to continue in their present positions, we may not be able to replace them easily or at all and may incur additional expenses to recruit and train new personnel. This could result in serious disruption to our business, and could have a material adverse effect on our financial condition, results of operations, cash flows and prospects. In addition, despite our best efforts to retain our key executives and employees, if any of our key executives and employees joins a competitor or forms a competing company in the future, we may be unable to prevent loss of our know-how, trade secrets and our customers. Non-solicitation provisions and confidentiality provisions (in relation to confidential or proprietary information such as trade secrets, business methods or information which they acquire in the course of their employment with our Group) in the Service Agreements may be restrictively interpreted by the courts of the countries in which we operate, or may not be sufficiently robust to prevent loss of our confidential information. If we need to enforce our rights under the non-solicitation or confidentiality provisions, there is no assurance that a court would enforce such provisions in a manner that protects our interests fully, or at all, or that we will be able to recover our losses from any breach of such non-solicitation or confidentiality provisions.

In order to incentivise and retain valuable employees, we have adopted a performance share plan and a share option scheme in addition to salary, cash and other incentives. Please refer to the sections entitled “TrickleStar Performance Share Plan” and “TrickleStar Employee Share Option Scheme” of this Offer Document for more details. However, the value of share awards and share options that vest over time to employees will be significantly affected by movements in our Share price that are beyond our control, and may at any time be insufficient to counteract offers from other companies, including competitors. We may also need to increase our total compensation costs to attract and retain experienced personnel required to achieve our business objectives and staff our expanding business, and failure to do so could severely disrupt our business and growth. As a result, our profitability may be affected.

Our products are manufactured and/or assembled by a limited number of independent contract manufacturers

Our products are manufactured and/or assembled by a limited number of independent contract manufacturers in a limited number of facilities. For FY2016, FY2017 and FY2018, approximately 81.2%, 84.6% and 88.3%, respectively, of our total purchases¹ were from our top supplier and 100.0% of such total purchases were from our top five (5) suppliers in each of the three (3) years. We depend on our independent contract manufacturers to deliver products that comply with our specifications and to meet our delivery requirements at competitive costs in a timely manner. If our independent contract manufacturers fail to do so, the reliability and reputation of our products and of our Group may suffer, and we and our independent contract manufacturers may be exposed to returns, product liability or regulatory enforcement actions.

We generally engage a single independent contract manufacturer for a material part of our Group's assembly and manufacturing. We cannot assure you that we will be able to find an alternative independent contract manufacturer quickly, should such need arise, at a price comparable to our current suppliers. The process of qualifying and subsequently engaging acceptable alternative independent contract manufacturers is likely to disrupt our business and we cannot assure you that we will be able to secure alternative independent contract manufacturers that comply with our specifications and meet our delivery requirements on acceptable terms or in

¹ Total purchases comprise purchases from independent contract manufacturers, selling and distribution expenses, engineering fees and research and testing expenses.

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a timely manner, which could materially and adversely affect our business, financial condition and results of operations. Furthermore, the independent contract manufacturer that handles a material part of our Group's assembly and manufacturing is incorporated in Taiwan and operates out of a manufacturing facility in the PRC and any political, economic and legal uncertainties between the PRC and the USA may impact our relationship with it. Our dependence on a limited number of independent contract manufacturers may also impede our ability to grow rapidly if our independent contract manufacturers cannot meet additional demand generated by increasing sales or new product launches.

If we fail to manage our relationships with our independent contract manufacturers effectively, we may be unable to fulfil our customers' requirements, thereby reducing customer demand and satisfaction and harming our reputation and brand. This could materially and adversely affect our business, financial condition and results of operations.

As at the Latest Practicable Date, our reliance on a limited number of independent contract manufacturers whom we engage for the manufacture and/or assembly of our products has not resulted directly in any material adverse impact on our Group's financials and/or operations.

We rely on a limited number of suppliers for certain key components

We currently purchase certain key components used in the manufacturing of our products from a limited number of suppliers. Lead times for materials and components ordered by us or our independent contract manufacturers can vary significantly and depend on factors such as the supply and demand for a component at a given time. We face competition for supplies of materials and components, which may drive up prices and increase lead times. We cannot assure you that shortages or interruptions in the supply of components will not occur as a result of adverse events, such as natural disasters or disruptions in the labour market, or if our competitors establish exclusive arrangements with our suppliers, in which case we would need to explore alternative sourcing options. We cannot assure you that we will be able to find alternative suppliers that comply with our specifications and meet our delivery requirements on acceptable terms and/or in a timely manner, or at all, which could materially and adversely affect our business, financial condition and results of operations.

If our growth outpaces our ability to source for new suppliers and/or key components, we may experience difficulty in meeting our delivery requirements. This may impede our ability to grow rapidly, or according to our expansion plans.

As at the Latest Practicable Date, our reliance on a limited number of suppliers for certain key components has not resulted directly in any material adverse impact on our Group's financials and/or operations.

We are reliant on qualified professional staff to create and design our products

Our ability to design and produce quality products relevant to the needs of our customers as well as plans for expansion depend heavily on the expertise and ability of our existing skilled personnel to create, design and customise our energy-saving products to suit the programs of our customers, and may depend on our ability to hire more such specialised personnel in the future. We recognise that there are competing demands for such personnel amongst manufacturers in our industry. In the event that we are unable to retain or hire the services of adequate skilled specialised personnel and we are required to train new staff, the time required and costs to be incurred to train such personnel may affect our cost competitiveness or new product relevance, which may in turn adversely affect our financial performance.

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We may be materially and adversely affected by, and our reputation may be harmed by, any failure to maintain an effective quality control system on independent contract manufacturers

Any failure in the quality control system may result in the manufacturing of defective products that would expose our customers or our Group, as the case may be, to returns, product liability and warranty claims.

If we fail to ensure the quality of our independent contract manufacturers or if our independent contract manufacturers fail to ensure their own quality, we may be unable to fulfil our customers' requirements.

The occurrence of any of the above incidences may result in (a) a negative impact on our relationships with existing customers; (b) decreased demand from our customers for our Group's products; (c) harm to our reputation and brand; (d) loss of revenue from product sales; and (e) high costs of defending product liability claims and/or instituting a product recall. Any of the foregoing results may adversely affect our results of operation and future prospects.

We may be adversely affected by competition from industry players

We face competitive pressures from a variety of companies. Some of our present and potential future competitors may have access to greater financial, marketing, technical or manufacturing resources, and in some cases, higher brand recognition and more experience than we have. Some competitors may enter markets we serve and sell products at lower prices in order to obtain market share. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements. They may also be able to devote greater resources to the development, promotion and sale of their products and services than we can. Current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third-parties that enhance their ability to address the needs of our prospective customers. It is possible that new competitors or alliances among current and new competitors may emerge and rapidly gain significant market share. Our competitors may also produce products that are equal or superior to our products, which could reduce our market share, reduce our overall sales and require us to invest additional funds in new technology development. If we cannot compete successfully against current or future competitors, this will have a material adverse effect on our business, including our financial condition, results of operations and cash flow.

We may be adversely affected by any increase in the market price of our raw materials and components

Manufacturing our products requires raw materials and components, including but not limited to petroleum-based plastics and rare earth metals that are susceptible to fluctuations in price and availability. We are not able to control these fluctuations in price or availability. Significant increases in raw material and component prices may affect the prices that our suppliers charge us and have a direct and negative impact on our gross margins, and lack of availability may also lead to component shortages. We may need to raise our product prices to recover increased raw material and component costs and to maintain our gross margins, which may lead to lower demand for our products. If we are unable to obtain raw materials due to the lack of availability of such raw materials, the manufacturing of our products may be impeded. This, in turn, could adversely affect our business, financial condition and results of operations.

RISK FACTORS

Our business or manufacturing operations are located in foreign jurisdictions, such as the USA, Malaysia and the PRC, which makes us sensitive to regulatory, economic, social, political and competitive conditions therein

Our Group's sales office is based in Grand Rapids, Michigan, the USA, our Group's corporate headquarters are located in Kuala Lumpur, Malaysia and our Group's patents are legally owned by TrickleStar HK, our wholly-owned subsidiary company incorporated in Hong Kong, for and on behalf of our Group. Additionally, a substantial portion of manufacturing and assembly of our Group's products are outsourced to a single independent contract manufacturer incorporated in Taiwan which operates a manufacturing facility located in the PRC. This makes us sensitive to, *inter alia*, regulatory, social, political, economic and competitive conditions, and changes therein that are beyond our control. Any change thereto may have a material and adverse effect on our business operations, financial position, results of operations and prospects. Our business faces risks which include the following:

- (a) laws and policies affecting trade, investment and taxes, including laws and policies relating to the foreign ownership, repatriation of funds and withholding taxes, and changes in these laws;
- (b) inflation, interest rates and general conditions;
- (c) weakening of the economy or financial markets;
- (d) changes in local regulatory requirements;
- (e) differing degrees of protection for intellectual property;
- (f) the instability of foreign economies and governments;
- (g) policies governing world trade;
- (h) fluctuating foreign exchange rates;
- (i) the spread of communicable diseases in such jurisdictions, which may impact business in such jurisdictions;
- (j) difficulties in managing and staffing international operations, including differences in labour laws;
- (k) potentially adverse tax consequences, including the complexities of foreign value added tax systems, restrictions on the repatriation of earnings and compliance with transfer pricing rules;
- (l) the burdens of complying with a wide variety of foreign laws and different legal standards, including laws and regulations related to privacy and data security and limitations on liability;
- (m) increased financial accounting and reporting burdens and complexities; and/or
- (n) natural disasters, war and acts of terrorism.

An adverse development related to any of the abovementioned factors and other risks associated with international trade may have a material and adverse effect on our business operations,

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financial condition, results of operation and prospects if we are unable to adapt our business strategies or operations accordingly.

Any changes in trade policy by any of the world's major trading powers could trigger retaliatory actions by affected countries, resulting in "trade wars" where states increasingly raise or create tariffs. Recently, in 2018, the USA began imposing tariffs on, *inter alia*, imports of aluminium and steel, and announced additional tariffs on goods imported from the PRC specifically, as well as certain other countries. Retaliatory trade measures taken by the PRC or other countries in response to additional tariffs, may lead to an overall increase in costs of imported goods and raw materials around the world. Our products, which are manufactured in the PRC, may be subject to tariffs imposed by the USA, reducing our price competitiveness and negatively impacting on our sales, as well as our financial performance, cash flows and prospects.

Our competitors may manufacture in, or outsource their manufacturing to, countries other than the PRC which may not be subject to such trade tariffs and may therefore be able to sell their products at a lower price, which may negatively impact on our sales and have an adverse effect on our financial performance, cash flows and prospects.

The continued success of our business depends on our ability to develop new products and to continually improve existing products

We have made, and expect to continue to make, substantial investments in technology and product development. In FY2016, FY2017 and FY2018, our research, testing and engineering costs were approximately US\$0.22 million, US\$0.35 million and US\$69,677 respectively, which represents approximately 2.5%, 3.4% and 0.5% of our Group's revenue in each respective year. Our Group's continued success will depend materially on our ability to produce new, innovative and competitive energy-saving products, as well as to enhance and/or maintain the competitiveness of existing products. Technology and product development requires continued investment in terms of, *inter alia*, finances and manpower, and we cannot assure you that we will have sufficient resources to be able to continue doing so. We may experience unforeseen problems in the development or performance of our technologies or products, and we may not meet our product development schedules. Finally, we may not achieve market acceptance of our new products and solutions. Such failures could materially and adversely affect our business, financial condition, cash flows, prospects and results of operations.

We may not be able to adequately protect our intellectual property rights, which could adversely affect our business and we may not be able to obtain rights to intellectual property developed by our employees or third-parties engaged by us

In the course of our business, we rely on certain intellectual property rights such as patents and trademarks, details of which are set out in the sub-section entitled "General Information on our Group – Intellectual Property" of this Offer Document. We cannot assure you that we will be able to effectively enforce our intellectual property rights against third-parties who violate our intellectual property rights. In the event that we undertake litigation to enforce our intellectual property rights, such litigation may be costly and time-consuming. If we are unable to adequately protect our intellectual property rights, our business will be adversely affected.

We rely on confidentiality agreements with our Executive Directors and employees, which provide that all confidential information developed by or made known to the individual during the individual's relationship with us is to be kept confidential and not disclosed to third-parties before it becomes public. In addition, our management team and research and development employees have entered into intellectual property, confidentiality and non-compete agreements with us,

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which provide that all of the technologies conceived by the relevant individuals arising from their performance of duties or use of our materials or technologies are the exclusive property of our Group. We have also entered into agreements with confidentiality provisions with our consultants and other advisors. However, these agreements may not be honoured, may not effectively assign intellectual property rights to us, and may not provide adequate remedies in the event of a breach. Moreover, enforcing a claim that a party illegally obtained intellectual property rights is difficult, expensive and time-consuming and we cannot assure you that the outcome will always be favourable. We may fail to obtain intellectual property rights for our designs and products, or fail to prevent others from obtaining such rights, which would harm our business and future product development and could also materially and adversely affect our business, financial condition and results of operations.

As at the Latest Practicable Date, we have not encountered any situation in which our inability to adequately protect our intellectual property rights had resulted in a material adverse impact on our Group's financials and/or operations.

We may face intellectual property claims that may be costly to resolve or that limit our ability to use intellectual property in the future

We develop and use our own proprietary products and technical solutions in the course of our business. We cannot assure you that third-parties will not assert infringement claims against us in the future or that these claims will not be successful. We could incur substantial financial and time costs in, as well as devote significant management resources to, defending any such infringement claims. In addition, our portfolio of issued patents may be smaller when compared to our larger competitors, and therefore we may not be able to effectively utilise our intellectual property portfolio to assert defenses or counterclaims in response to patent infringement claims or litigation brought against us by third-parties. Further, litigation may involve patent holding companies, or other adverse patent owners who have no relevant products or revenues, and against which our potential patents provide no deterrence, and many other potential litigants have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. We might not prevail in intellectual property infringement litigation given the complex technical issues and inherent uncertainties in such litigation. If any party successfully asserts a claim against us, we may have to pay substantial damages, cease the production of the product that is the subject of the infringement claim and may be required to enter into royalty or licensing agreements in order to obtain the right to use the proprietary technology. If so required, we cannot assure you that we will be able to obtain these licences on commercially reasonable terms, if at all. In the event that we become the subject of an infringement claim and are unable to resolve it successfully, our business results and prospects will be adversely affected.

As at the Latest Practicable Date, we have not faced any intellectual property claims that may be costly to resolve or that limit our ability to use intellectual property in the future, and which thereby have a material adverse impact on our Group's financials and/or operations.

Our business and reputation could suffer if any of our independent contract manufacturers fail to use acceptable labour practices or are subject to labour disruptions

We do not control our independent contract manufacturers or their labour practices. Any violation of labour or other laws, or the divergence of our independent contract manufacturers' labour practices from those generally accepted as ethical or legal in the USA and other countries, could damage our reputation or disrupt the production and/or shipment of our products or lead to the termination or loss of our contracts with our customers. In addition, our independent contract

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manufacturers may experience disagreements with unions or encounter labour disputes. Such disagreements or labour disputes could lead to production slowdowns or stoppages and make it difficult or impossible for us to meet scheduled delivery times for product shipments to our customers, which could result in loss of business. In addition, disagreements with unions or labour disputes could result in higher labour costs for our independent contract manufacturers, which may in turn cause our independent contract manufacturers to pass the increased costs on to us, which would adversely affect our business, financial condition and results of operations.

We are dependent on the utility industry, which has experienced volatility in capital spending

We derived materially all of our Group's revenues from the sale of our products to the utilities industry in the USA during the Period Under Review and expect to continue to do so in the future. Purchases of our products by the utilities industry may be deferred or purchase quantities may be lowered as a result of many factors including mergers and acquisitions, regulatory decisions, weather conditions, rising interest rates, utility-specific financial situations and general economic downturns. We have experienced and may in the future experience volatility in operating results as a result of these factors.

We are exposed to concentration risk of reliance on our top five (5) customers

During the Period Under Review, we generated a significant portion of our revenue from our top five (5) customers. For FY2016, FY2017 and FY2018, the total revenue from our top five (5) customers accounted for approximately 79.8%, 88.1% and 86.1% of our Group's revenue in each respective year. For FY2016, FY2017 and FY2018, our largest customer accounted for approximately 43.3%, 36.2% and 37.3% of our Group's revenue in each respective year. We expect our revenue generated from our top five (5) customers to continue being a significant portion of revenue in the foreseeable future. As such we may be subject to concentration risk from such customers.

There is no assurance that we would be able to maintain good business relationships with our top five (5) customers in the future. Our top five (5) customers are not obliged in any way to continue providing us with new businesses in the future at a level similar to that in the past or at all. Should any of these top five (5) customers reduce substantially the size of its transactions with us or terminate its business relationship with us entirely, or winds up or fails to make payments on time, there can be no assurance that we would be able to secure new businesses from other customers to compensate for such reduction in transactions or loss of business entirely. In addition, there can be no assurance that new businesses secured from other customers for replacement, if any, would be on commercially comparable terms. Accordingly, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be adversely affected by the lengthy sales cycles of the utility industry

Sales cycles with customers in the utilities industry are generally lengthy due to customers' budgeting, purchasing and regulatory processes. Prior to purchasing from any vendor, utility customers typically issue requests for quotes and proposals, establish evaluation committees, review different technical options with vendors, analyse performance and cost/benefit justifications and perform a regulatory review, in addition to applying the normal budget approval process within the utilities company. In many instances, a utility may require one or more pilot programs to test our products and solutions before committing to a larger deployment. These pilot programs may be quite lengthy, utilise scarce financial and manpower resources, and provide no

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assurance that they will lead to a larger deployment or future sales. We have experienced and may in the future experience volatility in operating results as a result of these factors.

Lengthy sales cycle also makes it difficult to forecast new customer deployments, as well as the volume and timing of future agreements, which, in turn, makes forecasting our future results of operations challenging.

Accordingly, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be adversely affected by the changes in the political and regulatory landscape which could alter our utility customers' buying patterns

The utility industry in the USA has been subject to increasing and changing regulations, driven by, *inter alia*, political and economic changes, in recent years. Such changes in regulatory conditions have and may continue to put pressure on existing energy-saving programs and utilities, reducing customers' interest in or ability to implement our products and solutions. Examples of market dynamics driven by regulation include:

- (a) energy efficiency goals;
- (b) energy-savings credit attributed to our products; or
- (c) regulated compensation associated with energy efficiency.

Many regulatory jurisdictions have implemented rules that provide financial incentives for the implementation of energy efficiency technologies, either by providing rebates or through the restructuring of utility rates. Demand for our solutions and/or products is subject to being altered by changes in regulation. In addition, deregulation may change the incentives for our customers or prospective customers to use our solutions and/or products. If changes in regulation reduce or negatively alter the demand for our solutions and/or products, our business and results of operations could be adversely affected.

Our marketing efforts depend significantly on our ability to receive positive references from our existing utility customers

We operate in an industry with a limited number of utility buyers and reputation is particularly important as a result. Our utility customers often serve as references for one another, and they may discuss the performance of our products and solutions with one another. Consequently, our marketing efforts depend significantly on our ability to call on our current utility customers to provide positive references. The loss or dissatisfaction of any customer could substantially harm our brand and reputation, inhibit the market acceptance of our products and solutions and impair our ability to attract new utility customers and maintain existing utility customers. Any of these consequences could adversely affect our business, financial condition and results of operations.

We may face changes to the legal or regulatory landscape relating to our new products or litigation relating to unknown or unforeseen risks with the use of our products

As we develop new products, product categories and services in a rapidly changing industry, not all of the products and services we develop fall under a defined legal or regulatory regime. Our products and services may be subjected to unexpected and unforeseen regulatory regimes such as regulations related to, but not limited to, health and safety, hazardous materials usage,

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product-related energy consumption, packaging, manufacturing methods, sustainability matters, recycling and environmental matters. In addition, some of our untested products may carry with them unknown or unforeseen risks to consumers' health and safety, which could expose us to future litigation. Should any of these events occur, our business, results of operations and financial performance could be materially and adversely affected.

We may be adversely affected by the financial condition of our distributors and retailers

We sell our products primarily to the utilities industry via distributors and retailers. Some of our distributors and retailers may experience financial difficulties from time to time. Such financial difficulties may occur rapidly and without warning. A distributor or retailer experiencing such difficulties will generally not purchase and sell as many of our products as it would under normal circumstances and may cancel orders. In addition, a distributor or retailer experiencing financial difficulties generally increases our exposure to uncollectible receivables. We extend credit to our distributors and retailers based on our assessment of their financial condition, generally without requiring collateral. While we expect that bad debt, when or if they arise, will be met by our reserves for bad debt, we cannot assure you that this will continue to be the case. Financial difficulties on the part of our distributors or retailer could materially and adversely affect our business, financial condition and results of operations.

We may face inventory obsolescence and inventory shortage risk

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our independent contract manufacturers before firm orders are placed by our customers. If we fail to accurately forecast demand, we may experience excess inventory levels or a shortage of products.

Factors that could affect our ability to accurately forecast demand for our products include:

- (a) changes in the competitive landscape;
- (b) changes in the regulatory landscape;
- (c) changes in technology; and
- (d) changes in general market conditions, economic conditions or other factors.

We may face inventory obsolescence and inventory shortage risk. Inventory levels in excess of demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would have an adverse effect on our profitability. If we underestimate the demand for our products, our independent contract manufacturers may not be able to produce a sufficient number of products to meet such unanticipated demand, and this could result in delays in the shipment of our products and damage to our reputation and distributor and/or retailer relationships. The difficulty in forecasting demand also makes it difficult to estimate our future results of operations and financial condition from period to period. Failure to accurately predict the level of demand for our products could materially and adversely affect our business, financial condition and results of operations.

Please refer to section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for details on inventory write-offs during the Period Under Review.

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Disruption in logistics may prevent us from meeting customer demand

A serious disruption, such as a natural disaster, or impediments such as increases in transportation or fuel costs or labour unrest at any of our warehousing facilities or third-party manufacturing facilities could damage our inventory and could materially impair our ability to distribute our products to customers, including distributors and retailers, in a timely manner or at a reasonable cost. We could incur significantly higher costs and experience longer lead times associated with distributing our products during the time that it takes for us to procure the services of a replacement facility or wait for such facility to reopen or to replace a logistics facility. We are also susceptible to any problems which may impact international delivery, freight and shipping such as acts of God, wars, political instability and terrorist attacks. Any such disruption to our logistics could materially and adversely affect our business, financial condition and results of operations.

We may incur increased costs and liabilities as a result of product liability claims

We are subject to laws and regulations relating to product liability arising from the manufacture and/or sale of our products. In addition, we may incur liability under our contracts with our customers for any loss or damage suffered by third-parties arising from defects in products supplied by us, if such loss or damage is the result of a defect attributable to our negligence. In addition, we may incur liability under our contracts with our customers for defective products or non-compliance with their specifications. Further, we may also have to recall our products if there are allegations of our products being unsafe. We may not be able to obtain insurance on acceptable terms or insurance that will provide adequate coverage against potential claims. Product liability can arise from any number of issues with products, including defective components (such as batteries in products which may unexpectedly ignite), marketing or “failure-to-warn” liability (including warning related to radio emission from portable electronic devices), design defects or faulty manufacturing. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for long periods of time, regardless of the ultimate outcome. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities and this could materially and adversely affect our business, financial condition and results of operations. Product liability claims could also damage our brand and our reputation for quality premium products, regardless of the ultimate outcome.

In addition, if the products which we sell contain components that are found to be defective or be linked retroactively to health issues, we may face adverse publicity which may materially and adversely affect our business, financial performance, cash flows and results of operations.

Warranties provided by suppliers and independent contract manufacturers relating to defective components or faulty manufacturing may be for periods shorter than the warranty periods we provide to our customers and warranty claims against suppliers and independent contract manufacturers may be subject to certain conditions precedent which may not be satisfied. Indemnification arrangements which we may have with our suppliers and independent contract manufacturers may not cover the types of claims made against us or may be limited in amount, or the suppliers or independent contract manufacturers may not be creditworthy or able to pay. If we are subject to product liability claims or we attempt to enforce indemnification arrangements, we may incur increased litigation costs and our management’s attention may be diverted. Should any of these events occur, our business, results of operations and financial performance could be materially and adversely affected.

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At at the Latest Practicable Date, we have not incurred material costs and liabilities as a result of product liability claims.

We may be required to pay penalties or liquidated damages for failure to meet delivery deadlines

We are required to adhere to the delivery schedules stipulated in contracts with our customers and our failure to meet such delivery deadlines could result in us having to pay penalties or liquidated damages to such customers. Some of our sales contracts may in future render us liable to part of or the full amount of the contract value in liquidated damages in the event of our late delivery or failure to deliver. There is no assurance that we will not face such claims in future, which may have an adverse impact on our business, financial condition and results of operations.

Our revenue, gross margins and profitability can vary significantly depending on factors in our operating environment which are outside of our control

Our operating results may fluctuate due to factors which are outside of our control and which may be difficult to predict. In particular, our revenue, gross margins and profitability can vary due to, *inter alia*, user demand, competition, product life cycle, new product introductions, unit volumes, product mix, prices of components and raw materials, supply chain costs, geographic sales mix, foreign currency exchange rates and the complexity and functionality of products. In addition, as we continue to innovate and introduce new products and product categories, our operating results could be adversely affected, especially during the ramp-up phase of the product life cycle. When a new product is first introduced, we may experience lower gross margins and lower profits or higher losses until sales volume reaches a certain level and we enjoy economies of scale. In addition, revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of estimated product returns, and expected payments for cooperative marketing arrangements and pricing programs (if any). Any materially inaccurate estimation may adversely affect our operating results.

Our operating results may also be affected by:

- (a) our independent contract manufacturers' inability to meet our specifications and demand;
- (b) shortages or interruptions in the supply of raw materials or components used in our products;
- (c) political, social or economic instability in, including but not limited to, the USA, Taiwan, the PRC and Malaysia or other jurisdictions which are relevant to our business;
- (d) political, social or economic instability affecting shipment of products through international waters;
- (e) our relationships with suppliers, retailers, distributors and users;
- (f) seasonal variations;
- (g) our ability to adapt to changing consumer preferences and industry trends;
- (h) general economic conditions, both locally in the markets in which we operate and globally;
- (i) fluctuations in foreign currency exchange rates and interest rates;

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- (j) the cost of and potential outcomes of existing and future claims or litigation, which could have a material adverse effect on our business;
- (k) class action lawsuits;
- (l) changes in laws that affect our business and operations;
- (m) cash collection/receivables; and
- (n) future accounting pronouncements and changes in our accounting policies.

Any of the factors above may result in significant fluctuations in our operating results, which could materially and adversely affect our business, financial condition and results of operations.

We may face warranty exposure that exceeds our recorded liability

We provide product warranties for varying lengths of time. In anticipation of warranty expenses, we establish allowances for the estimated liability associated with product warranties and costs relating to product failure. However, these warranties and related allowances for product failure may be inadequate due to changes in various estimates for material, labour and other costs we may incur to replace projected product failures, and we may incur additional warranty and related expenses in the future with respect to new or established products. Other costs such as reputational damage may also be incurred should product liability issues arise. Such exposure may materially and adversely affect our business, financial condition and results of operations.

As at the Latest Practicable Date, we have not faced warranty exposure that exceeds our recorded liability.

We may not be able to protect know-how, confidential information and trade secrets from unauthorised copying, use or disclosure

Our Group's business relies heavily on the value and secrecy of our experience and expertise, knowledge of confidential information and trade secrets, as well as ownership of intellectual property, including our designs and prototypes. However, if unauthorised disclosure of our confidential information and trade secrets occurs due to a security breach, a cyber attack, the inadvertent download of malicious software (malware) or any other reason, our business, financial condition and results of operations could be materially and adversely affected. Even if the measures we take to safeguard the confidential information on our information technology systems are adequate to protect against direct external threats and attacks by third-parties, our employees may be susceptible to phishing, keyloggers and other similar efforts by third-parties through which such parties may be able to gain access to the confidential information and trade secrets on our systems. Our competitors could acquire confidential information about our current and future products through such disclosures and copy such products' functionality and designs, which would harm our competitive position and this could materially and adversely affect our business, financial condition and results of operations.

Our insurance coverage may be inadequate to cover all significant risk exposures

We maintain limited third-party insurance policies covering certain potential liabilities including product liability, property, commercial liability and director and officer insurance. We cannot assure you that such coverage will be available or sufficient to cover all our risk exposures. If insurance coverage is unavailable or insufficient to cover any such exposures, we may incur

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substantial costs which, in turn, could materially and adversely affect our business, financial condition and results of operations.

We may not be able to generate sufficient cash to service all of our indebtedness (if any) and may not be able to obtain financing or refinance our indebtedness (if any) on favourable terms

Our ability to raise finance, if necessary, or repay or to refinance our debt obligations in a timely manner is dependent on our financial condition and operating performance, which are subject to prevailing market conditions, economic conditions and various other factors, including the risk factors set out in this section of the Offer Document, some of which may be beyond our control. There is no assurance that we will be able to maintain a level of cash flow from operating activities or financing activities which will be sufficient for us to pay the principal, interest or other required payments on our indebtedness (if any).

In the event that we are in default of any of our loan facilities (if any) and immediate payment of our loans are demanded by such creditors, we may face substantial liquidity problems. We may be unable to refinance our indebtedness (if any) on favourable terms and in a timely manner, or at all.

If our cash flow and capital resources are insufficient to fund our debt payment obligations (if any), we may have to dispose of our key assets or seek additional capital through alternative means or restructure our indebtedness (if any), which may not necessarily be on favourable terms. We would be at risk of insolvency proceedings which may be brought against us by our creditors. An inability to generate sufficient cash to service our indebtedness (if any) may have a severe and material adverse impact on our business, financial condition, results of operations, cash flows and prospects.

We may be subject to credit risks in relation to our trade receivables

Our Group currently offers credit terms of up to 60 days from the date of invoice to our major customers for the products which we manufacture. For other customers, we typically offer credit terms of approximately net 30 days from the date of invoice. There is no guarantee that our customers will settle payment in full as it falls due. In the event we fail to receive payments from our customers on a timely basis, our cash flows and financial performance could be adversely and materially affected. In addition, there may be an adverse impact on our operations as it diverts our management resources, time and attention to pursue any unsettled invoices.

We are exposed to exchange rate fluctuation risk

Fluctuations in exchange rates can occur due to governmental policies and depend to a large extent on domestic and international economic and political developments as well as supply and demand across the jurisdictions in which we operate. We usually fix the sales prices for our products in US\$ as the primary currency when the products are introduced and, where relevant, a fixed local currency equivalent to our US\$ prices. If there is a significant weakening of the local currency in which the revenue is generated prior to the sale and subsequent to our fixing of local currency prices, then our eventual accounting record and receipt in US\$ after foreign currency exchange as well as expected margins may be reduced, or losses may be incurred. Should any of these events occur, our business, results of operations and financial condition may be materially and adversely affected.

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We are vulnerable to disruptions to our information systems

Our information systems are protected through physical and software safeguards. They are still vulnerable, however, to storms, flood, fire, terrorist acts, power loss, telecommunications failures, physical or software break-ins, computer viruses and similar events. If our critical information systems fail or are otherwise unavailable, we would have to accomplish these functions manually, which could temporarily impact our ability to identify business opportunities quickly, to maintain records reliably and to bill for services efficiently. Should any of these events occur, our business, results of operations and financial condition may be materially and adversely affected.

In addition, we depend on third-party vendors or software and operating systems supplied by third-party vendors for certain functions whose future performance and reliability we cannot warrant.

Technological developments or other changes in our industry could render our products and services less competitive or obsolete

Our industry is characterised by rapidly evolving technology and regulatory standards. These technological developments require us to consider the regulatory standards, integrate new technology into our products, create new and relevant product categories and adapt to changing business models in a timely manner. Our competitors may develop or acquire alternative and competing technologies and standards that could allow them to create new and disruptive products and/or produce similar, competitive products at lower costs of production, thus rendering our products less competitive or obsolete. In addition, government authorities and industry organisations may adopt new standards that apply to our products and services. As a result, we may need to invest significant resources in research and development to maintain our market position, keep pace with technological and regulatory changes and compete effectively. Our research, testing and engineering costs were approximately US\$0.22 million, US\$0.35 million and US\$69,677 in FY2016, FY2017 and FY2018, representing 2.5%, 3.4% and 0.5% of our Group's revenue, respectively. Our failure to improve our products, create new and relevant product categories and adapt to changing business models in a timely manner could materially and adversely affect our business, financial condition and results of operations.

We are susceptible to counterfeiting and copycatting of our products

Other companies may be able to copy our hardware, software or services by reverse engineering or otherwise copycatting the results of our research and development at a lower cost than what it cost us to design and develop them. These companies could also copy the design, colour and look of our products so that they have a very similar look and feel to our products. These companies could also copy our marketing and advertising methods to create the false impression that they are offering our products. Counterfeit copies of our hardware and software may harm our business. Counterfeit and copycat products and services are often offered at a significant discount to what the original developer and designer offers, which would divert sales away from us. In addition, some purchasers of counterfeit copies of our products may have otherwise purchased our legitimate products. The availability of counterfeits may negatively impact the appeal of our brand, which may be related to our ability to offer unique products to our users, and lead to reduced market demand and consumer willingness to pay for our products. The occurrence of any of the above events could materially and adversely affect our revenue, gross profit, cash flow and profit.

Also, the presence of counterfeits of our products in the market could have a negative impact on, and dilute, the value and image of our brand and result in a loss of consumer confidence in our

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brand. All or any of the above could place undue price pressure on our products, which could materially and adversely affect our financial performance, prospects and results of operations.

As at the Latest Practicable Date, we have not faced material adverse impacts on our financials and/or operations due to counterfeiting and copyrighting of our products.

Our business may be affected if there is a major shift in cost of electricity or source of electricity

Our business may be affected by changes in technology and generation abilities that may provide clean, low-priced and/or free electricity in the future. Given that the main selling point of the majority of our Group's energy-saving products is that these products help to reduce the consumption of electricity, the demand of these products may fall or these products may be made obsolete if clean, low-priced and/or free electricity is available in the future. This could materially and adversely affect our financial performance, prospects and results of operations.

Our business may be affected by macroeconomic factors and other factors beyond our control

Our business may be affected by macroeconomic factors, such as general economic conditions, market sentiment and consumer confidence, particularly in the USA. Various factors may influence these macroeconomic conditions, including without limitation, unemployment rates, real disposable income, inflation, recession, stock market performance, the interest rate environment, the availability of consumer credit, as well as regulatory (including fiscal and other governmental policies), social and political changes, all of which are beyond our control.

Our business may be negatively impacted by natural disasters, acts of war, terrorist attacks, political unrest and other events

Our Group's business and operations may be materially and adversely affected by events beyond the control of our Group, including but not limited to natural catastrophes, political unrest, war and terrorist attacks. Natural catastrophes such as the outbreak of fire, flood and earthquake may materially and adversely affect the economy, infrastructure and livelihood of the geographical locations in which our Group may operate. There can be no assurance that any war, terrorist attack, political unrest, or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have a material and adverse effect on our Group's business, financial performance, cash flows and operating results.

RISKS RELATING TO MALAYSIA

We may be adversely affected by unfavourable political, social, economic, legal and regulatory developments in Malaysia

We may be affected by changes in the political leadership, government policies and/or relevant laws and regulations in Malaysia. Any political or regulatory changes include, without limitation, the introduction of new laws and regulations or any modification to the existing laws and regulations which impose and/or increase restrictions on exports or the conduct of business, the repatriation of profits, the imposition of capital controls, changes in interest rates, the taxation of goods and services or changes to regulations relating to mandatory Bumiputera shareholding entitlements. An adverse development relating to any of the abovementioned factors may have a material and adverse effect on our business operations, financial condition, results of operation and prospects.

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At the 14th Malaysian general election, Pakatan Harapan won a sufficient number of seats in the Dewan Rakyat, allowing them to form a majority government. The new Pakatan Harapan government has and continues to carry out political and regulatory changes, including the zero-rating of Malaysia's goods and services tax for a three-month period commencing 1 June 2018 and the introduction of new laws and regulations such as the Sales Tax Act 2018 and the Services Tax Act 2018.

Other political uncertainties include the risks of wars, terrorism, nationalisation and expropriation. We have no control over such conditions and developments and there is no assurance that such conditions and developments will not have a material and/or adverse effect on our business and financial performance.

Also, the economic conditions in Malaysia may have an effect on our business and operations, as well as our future prospects. Any future deterioration of the Malaysian economy could affect costs of our operations and in turn adversely affect our business and financial performance.

We are subject to foreign exchange controls in Malaysia

Since 21 July 2005, the RM peg to the US\$ has been removed and RM has been allowed to operate on a managed float basis to ensure that the exchange rate remains close to its fair value. There are also no current restrictions on the repatriation of proceeds from divestment of ringgit assets, profits, dividends or any income arising from investments in Malaysia, subject to withholding taxes (if any) and provided that repatriation is made in a foreign currency other than the currency of the State of Israel and in accordance with the Malaysian Financial Services Act 2013 and Bank Negara Malaysia's guidelines in the form of notices.

In the event that the Malaysian government implements any change to the relevant regulations on exchange controls, such changes may affect repatriation from our Malaysian subsidiary and, accordingly, the financial performance of our Group.

Please refer to the section entitled "Exchange Controls" of this Offer Document for further details.

RISKS RELATING TO THE USA

We may incur increased costs and liabilities as a result of product liability claims

We are subject to laws and regulations relating to product liability arising from the manufacture and/or sale of our products especially in the USA, where we may be more susceptible to product liability claims due to the more litigious environment. In addition, we may incur liability under our contracts with our customers for any loss or damage suffered by third-parties arising from defects in products supplied by us, if such loss or damage is the result of a defect attributable to our negligence. In addition, we may incur liability under our contracts with our customers for defective products or non-compliance with their specifications. Further, we may also have to recall our products if there are allegations of our products being unsafe. We may not be able to obtain insurance on acceptable terms or insurance that will provide adequate coverage against potential claims. Product liability can arise from any number of issues with products, including defective components (such as batteries in products which may unexpectedly ignite), marketing or "failure-to-warn" liability (including warning related to radio emission from portable electronic device), design defects or faulty manufacturing claims. Furthermore, with strict products liability, it is irrelevant whether the manufacturer or our Group exercised all due care in the design, manufacture, or marketing of the product; if there is a defect in the product that causes harm, we will be held liable for it. Product liability claims can be expensive to defend and can divert the

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attention of management and other personnel for long periods of time, regardless of the ultimate outcome. An unsuccessful product liability defence could materially and adversely affect our business, financial condition and results of operations. Product liability claims could also damage our brand and our reputation for quality premium products, regardless of the ultimate outcome.

In addition, if the products which we sell contain components that are found to be defective, we may face adverse publicity and a loss of confidence in our products, which may materially and adversely affect our business, financial performance, cash flows and results of operations.

In the event of product liability claims regarding defective components or faulty manufacturing, we can attempt to seek compensation from the relevant suppliers or independent contract manufacturers. However, warranties provided by suppliers and independent contract manufacturers may be for periods shorter than the warranty periods we provide to our customers and warranty claims against suppliers and independent contract manufacturers may be subject to certain conditions precedent which may not be satisfied. While we have indemnification arrangements with most of our suppliers and independent contract manufacturers, these indemnification arrangements may not cover the types of claims made against us or may be limited in amount, or the independent contract manufacturers may not be creditworthy or able to pay. If we are subject to product liability claims or we attempt to enforce indemnification arrangements, we may incur increased litigation costs and our management's attention may be diverted. Should any of these events occur, our business, results of operations and financial conditions could be materially and adversely affected.

We are subject to international anti-bribery laws of the USA, including the Foreign Corrupt Practices Act

We are subject to the risk that we, our employees in the USA or any future employees or consultants located in other jurisdictions or any third-parties such as our distributors that we engage to do work on our behalf in foreign countries may take action determined to be in violation of anti-corruption laws in any jurisdiction in which we conduct business, including the Foreign Corrupt Practices Act (the "**FCPA**"). The FCPA is a US statute that prohibits USA companies and individuals (anywhere in the world) from offering, authorising, promising, directing, or providing anything of value, to any non-USA government official, political party, party official, or candidate for foreign political office, for the purpose of influencing the non-USA official or party to assist the company in obtaining or retaining business or securing an improper business advantage. Individuals and companies may also be penalised if they order, authorise, or assist someone else to violate the anti-bribery provisions or if they conspire to violate those provisions. The USA government also asserts jurisdiction over foreign entities and individuals who take any act in furtherance of an FCPA violation while in the territory of the USA.

Under the anti-bribery provisions of the FCPA, any individual who wilfully violates the FCPA may be liable for up to US\$16,000 in civil penalties and up to US\$0.25 million in criminal fines (or twice the gross gain resulting from the offense, whichever is greater), per each FCPA violation. The individual also may be imprisoned for up to five years, and the FCPA prohibits companies from paying the fines or penalties of their employees. Companies may be liable for civil penalties up to US\$16,000, and criminal fines up to US\$2 million, per each FCPA violation. Furthermore, multiple violations may occur in connection with a single transaction or series of transactions, which would result in an exponential increase in the amount of fines. In addition, an FCPA violation could result in other adverse consequences such as investigations by the US Department of Justice ("**DOJ**"), suspension or debarment from US government contracts, revocation or suspension of export license privileges, shareholder lawsuits, disgorgement, and long-term damage to the company's and individual's reputation.

FCPA violations is traditionally a significant enforcement area for the DOJ.

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Should we be found to be in violation of any of the abovementioned USA international anti-bribery laws, this could have a material and adverse effect on our business operations, financial position, results of operations and prospects.

RISKS RELATING TO INVESTMENT IN OUR SHARES

Investors in our Shares will face immediate and substantial dilution in our NAV per Share

The Placement Price of the Placement Shares, being S\$0.26, is higher than the NAV per Share of S\$0.1048, based on the audited combined statement of financial position of our Group as at 31 December 2018. If our Company is liquidated immediately following the Placement, investors subscribing for the Placement Shares would receive less than the price paid for their Shares. Please refer to the section entitled "Dilution" of this Offer Document for further information.

Control by our Controlling Shareholders may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon the completion of the Placement, our Controlling Shareholders and their associates will collectively and directly own approximately 60.2% of our post-Placement issued and paid-up share capital of 81,791,925 Shares. Therefore, they will be able to exercise significant influence over all matters requiring Shareholders' approval, including share issuances, the election of directors and the approval of significant corporate transactions. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of our Group even if such change may be beneficial to our minority Shareholders.

An active trading market for our Shares may not develop and could affect the trading price of our Shares, and the trading price and trading volume of our Shares may be highly volatile

There has been no prior public market for our Shares and an active trading market for our Shares may not develop prior to the Placement. While we have applied to the SGX-ST for approval for the listing and quotation of our Shares on the Catalist, there is no guarantee that an active and liquid trading market for our Shares will develop, or if it does develop, will be sustained. There is also no assurance that the market price for our Shares will not decline below the Placement Price.

Furthermore, there is a possibility that the trading price and the trading volume of our Shares may be highly volatile due to various factors including the following:

- (a) actual or anticipated fluctuations in our results of operations;
- (b) recruitment or loss of key personnel of our Group;
- (c) announcements of competitive developments, acquisitions or strategic alliances in our industry;
- (d) changes in earnings estimates or recommendations by financial analysts;
- (e) changes in investors' perception of our Group and the investment environment in general;
- (f) the liquidity of the market for our Shares;
- (g) potential litigation or regulatory investigations;
- (h) general market conditions or other developments affecting our Group or the industry in which we operate;

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- (i) political, social and economic conditions in our countries of operation;
- (j) developments in information technology or advent of disruptive technologies; and
- (k) if any of the considerations, risks and uncertainties set out in this Offer Document develop into actual events.

Additionally, Gunananthan A/L Nithyanantham, Bernard Christopher Emby and CircleBright Limited have each given moratorium undertakings to our Company, the SGX-ST and the Sponsor and Issue Manager in respect of all or some of their Shares. Please refer to the sub-section entitled “Ownership Structure – Moratorium” of this Offer Document for more details on the moratorium undertakings. After the restrictions under such moratorium undertakings lapse, the market price of the Shares could decline as a result of future sales of substantial amounts of the Shares or other securities relating to the Shares in the public market, the issuance of new Shares or other securities relating to the Shares, or the perception that such sales or issuances may occur. This could also adversely affect the market price of our Shares as well as our ability to raise capital at a favourable price in the future.

We may not be able to pay dividends in the future

Whether our Group will be able to declare dividends to our Shareholders in the future will be dependent on factors such as:

- (a) our future financial performance;
- (b) our distributable reserves and cash flows;
- (c) our forecast and budgets;
- (d) funding needs of our Group for expansion and business acquisition;
- (e) general economic conditions and market sentiment; and
- (f) our future plans and business strategies.

Accordingly, there is no assurance that we will be able to pay dividends to our Shareholders. The receipt of dividends from our subsidiaries or associated companies may also be affected by the passage of new laws, adoption of new regulations and other events outside our control, and our subsidiaries or associated companies may not be able to continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. Withholding tax may also apply to dividends and distributions from our subsidiaries or our associated companies to us. Furthermore, in the event that we are required to enter into any loan arrangements with any financial institutions, certain covenants in the loan agreements may limit when and how much dividends we can declare and pay out, or may also restrict the ability of our subsidiaries to make contributions to us and our ability to receive distributions. If our subsidiaries stop paying dividends or reduce the amount of the dividends they pay to our Company, it would have an adverse effect on our ability to pay dividends on our Shares.

Please refer to the section entitled “Dividend Policy” of this Offer Document for more details on our dividend policy.

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Our Share price may be adversely affected by negative publicity which includes those relating to any of our Directors, Executive Officers or Substantial Shareholders

Negative publicity or announcements relating to any of our Directors, Executive Officers or Substantial Shareholders may adversely affect the market perception of our Group or the market price of our Shares, whether or not it is justified. Examples of such publicity or announcements include involvement in insolvency proceedings, accusations of criminal conduct, unsuccessful attempts in joint ventures, acquisitions or take-overs, any bans, investigations or allegations of misconduct.

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST. There is no assurance that an active or liquid trading market for our Shares will develop or be sustained after the Placement.

Pursuant to the Catalist Rules, we are required to, *inter alia*, retain a sponsor at all times after the admission of our Company to the Catalist. In particular, unless approved by the SGX-ST, PPCF must act as our continuing sponsor for at least three (3) years after the admission of our Company to the Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three (3) continuous months. There is no guarantee that following the expiration of the three (3) year period, PPCF will continue to act as our sponsor or that we will be able to find a replacement sponsor within the three-month period.

Information contained in the forward-looking statements included in this Offer Document is subject to inherent uncertainties and investors should not rely on any of them

This Offer Document contains certain statements that constitute “forward-looking” statements, including, *inter alia*, those in relation to our financial condition, business strategies, prospects, future plans and objectives. These forward-looking statements involve risks, uncertainties and other facts which are known or currently unknown, which may cause our actual results, performance, profitability, achievements or industry results to differ, even materially, from those expressed or implied by the forward-looking statements contained in this Offer Document. These forward-looking statements are based on several assumptions regarding our present and future business strategies and the business environment in which we will operate in the future. Investors should not place undue reliance on any such forward-looking statements. The inclusion of these forward-looking statements in this Offer Document shall not be regarded as a representation or warranty by our Company or any of our professional advisers that the plans and objectives of our Company can or will be achieved.

Singapore take-over laws contain provisions which may vary from those in other jurisdictions and which could adversely affect the market price of our Shares

The Take-over Code contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control. Under the Take-over Code, except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting shares, is required to extend a take-over offer for the remaining voting shares in accordance with the Take-over Code. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made

RISK FACTORS

if a person who holds, not less than 30.0% but not more than 50.0% of the voting shares, either on his own or together with parties acting in concert with him, acquires additional voting shares carrying more than 1.0% of the voting shares in any period of six (6) months. While the Take-over Code seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefits from a potential change of control.

USE OF PROCEEDS AND LISTING EXPENSES

The gross proceeds to be raised by our Company from the Placement will be approximately S\$3.9 million.

The net proceeds to be raised by our Company from the Placement (after deducting the estimated expenses incurred in connection with the Placement, including listing and application fees, professional fees, placement commission and other miscellaneous expenses of approximately S\$1.5 million) are estimated to be approximately S\$2.4 million.

The allocation of each principal intended use of proceeds from the Placement and breakdown of the estimated listing expenses is set out below:

Use of proceeds	Amount (S\$'000)	As a percentage of the gross proceeds raised from the Placement (%)
Scaling our presence in markets that we operate in, expansion into new geographical markets and establishing new sales channels	400	10.3
Product development, and acquisitions of products, businesses and assets	1,000	25.6
General working capital purposes	1,000	25.6
Net proceeds from the Placement	2,400	61.5
Listing and application fees	100	2.6
Professional fees	1,100	28.2
Placement commission ⁽¹⁾	150	3.8
Miscellaneous expenses	150	3.8
Expenses incurred in connection with the Placement	1,500	38.5
Gross proceeds from the Placement	3,900	100.0⁽²⁾

Notes:

(1) The amount of placement commission per Placement Share, agreed upon between PPCF and our Company, is 3.5% of the Placement Price payable for each Placement Share. Please refer to the sub-section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document for more details.

(2) The percentages may not add up to 100.0% due to rounding.

USE OF PROCEEDS AND LISTING EXPENSES

For each dollar of the gross proceeds raised from the issue of the Placement Shares, we intend to use:

- (a) approximately 10.3 cents for scaling our presence in markets that we operate in, expanding into new geographical markets and establishing new sales channels;
- (b) approximately 25.6 cents for product development, and acquisitions of products, businesses and assets;
- (c) approximately 25.6 cents for general working capital purposes; and
- (d) approximately 38.5 cents for estimated expenses incurred in connection with the Placement, including listing and application fees, professional fees, placement commission and other miscellaneous expenses.

The foregoing discussion represents our Company's reasonable estimate of our allocation of the net proceeds to be raised by our Company from the Placement based on our current plans and reasonable estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that any part of our proposed uses of the net proceeds from the Placement does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the intended funding to other purposes and/or hold such funds on short-term deposits for so long as our Directors deem it to be in the interests of our Company and our Shareholders, taken as a whole. Any change in the use of the net proceeds will be subject to the Catalist Rules and immediate announcements will be made by our Company on the internet at the SGX-ST's website at <http://www.sgx.com>.

We will make immediate announcements on the use of the net proceeds from the Placement as and when the funds are materially disbursed and provide a status report on the use of such proceeds in our annual report. Pending the deployment of the net proceeds from the Placement as aforesaid, the funds will be placed in short-term deposits, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may, in their absolute discretion, deem appropriate.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Placement.

Save as disclosed above, we do not have any intention to use the net proceeds from the Placement to acquire or re-finance the acquisition of an asset. None of the net proceeds from the Placement will be used to discharge, reduce or retire any indebtedness of our Group.

In accordance with the SFRS(I), a portion of the listing expenses, including professional fees, listing fees and miscellaneous expenses (other than the placement commission), incurred in connection with the Placement will be treated as a charge in our financial statements, which will be accounted for in our financial results for FY2019.

DIVIDEND POLICY

Our Company was incorporated on 31 October 2018 and has not declared or paid any dividends since incorporation.

Our Hong Kong subsidiary, TrickleStar HK, has declared and paid dividends of approximately US\$0.59 million, US\$0.61 million and US\$0.95 million for FY2016, FY2017 and FY2018 respectively, and an interim dividend of approximately US\$0.87 million on 29 March 2019.

Save as disclosed above, no dividends have been declared or paid by our Company or our subsidiaries during the Relevant Period.

Following the completion of the Placement, we are committed to delivering dividends that increase over time with growth in underlying earnings. Following the completion of the Placement, we are committed to a dividend payout ratio of not less than 50.0% of our Group's consolidated net profit after tax, excluding non-controlling interests and non-recurring, one-off and exceptional items, whether as an annual dividend or an interim dividend.

The form, frequency and amount of future dividends on our Shares will depend on the factors set out below and other factors which our Directors may deem appropriate:

- (a) our earnings, including retained earnings;
- (b) our cash flow;
- (c) our general business and financial positions;
- (d) our working capital requirements;
- (e) our actual and projected financial performance; and
- (f) our expansion plans and projected capital expenditure.

In addition, our Company is a holding company and depends on the receipt of dividends and other distributions from our subsidiaries to pay dividends on our Shares.

Subject to our Constitution and in accordance with the Companies Act, our Company may declare an annual dividend subject to the approval of our Shareholders in a general meeting, but no dividend or distribution shall be declared in excess of the amount recommended by our Directors. Subject to our Constitution and in accordance with the Companies Act, our Directors may also from time to time declare an interim dividend without the approval of our Shareholders. Our Company must pay all dividends out of our profits.

Please refer to the section entitled "Taxation" of this Offer Document for more information relating to taxes payable on dividends.

All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid-up on each Shareholder's Share(s), unless the rights attaching to an issue of any Share provide otherwise. Where Share(s) are partly paid, all dividends are apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid Share(s). Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

DIVIDEND POLICY

Investors should note that the foregoing statements are merely statements of our Board's present intention and do not constitute a legally binding commitment by our Company in respect of the declaration and/or payment of dividends in the future. There is no assurance that dividends will be declared and/or paid in the future or as to the timing of any dividends that are to be paid in the future. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.

Our dividend policy, and the declaration and/or payment of dividends in the future, are subject to our Directors' continuous review to ensure that our dividend policy, and any declaration and/or payment of dividends, would be in the best interests of our Company and our Shareholders, and are in compliance with all applicable laws and regulations. Our Directors reserve the right in their sole and absolute discretion to update, amend, modify and/or cancel our dividend policy at any time.

SHARE CAPITAL

Our Company (Company Registration Number: 201837106C) was incorporated in Singapore on 31 October 2018 under the Companies Act as a private company limited by shares, under the name of “TrickleStar Pte. Ltd.”. Our Company was converted into a public company limited by shares on 17 May 2019. In connection with the conversion, the name of our Company was changed to “TrickleStar Limited”.

Our issued and paid-up share capital as at the date of incorporation was S\$2, comprising two (2) Shares. Following the completion of the Restructuring Exercise on 17 May 2019, our resultant issued and paid-up share capital was S\$6,229,130 comprising 2,473,775 Shares. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for more details. Following the Share Sub-division, our resultant issued and paid-up share capital was S\$6,229,130 comprising 66,791,925 Shares.

Upon the allotment and issue of the Placement Shares which are the subject of the Placement, our resultant issued and paid-up share capital will increase to S\$10,129,130 comprising 81,791,925 Shares.

At an extraordinary general meeting held on 17 May 2019, our Shareholders approved, *inter alia*, the following:

- (a) the Share Sub-division;
- (b) the allotment and issue of the Placement Shares which are the subject of the Placement, on the basis that the Placement Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the existing Shares;
- (c) the adoption of the TrickleStar Performance Share Plan and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the vesting of Awards granted under the TrickleStar Performance Share Plan;
- (d) the adoption of the TrickleStar Employee Share Option Scheme and the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to allot and issue Shares upon the exercise of Options granted under the TrickleStar Employee Share Option Scheme;
- (e) pursuant to Section 161 of the Companies Act and the Catalist Rules, authority be given to our Directors to:
 - (A) (i) allot and issue Shares whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (each an “**Instrument**” and collectively, “**Instruments**”) that might or would require Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) convertible securities, options, warrants, debentures or other instruments convertible into Shares,at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and
- (B) allot and issue Shares in pursuance of any Instrument made or granted by our Directors while this resolution was in force (notwithstanding the authority conferred by this resolution may have ceased to be in force),

SHARE CAPITAL

provided that:

- (1) the aggregate number of Shares (including the Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to such authority) and Instruments to be allotted and issued pursuant to such authority shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company (calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be allotted and issued other than on a *pro rata* basis to our existing Shareholders (including the Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to such authority) other than on a *pro rata* basis to our existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company (calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Shares that may be allotted and issued (including Shares to be allotted and issued pursuant to the Instruments made or granted pursuant to such authority) under sub-paragraph (1) above, the percentage of Shares (excluding treasury shares and subsidiary holdings) in the capital of our Company shall be based on the total number of issued Shares of our Company (excluding treasury shares and subsidiary holdings), after adjusting for:
 - (i) new Shares arising from the conversion or exercise of the Instruments or convertible securities;
 - (ii) new Shares arising from the exercise of share options or the vesting of share awards which are outstanding and subsisting at the time such authority is passed; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of Shares;
 - (3) in exercising the authority conferred by this resolution, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of our Company for the time being; and
 - (4) unless revoked or varied by our Company in general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier;
- (f) that:
- (A) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by our Directors of all powers of our Company to purchase or acquire issued Shares in the capital of our Company not exceeding in aggregate the Prescribed Limit (as defined below), at such price(s) as may be determined by our Directors from time to time up to the Maximum Price (as defined below), whether by way of:
 - (i) on-market purchases on the SGX-ST ("**Market Purchases**"); and/or

SHARE CAPITAL

- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by our Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act (“**Off-Market Purchases**”),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST be authorised and approved generally and unconditionally (the “**Share Buy-back Mandate**”);

- (B) unless revoked or varied by our Company in general meeting, the authority conferred by this resolution shall continue in force until (i) the conclusion of the next annual general meeting of our Company; (ii) the date by which the next annual general meeting of our Company is required by law to be held; (iii) the date when the Share Buy-back Mandate is revoked or varied by our Shareholders in general meeting; or (iv) the date on which the share buy-back is carried out to the full extent mandated, whichever is earliest; and

- (C) in this resolution:

- (i) “**Average Closing Price**” means the average of the closing market prices of our Shares over the last five (5) Market Days (on which transactions in our Shares were recorded) immediately before the date of a Market Purchase by our Company and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) Market Day period;

- (ii) “**Maximum Price**” in relation to a Share means the purchase price as determined by our Directors and not exceeding:

- (I) in the case of a Market Purchase, 105.0% of the Average Closing Price of our Shares; and

- (II) in the case of an Off-Market Purchase, 105.0% of the highest price at which our Share is transacted on the SGX-ST on the Market Day (on which transactions in our Shares are recorded) immediately before the date our Company announces an Off-Market Purchase offer stating the purchase price and the relevant terms of the equal access scheme; and

- (iii) “**Prescribed Limit**” means the number of issued Shares in the capital of our Company representing 10.0% of the total number of issued Shares of our Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this resolution;

- (g) the conversion of our Company into a public company limited by shares and the consequential change of our name to “TrickleStar Limited”; and

- (h) the adoption of a new set of Constitution.

As at the date of this Offer Document, our Company has only one (1) class of shares, being ordinary Shares. A summary of our Constitution relating to, *inter alia*, the voting rights of our Shareholders is set out in “Appendix B – Summary of Selected Provisions of our Constitution” to this Offer Document. As at the date of this Offer Document, there are no founder, management,

SHARE CAPITAL

deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares shall have the same interest and voting rights as our existing Shares that were allotted and issued prior to the Placement.

As at the date of this Offer Document, save for Shares which may be allotted and issued upon the vesting of Awards granted under the TrickleStar Performance Share Plan or the exercise of Options granted under the TrickleStar Employee Share Option Scheme, no person has been, or is entitled to be, given the right or option to subscribe for or purchase any securities or securities-based derivatives contracts of our Company and/or our subsidiaries.

Details of the changes in the issued and paid-up capital of our Company between 31 October 2018, being our Company's date of incorporation, and the Latest Practicable Date are set out in the table below:

	Number of issued Shares in the capital of our Company	Issued and paid-up share capital (S\$)
Issued and paid-up share capital as at the date of incorporation	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	66,791,925	6,229,130
Issued and paid-up share capital pre-Placement	66,791,925	6,229,130
Allotment and issue of new Shares pursuant to the Placement	15,000,000	3,900,000
Issued and paid-up share capital immediately after completion of the Placement	81,791,925	10,129,130

Note:

(1) Please refer to the section entitled "Restructuring Exercise" of this Offer Document for more details.

SHARE CAPITAL

Details of the changes in the issued and paid-up capital of our subsidiaries for the last three (3) years prior to the Latest Practicable Date are set out in the table below:

Date	Number of shares allotted and issued/ cancelled	Price per share	Purpose of allotment and issue/ cancellation	Resultant issued and paid-up share capital
TrickleStar HK				
15 October 2018	125,000	Nil	Bonus issue	US\$4,490,329 comprising 2,473,775 ordinary shares
TrickleStar Malaysia				
15 December 2016	480,000	RM1	Injection of capital by shareholder	RM500,000 comprising 500,000 ordinary shares
18 January 2017	222,604	RM1	Injection of capital by shareholder	RM1,000,000 comprising 1,000,000 ordinary shares
	277,396	RM1	Settlement of debt owing to the allottee	
TrickleStar USA				
10 January 2017 ⁽¹⁾	10,000	US\$1	Injection of capital by shareholder	10,000 shares of common stock, US\$1 par value per share

Note:

(1) TrickleStar USA was converted to a Delaware corporation on 10 January 2017.

Save as set out above, there were no changes in the issued and paid-up capital of our Company and its subsidiaries for the last three (3) years prior to the Latest Practicable Date.

OWNERSHIP STRUCTURE

SHAREHOLDERS

Our Shareholders and their respective shareholdings immediately (a) before the Placement; and (b) after the Placement are set out below:

	Immediately before the Placement				Immediately after the Placement ⁽¹⁾			
	Direct interest		Deemed interest		Direct interest		Deemed interest	
	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾
Directors								
Bernard Christopher Emby ⁽⁴⁾	6,664,923	10.0	41,615,451	62.3	6,664,923	8.1	41,615,451	50.9
Gunananthan A/L Nithyanantham ⁽⁵⁾	–	–	41,615,451	62.3	–	–	41,615,451	50.9
Jeremy John Figgins	–	–	–	–	–	–	–	–
Chuah Jern Ern	–	–	–	–	–	–	–	–
Ling Hee Keat ⁽⁶⁾	–	–	1,518,183	2.3	–	–	1,518,183	1.9
Substantial Shareholders (other than Directors)								
CircleBright Limited ⁽⁴⁾⁽⁵⁾⁽⁷⁾	41,615,451	62.3	–	–	41,615,451	50.9	–	–
Harald Weinbrecht	6,790,068	10.2	–	–	6,790,068	8.3	–	–
Other Shareholders								
Powertech ⁽⁸⁾	3,375,000	5.1	–	–	3,375,000	4.1	–	–
Law Cheok Chin	2,700,000	4.0	–	–	2,700,000	3.3	–	–
Yong Su Lin ⁽⁶⁾	1,518,183	2.3	–	–	1,518,183	1.9	–	–
Manuel David Morais	2,109,537	3.2	–	–	2,109,537	2.6	–	–
Emby Superannuation Fund ⁽⁹⁾	1,007,802	1.5	–	–	1,007,802	1.2	–	–
Patricia Lim Pek Yew	729,135	1.1	–	–	729,135	0.9	–	–
Wong Wei Tung	281,826	0.4	–	–	281,826	0.3	–	–
Public	–	–	–	–	15,000,000	18.3	–	–
Total	66,791,925	100.0⁽¹⁰⁾			81,791,925	100.0⁽¹⁰⁾		

Notes:

- (1) These figures assume that none of our existing Shareholders will subscribe for any of the Placement Shares in the Placement. In the event that any Placement Shares are subscribed for by our Directors, our Substantial Shareholders or their associates, such subscriptions will be disclosed in an announcement in accordance with Rule 428 of the Catalist Rules.
- (2) Based on our Company's issued and paid-up share capital of 66,791,925 Shares excluding treasury shares and subsidiary holdings immediately before the Placement.
- (3) Based on our Company's issued and paid-up share capital of 81,791,925 Shares excluding treasury shares and subsidiary holdings immediately after completion of the Placement.
- (4) For the purposes of Section 4(5) of the SFA, Bernard Christopher Emby, our Executive Chairman and CEO, is deemed interested in 41,615,451 Shares held by CircleBright Limited as he is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in CircleBright Limited.

OWNERSHIP STRUCTURE

- (5) For the purposes of Section 4(5) of the SFA, Gunananthan A/L Nithyanantham, our Non-Executive Non-Independent Director, is deemed interested in 41,615,451 Shares held by CircleBright Limited as he is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in CircleBright Limited.
- (6) For the purposes of Section 133(4) of the SFA, Ling Hee Keat, our Independent Director, is deemed interested in 1,518,183 Shares held by his spouse, Yong Su Lin.
- (7) CircleBright Limited is a company incorporated in the British Virgin Islands. Its shareholders comprise Bernard Christopher Emby (who has a shareholding interest of approximately 44.6% of the issued and paid-up capital of CircleBright Limited as at the Latest Practicable Date), Gunananthan A/L Nithyanantham 20.7%, Harald Weinbrecht 10.7%, Law Cheok Chin 8.5%, Yong Su Lin (the spouse of Ling Hee Keat, our Independent Director) 4.3%, Manuel David Morais 3.3%, Emby Superannuation Fund (which is accustomed or under an obligation, either formal or informal, to act in accordance with the directions, instructions or wishes of Peter Bernard Emby, the father of Bernard Christopher Emby, our Executive Chairman and CEO) 3.1%, Patricia Lim Pek Yew 2.4%, Ng Mae Lin (the spouse of Chuah Jern Ern, our Independent Director) 1.7% and Wong Wei Tung 0.7%.
- (8) Powertech is a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation.
- (9) For the purposes of Section 4(4) of the SFA, Peter Bernard Emby, the father of Bernard Christopher Emby, our Executive Chairman and CEO, is deemed interested in 1,007,802 Shares held by Emby Superannuation Fund which is accustomed or under an obligation, either formal or informal, to act in accordance with the directions, instructions or wishes of Peter Bernard Emby.
- (10) The percentages may not add up to 100.0% due to rounding.

Save as disclosed above and in the section entitled “Directors, Management and Employees” of this Offer Document, there are no family relationships among our Directors, Substantial Shareholders, Executive Officers and employees.

As at the Latest Practicable Date, our Company has only one (1) class of shares, being ordinary Shares. There is no restriction on the transfer of fully paid Shares in scripless form, except where required by law or the Catalist Rules.

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Placement Shares which are the subject of the Placement.

Save as disclosed above, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any other person or government.

Our Directors are not aware of any known arrangement the operation of which may, at a subsequent date, result in a change in control of our Company. There has not been any public take-over offer by a third-party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust which has occurred between 31 October 2018, being our Company’s date of incorporation, and the Latest Practicable Date.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed in the sections entitled “Share Capital, “Ownership Structure”, “Dilution” and “Restructuring Exercise” of this Offer Document, there were no significant changes in the percentage of ownership of our Company held by our Directors and Substantial Shareholders between 31 October 2018, being our Company’s date of incorporation, and the Latest Practicable Date.

OWNERSHIP STRUCTURE

MORATORIUM

Promoters

Under the Catalist Rules, “promoters” means (a) controlling shareholders and their associates; and (b) executive directors with an interest in 5.0% or more of the issued share capital excluding subsidiary holdings at the time of listing.

As at the Latest Practicable Date, Bernard Christopher Emby has a direct interest in 6,664,923 Shares and an indirect interest in 41,615,451 Shares held by CircleBright Limited, representing approximately 8.1% and 50.9% of our Company’s issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Placement.

As at the Latest Practicable Date, Gunananthan A/L Nithyanantham has an indirect interest in 41,615,451 Shares held by CircleBright Limited, representing approximately 50.9% of our Company’s issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Placement.

As at the Latest Practicable Date, CircleBright Limited has a direct interest in 41,615,451 Shares, representing approximately 50.9% of our Company’s issued and paid-up share capital excluding treasury shares and subsidiary holdings immediately after completion of the Placement.

Each of Bernard Christopher Emby and CircleBright Limited has given an undertaking to our Company and PPCF in respect of all the Shares which he/it legally and/or beneficially and directly owns as at the date of the undertaking and as at the Listing Date (adjusted for any consolidation, bonus issue or sub-division) (such Shares referred to below as the “**Relevant Promoter Shares**”).

Pursuant to their respective moratorium undertakings dated 17 May 2019, each of Bernard Christopher Emby and CircleBright Limited has agreed that he/it will not, without the prior written consent of our Company and PPCF:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Relevant Promoter Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Promoter Shares;
- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Promoter Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant Promoter Shares;
- (c) deposit any of the Relevant Promoter Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant Promoter Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with his/its obligations under their respective moratorium undertakings), whether any such transaction described above is to be settled by delivery of the Relevant Promoter Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

OWNERSHIP STRUCTURE

The foregoing restrictions shall apply to (a) all the Relevant Promoter Shares for the period commencing from the date of the undertaking until the date falling six (6) months from the Listing Date (both dates inclusive) (the “**First Lock-up Period**”); and (b) 50.0% of the Relevant Promoter Shares for the period commencing on the date immediately following expiry of the First Lock-up Period until the date falling 12 months from the Listing Date (both dates inclusive).

As at the Latest Practicable Date, Bernard Christopher Emby and Gunananthan A/L Nithyanantham have a direct interest in 1,046,850 and 486,313 ordinary shares in CircleBright Limited, representing approximately 44.6% and 20.7% of CircleBright Limited’s issued and paid-up share capital, respectively.

Each of Bernard Christopher Emby and Gunananthan A/L Nithyanantham has given an undertaking to our Company and PPCF in respect of all the ordinary shares in CircleBright which he legally and/or beneficially and directly owns as at the date of the undertaking and as at the Listing Date (adjusted for any consolidation, bonus issue or sub-division) (such ordinary shares in CircleBright Limited referred to below as the “**Relevant CB Shares**”).

Pursuant to their respective moratorium undertakings dated 17 May 2019, each of Bernard Christopher Emby and Gunananthan A/L Nithyanantham has agreed that he will not, without the prior written consent of our Company and PPCF, directly or indirectly:

- (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise transfer or dispose of, any of the Relevant CB Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant CB Shares;
- (b) enter into swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant CB Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the Relevant CB Shares;
- (c) deposit any of the Relevant CB Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any Relevant CB Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with his obligations under their respective moratorium undertakings), whether any such transaction described above is to be settled by delivery of the Relevant CB Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

The foregoing restrictions shall apply to all the Relevant CB Shares for the period commencing from the date of the undertaking until the date falling 12 months from the Listing Date (both dates inclusive).

DILUTION

Dilution is the amount by which the Placement Price paid by the subscribers of our Shares in this Placement exceeds our NAV per Share immediately after the Placement. As at 31 December 2018, our NAV per Share before adjusting for the estimated net proceeds from the Placement and based on our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares, was approximately 10.48 cents per Share.

Pursuant to the Placement in respect of 15,000,000 Placement Shares at the Placement Price, our NAV per Share as at 31 December 2018, after adjusting for the estimated net proceeds from the Placement and based on our Company's post-Placement issued and paid-up share capital of 81,791,925 Shares, would have been approximately 11.49 cents. This represents an immediate increase in NAV per Share of approximately 1.01 cents attributable to existing Shareholders and an immediate dilution of approximately 14.51 cents in NAV per Share or approximately 55.8% to our new public investors subscribing for the Placement Shares at the Placement Price.

The following table illustrates the dilution on our NAV on a per Share basis as at 31 December 2018:

	Cents
Placement Price	26.00
NAV per Share adjusted for the Restructuring Exercise but before adjusting for the estimated net proceeds from the Placement and based on our Company's pre-Placement share capital of 66,791,925 Shares	10.48
Increase in NAV per Share attributable to existing Shareholders	15.52
NAV per Share after the allotment and issue of Placement Shares and based on our Company's post-Placement Share Capital of 81,791,925 Shares	11.49
Dilution in NAV per Share to new public investors	14.51
Percentage decrease in NAV per Share to new public investors	55.8%

DILUTION

The following table summarises the total number of Shares (as adjusted for the Share Sub-division in the case of acquisitions made prior to the Share Sub-division) acquired by our Directors and Substantial Shareholders and their associates (as defined in the SFR) between 31 October 2018, being our Company's date of incorporation, and the date of lodgement of this Offer Document, the total consideration paid by them and the effective cash cost per Share to them and the new public investors pursuant to the Placement:

	Number of Shares	Number of Shares (as adjusted for the Share Sub-division, where applicable)	Total consideration (S\$) ⁽²⁾	Effective cash cost per Share (as adjusted for the Sub-division, where applicable) (cents)
Directors and their associates				
<u>Acquisitions made prior to the Share Sub-division⁽¹⁾</u>				
Bernard Christopher Emby	246,849	6,664,923	621,583	9.33
CircleBright Limited (associate of Bernard Christopher Emby and Gunananthan A/L Nithyanantham)	1,541,313	41,615,451	3,881,131	9.33
Yong Su Lin (associate of Ling Hee Keat)	56,229	1,518,183	141,588	9.33
Substantial Shareholders (other than Directors) and their associates				
<u>Acquisitions made prior to the Share Sub-division⁽¹⁾</u>				
CircleBright Limited	See above	See above	See above	See above
Harald Weinbrecht	251,484	6,790,068	633,254	9.33
New Public Shareholders				
Public	15,000,000	Not applicable	3,900,000	26.00

Notes:

- (1) The acquisitions occurred pursuant to the Restructuring Exercise as disclosed in the section entitled "Restructuring Exercise" of this Offer Document.
- (2) The total consideration paid by each Shareholder has been calculated based on his deemed shareholding interest in TrickleStar HK based on his shareholding interest in CircleBright Limited prior to the Restructuring Exercise, as well as the total consideration amount paid by our Company in its acquisition of TrickleStar HK. Please refer to the section entitled "Restructuring Exercise" of this Offer Document.

Save as disclosed above and the section entitled "Share Capital" of this Offer Document, none of our Directors or Substantial Shareholders or their respective associates (as defined in the SFR) have acquired any Shares in our Company between 31 October 2018, being our Company's date of incorporation, and the date of lodgement of this Offer Document.

RESTRUCTURING EXERCISE

Our Group undertook the Restructuring Exercise to rationalise our Group's corporate structure. The details of the Restructuring Exercise are as follows:

(a) Incorporation of our Company

Our Company was incorporated on 31 October 2018 under the Companies Act as a private company limited by shares with an issued and paid-up share capital of S\$2 comprising two (2) Shares. One (1) Share was held by Bernard Christopher Emby and one (1) Share was held by Gunananthan A/L Nithyanantham.

(b) Acquisition of our Company by Bernard Christopher Emby

Pursuant to a share transfer instrument dated 29 March 2019, Bernard Christopher Emby acquired one (1) Share in our Company from Gunananthan A/L Nithyanantham for a cash consideration of S\$1. The consideration was arrived at on a willing-buyer-willing-seller basis, taking into account, *inter alia*, the price for the allotment and issue of each Share at incorporation of S\$1, and that our Company is a newly incorporated company with no operations prior to the Restructuring Exercise.

Following the completion of the above transaction on 29 March 2019, our Company became wholly-owned by Bernard Christopher Emby.

(c) Acquisition of TrickleStar HK

Pursuant to a restructuring agreement dated 17 May 2019 entered into between our Company, CircleBright Limited and Powertech, our Company acquired from CircleBright Limited and Powertech 100.0% of the issued and paid-up share capital of TrickleStar HK for an aggregate consideration of S\$6,229,128. The consideration was arrived at on a willing-buyer-willing-seller basis, taking into account, *inter alia*, the audited combined NAV of TrickleStar HK and its subsidiaries as at 31 March 2019 of S\$6,229,128.

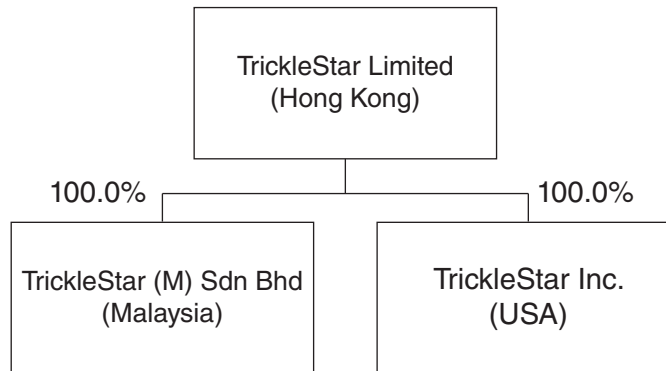
In satisfaction of the consideration under the restructuring agreement, our Company allotted and issued new Shares in our Company to CircleBright Limited, Powertech and their designated nominees as set out below:

Details of Allottees	Number of new Shares allotted and issued by our Company
CircleBright Limited	1,541,313
Bernard Christopher Emby (designated nominee of CircleBright Limited)	246,847
Harald Weinbrecht (designated nominee of CircleBright Limited)	251,484
Law Cheek Chin (designated nominee of CircleBright Limited)	100,000
Yong Su Lin (designated nominee of CircleBright Limited)	56,229
Manuel David Morais (designated nominee of CircleBright Limited)	78,131
Emby Superannuation Fund (designated nominee of CircleBright Limited)	37,326
Patricia Lim Pek Yew (designated nominee of CircleBright Limited)	27,005
Wong Wei Tung (designated nominee of CircleBright Limited)	10,438
Powertech	125,000
Total	<u>2,473,773</u>

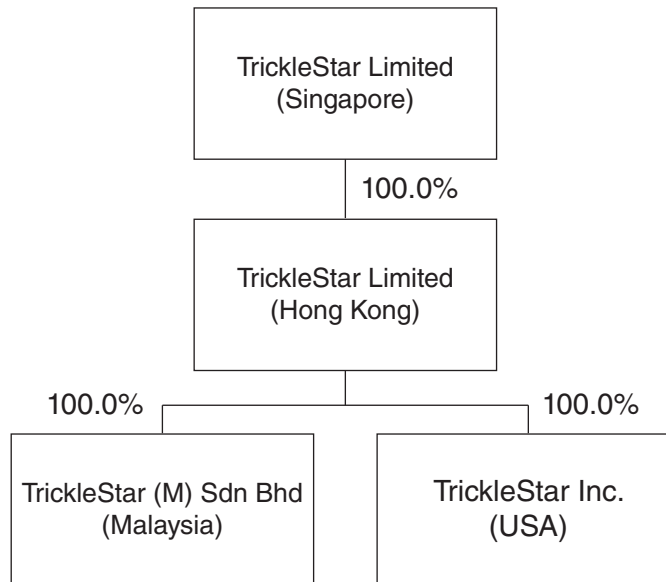
Following the completion of the above transaction, (a) our Company's resultant issued and paid-up share capital was S\$6,229,130 comprising 2,473,775 Shares; and (b) TrickleStar HK became a wholly-owned subsidiary of our Company.

GROUP STRUCTURE

Our Group structure immediately before the Restructuring Exercise is as follows:



Our Group structure immediately after the Restructuring Exercise and as at the Latest Practicable Date is as follows:



GROUP STRUCTURE

OUR SUBSIDIARIES

The details of our subsidiaries as at the Latest Practicable Date are as follows:

Name of subsidiary	Date of incorporation	Country of incorporation	Principal place of business	Principal activities	Issued and paid-up share capital	Ownership interest held by our Group
TrickleStar HK	6 November 2007	Hong Kong	Hong Kong	Holding company of companies trading in power saving electrical products and plug load managing devices (design, manufacturing and marketing of energy-saving electrical products)	US\$4,490,329 comprising 2,473,775 ordinary shares	100.0%
TrickleStar Malaysia	5 December 2011	Malaysia	Malaysia	Providing operational support	RM1,000,000 comprising 1,000,000 ordinary shares	100.0%
TrickleStar USA ⁽¹⁾	19 May 2009	USA	USA	Licensing technology, developing and selling energy-saving products	Authorised and issued stock capital – 10,000 shares of common stock at US\$1 per share	100.0%

Note:

(1) TrickleStar USA was converted to a Delaware corporation on 10 January 2017.

The present directors and auditors of our subsidiaries as at the Latest Practicable Date are as follows:

Name of subsidiary	Present directors	Present auditors
TrickleStar HK	Bernard Christopher Emby Gunananthan A/L Nithyanantham	Messrs. Ricky Cheung & Co., Certified Public Accountants
TrickleStar Malaysia	Bernard Christopher Emby Yap Saw Cheng	BDO PLT (LLP0018825-LCA & AF 0206)
TrickleStar USA	Bernard Christopher Emby	BDO PLT (LLP0018825-LCA & AF 0206)

Our subsidiaries are not listed on any stock exchange.

Save as disclosed above, our Company does not have any associated companies or any other subsidiaries.

SELECTED COMBINED FINANCIAL INFORMATION

The following selected financial information of our Group should be read in conjunction with the full text of this Offer Document, including the sections entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, and “Appendix A – Independent Auditors’ Report and Audited Combined Financial Statements of TrickleStar Limited and its Subsidiaries for the Financial Years ended 31 December 2016, 2017 and 2018” to this Offer Document.

Results of operations of our Group

(US\$)	← FY2016	Audited FY2017	FY2018 →
Revenue	8,894,077	10,321,649	12,841,475
Cost of sales	(5,446,654)	(6,793,004)	(8,372,982)
Gross profit	3,447,423	3,528,645	4,468,493
Other items of income			
Other income	15,383	85,575	10,033
Other items of expense			
Selling and distribution expenses	(1,198,862)	(1,168,783)	(1,154,325)
Administrative expenses	(2,512,544)	(1,969,601)	(1,011,530)
(Loss)/Profit before income tax	(248,600)	475,836	2,312,671
Income tax	(7,685)	170,817	(344,978)
(Loss)/Profit for the financial year⁽¹⁾	(256,285)	646,653	1,967,693
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations, net of tax	(2,213)	23,731	(5,072)
Total comprehensive income for the financial year⁽¹⁾	(258,498)	670,384	1,962,621
(Loss)/Profit attributable to owners of the parent	(256,285)	646,653	1,967,693
Total comprehensive income attributable to owners of the parent	(258,498)	670,384	1,962,621
(LPS)/EPS (US cents) ⁽¹⁾⁽²⁾	(0.38)	0.97	2.95
Adjusted (LPS)/EPS (US cents) ⁽³⁾	(0.31)	0.79	2.41

Notes:

- (1) Had the Service Agreements (set out in the sub-section entitled “Directors, Management and Employees – Service Agreements” of this Offer Document) been in place since 1 January 2018, our profit for the financial year, total comprehensive income for the financial year and EPS for FY2018 computed based on our Company’s pre-Placement issued and paid-up share capital of 66,791,925 Shares would have been approximately US\$1.95 million, US\$1.95 million and 2.92 US cents respectively.
- (2) For illustrative purposes, the pre-Placement (LPS)/EPS for the periods under review have been computed based on the (loss)/profit attributable to owners of the parent and our Company’s pre-Placement issued and paid-up share capital of 66,791,925 Shares.
- (3) For illustrative purposes, the post-Placement adjusted (LPS)/EPS for the periods under review have been computed based on the (loss)/profit attributable to owners of the parent and our Company’s post-Placement issued and paid-up share capital of 81,791,925 Shares.

SELECTED COMBINED FINANCIAL INFORMATION

Financial position of our Group

(US\$)	← FY2016	Audited FY2017	FY2018 →
ASSETS			
Non-current assets			
Plant and equipment	143,827	143,654	91,622
Intangible assets	157,866	109,292	216,656
Deferred tax assets	–	172,954	–
	301,693	425,900	308,278
Current assets			
Inventories	2,735,266	4,259,855	6,940,719
Trade and other receivables	2,675,753	1,541,767	1,958,682
Prepayments	9,189	11,482	411,476
Fixed deposits	89,589	86,826	7,253
Cash and bank balances	2,270,495	1,491,081	1,546,396
Current income tax recoverable	24,454	51,500	3,797
	7,804,746	7,442,511	10,868,323
Total assets	8,106,439	7,868,411	11,176,601
EQUITY AND LIABILITIES			
Equity			
Share capital	4,490,329	4,490,329	4,490,330
Foreign currency translation account	(2,213)	21,518	16,446
(Accumulated losses)/Retained earnings	(421,031)	(385,060)	630,623
Total equity	4,067,085	4,126,787	5,137,399
Non-current liabilities			
Deferred tax liabilities	–	–	2,296
Current liabilities			
Trade and other payables	4,039,354	3,741,624	5,864,907
Provision for warranty cost	–	–	5,820
Current income tax payable	–	–	166,179
Total liabilities	4,039,354	3,741,624	6,039,202
Total equity and liabilities	8,106,439	7,868,411	11,176,601
NAV per Share (US cents) ⁽¹⁾	6.09	6.18	7.69

Note:

(1) NAV per Share is computed based on the total equity and our Company's pre-Placement issued and paid-up share capital of 66,791,925 Shares.

Please also refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document for further details.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our results of operations and financial position should be read in conjunction with the full text of this Offer Document, including "Appendix A – Independent Auditors' Report and Audited Combined Financial Statements of TrickleStar Limited and its Subsidiaries for the Financial Years ended 31 December 2016, 2017 and 2018" to this Offer Document.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors" of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Sponsor, Issue Manager and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

OVERVIEW

Founded in 2007, our Group designs and supplies affordable, simple and easy-to-use energy-saving products to help consumers reduce energy consumption in their homes and workplaces. These products also protect consumer devices and help to minimise environmental impact by reducing energy wastage from appliances and consumer electronics products.

Please refer to the sub-section entitled "General Information on our Group – Business Overview" of this Offer Document for more details on our Group.

REVENUE

Our Group is focused on the design and distribution of two (2) main categories of energy-saving products, namely, the Advance Powerstrip and other products including energy load controllers, energy monitors, energy meters and surge protectors.

Our total revenues were approximately US\$8.89 million, US\$10.32 million and US\$12.84 million for FY2016, FY2017 and FY2018 respectively. Following the completion of an audit of our financial statements for the Period Under Review by BDO LLP, we have adopted SFRS(I) 15 Revenue from Contracts with Customers using the full retrospective method. There is no impact arising from the adoption of SFRS(I) 15. As our total revenues were entirely derived from within the USA, the functional currency of our financial reports were in US\$.

Our revenue is affected by, *inter alia*, the following factors:

- (a) The number and value of orders from our distributors and retailers, which are in turn highly dependent on our ability to cater to customer demands in terms of product volume, fulfilment speed and product customisation, our ability to consistently provide a high level of service, as well as the reliability and safety record of our products;
- (b) Our continued success in researching and developing products which deliver a high level of energy-savings;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (c) Our ability to increase our existing customer/distributor base and expand into new markets;
- (d) Our ability to successfully obtain and enforce the rights of patents on our intellectual property;
- (e) The continued growth of the energy efficiency industry. In the USA, growth of the industry depends materially on state government support as energy efficiency programs are typically state-funded. We are of the opinion that the level of support from state governments has been increasing in the past decade and is continuing to increase; and
- (f) The successful development and addition of more product lines to leverage on our brand reputation and established sales network.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our Group's revenue.

COST OF SALES

Our cost of sales were approximately US\$5.45 million, US\$6.79 million, and US\$8.37 million, representing approximately 61.2%, 65.8% and 65.2% of total sales in FY2016, FY2017 and FY2018 respectively. The principal component of our cost of sales, being cost of inventories, comprises the costs of components such as multi-sensors, and other costs of conversion, freight inward costs incurred transporting the inventories from our primary independent contract manufacturer's factory in the PRC to our warehouses or customers' locations in the USA, as well as custom duties.

The major components of the cost of sales in absolute terms and expressed as a percentage of total revenue are set out below:

	FY2016		FY2017		FY2018	
	US\$	%	US\$	%	US\$	%
Cost of inventories	5,423,543	61.0	6,440,968	62.4	8,331,086	64.9
Inventory written off	4,951	0.1	276,840	2.7	32	0.0
Others	18,160	0.2	75,196	0.7	41,864	0.3
Total cost of sales	5,446,654	61.2 ⁽¹⁾	6,793,004	65.8	8,372,982	65.2

Note:

(1) The percentage does not add up to 61.2% due to rounding.

Our cost of sales is mainly dependent on the following factors:

- (a) Cost of raw materials and components essential for the manufacture of our products at competitive prices, which is a factor largely within our Group's control due to, *inter alia*, our ability to buy in bulk, optimise buying lead times, and optimise component use across product lines. There is however an element of uncertainty due to factors beyond our control including macroeconomic forces, and market demand and supply;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (b) Our ability to negotiate competitive unit prices from our contract manufacturers, which is largely driven by our purchasing power and reputation as a key market player;
- (c) Freight and other administrative costs, which are often seasonal and can be managed to a certain extent by avoiding peak season freight costs and optimising landing costs at ports to minimise land transport costs; and
- (d) Changes in government regulations and requirements which affect costs such as custom duties. This is usually passed on to our customers.

EXPENSES

Our total expenses mainly comprise selling and distribution expenses, and administrative expenses. Our total expenses amounted to approximately US\$3.71 million, US\$3.14 million and US\$2.17 million in FY2016, FY2017 and FY2018 respectively, representing approximately 41.7%, 30.4% and 16.9% of the total revenue in each corresponding financial year.

Selling and distribution expenses

Our selling and distribution expenses were approximately US\$1.20 million, US\$1.17 million and US\$1.15 million in FY2016, FY2017 and FY2018 respectively, representing approximately 13.5%, 11.3% and 9.0% of the total revenue in each corresponding financial year. These expenses mainly comprise employees' benefits expenses for sales employees, which amounted to approximately US\$0.39 million, US\$0.44 million and US\$0.51 million in FY2016, FY2017 and FY2018 respectively, representing approximately 4.3%, 4.2% and 4.0% of the total revenue in each corresponding financial year; freight outward costs, which amounted to approximately US\$0.39 million, US\$0.19 million and US\$0.15 million in FY2016, FY2017 and FY2018 respectively, representing approximately 4.3%, 1.9% and 1.1% of the total revenue in each financial year; and sales commission, which amounted to approximately US\$0.11 million, US\$0.20 million and US\$0.21 million in FY2016, FY2017 and FY2018 respectively, representing approximately 1.2%, 1.9% and 1.6% of the total revenue in each corresponding financial year.

Administrative expenses

Our administrative expenses amounted to approximately US\$2.51 million, US\$1.97 million and US\$1.01 million in FY2016, FY2017 and FY2018 respectively, representing approximately 28.2%, 19.1% and 7.9% of our total revenue in each corresponding financial year. These expenses mainly comprise directors' fees, which amounted to approximately US\$0.40 million, US\$0.42 million and US\$0.14 million in FY2016, FY2017 and FY2018 respectively, representing approximately 4.5%, 4.0% and 1.1% of the total revenue in each corresponding financial year; salaries, bonuses and other staff benefits of all non-sales staff, which amounted to approximately US\$0.26 million, US\$0.36 million and US\$0.28 million in FY2016, FY2017 and FY2018 respectively, representing approximately 2.9%, 3.5% and 2.2% of our total revenue in each corresponding financial year; professional fees, which amounted to approximately US\$0.27 million, US\$0.39 million and US\$0.20 million in FY2016, FY2017 and FY2018 respectively, representing approximately 3.0%, 3.8% and 1.6% of the total revenue in each corresponding financial year; and engineering fees, which amounted to approximately US\$0.22 million, US\$0.31 million and US\$68,625 in FY2016, FY2017 and FY2018 respectively, representing approximately 2.5%, 3.0% and 0.5% of our total revenue in each corresponding financial year.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF PAST PERFORMANCE

During the Period Under Review, the revenue growth was mainly driven by organic growth in sales of the main product category including both Tier 1 and Tier 2 Advanced Powerstrips, as shown in the table below.

	FY2016		FY2017		FY2018	
	US\$	%	US\$	%	US\$	%
Advanced Powerstrips	8,500,066	95.6	9,958,205	96.5	12,688,216	98.8
Others ⁽¹⁾	394,011	4.4	363,444	3.5	153,259	1.2
Total revenue	8,894,077	100.0	10,321,649	100.0	12,841,475	100.0

Note:

(1) Including all other product lines currently in production belonging to our Group, including energy load controllers, energy monitors, energy meters, surge protectors and minor accessories.

FY2017 compared with FY2016

Revenue

Our revenue increased by approximately US\$1.43 million or approximately 16.1% from approximately US\$8.89 million in FY2016 to approximately US\$10.32 million in FY2017. This increase was mainly attributable to an increase in orders of the Tier 1 and Tier 2 Advanced Powerstrips from two (2) of our distributors, who had successfully won new contracts with utilities companies.

Cost of sales

Our cost of sales increased by approximately US\$1.34 million or approximately 24.6% from approximately US\$5.45 million in FY2016 to approximately US\$6.79 million in FY2017, mainly driven by the corresponding increase in revenue and an inventory write-off amounting to approximately US\$0.28 million in FY2017. In 2017, our Group implemented a new inventory write-off policy and conducted a complete, company-wide inventory review, writing-off all inventory that was slow-moving, damaged and/or older than two (2) years.

Selling and distribution expenses

Our selling and distribution expenses decreased by US\$30,079 or approximately 2.5% from approximately US\$1.20 million in FY2016 to approximately US\$1.17 million in FY2017. In FY2016, we recorded total freight outward costs of approximately US\$0.39 million, which was higher than the freight outward costs incurred in FY2017 by approximately US\$0.19 million. The higher amount was incurred as one (1) of our customers had required direct shipment from our independent contract manufacturer's factory in the PRC, to the customer's warehouse in the USA during the year. The lower freight outward costs in FY2017 were however partially offset by an increase in operating expenses corresponding with the increase in revenue, and an increase in employee benefits and commission paid to sales employees in FY2017.

Administrative expenses

Our administrative expenses decreased by approximately US\$0.54 million or approximately 21.5% from approximately US\$2.51 million in FY2016 to approximately US\$1.97 million in FY2017. In FY2016, we paid approximately US\$0.95 million in management fees to CircleBright

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Limited, being our Group's Controlling Shareholder and sole shareholder during the financial year, as payment for its services. From FY2016 to FY2017, we incurred an overall increase in employee benefits expenses, professional fees and engineering fees of approximately US\$0.34 million or approximately 29.8% from approximately US\$1.14 million in FY2016 to approximately US\$1.48 million in FY2017.

(Loss)/Profit before income tax

Profit before income tax increased by approximately US\$0.72 million from a loss before income tax of approximately US\$0.25 million in FY2016 to a profit before income tax of approximately US\$0.48 million in FY2017.

FY2018 compared with FY2017

Revenue

Our revenue increased by approximately US\$2.52 million or approximately 24.4% from approximately US\$10.32 million in FY2017 to approximately US\$12.84 million in FY2018. The increase in revenue was mainly attributable to an increase in customers' orders for Tier 1 and Tier 2 Advanced Powerstrips.

Cost of sales

Our cost of sales increased by approximately US\$1.58 million or approximately 23.3% from approximately US\$6.79 million in FY2017 to approximately US\$8.37 million in FY2018. This increase in cost of sales is slightly lower than the corresponding revenue growth from FY2017 to FY2018 as some economies of scale were achieved in FY2018 due to an increase in production. Additionally, the amount of inventory written-down in FY2018 was significantly lower than that in FY2017 as a large write-down was recorded in FY2017 following the inventory review and adoption of a new inventory write-off policy during the financial year. We had implemented the new inventory write-off policy pursuant to consultation with BDO LLP, in order to formalise a more structured approach to determining and reflecting inventory obsolescence on our financial statements.

Selling and distribution expenses

Our selling and distribution expenses decreased marginally by US\$14,458 or approximately 1.2% from approximately US\$1.17 million in FY2017 to approximately US\$1.15 million in FY2018. The decrease was mainly due to a decrease of US\$47,487 from approximately US\$0.19 million in FY2017 to US\$0.15 million in FY2018 in freight outward costs, and a decrease of US\$37,082 from US\$94,000 in FY2017 to US\$56,918 in FY2018 in inventory processing fees.

Administrative expenses

Our administrative expenses decreased by approximately US\$0.96 million or approximately 48.7% from approximately US\$1.97 million in FY2017 to approximately US\$1.01 million in FY2018. The decrease was mainly due to a decrease of US\$85,477 in salaries, bonuses and other staff benefits from approximately US\$0.36 million in FY2017 to approximately US\$0.28 million in FY2018; a decrease of approximately US\$0.28 million in directors' fees from approximately US\$0.42 million in FY2017 to approximately US\$0.14 million in FY2018; a decrease of approximately US\$0.19 million in professional fees from approximately US\$0.39 million in FY2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

to approximately US\$0.20 million in FY2018; and a decrease of US\$39,236 in research and testing fees from US\$40,288 in FY2017 to US\$1,052 in FY2018.

(Loss)/Profit before income tax

Profit before income tax increased by approximately US\$1.83 million or approximately 381.3% from approximately US\$0.48 million in FY2017 to approximately US\$2.31 million in FY2018.

REVIEW OF FINANCIAL POSITION

As at 31 December 2016

Current assets

As at 31 December 2016, our current assets of approximately US\$7.80 million accounted for approximately 96.3% of our total assets. Our current assets comprised the following:

- (a) Inventories amounting to approximately US\$2.74 million which represented approximately 35.1% of our total current assets;
- (b) Trade and other receivables amounting to approximately US\$2.68 million which represented approximately 34.4% of our total current assets. Trade and other receivables mainly comprised trade and other receivables, deposits, and goods and services tax recoverable;
- (c) Cash and bank balances amounting to approximately US\$2.27 million which represented approximately 29.1% of our total current assets;
- (d) Fixed deposits amounting to US\$89,589 which represents approximately 1.1% of our total current assets; and
- (e) Prepayments and income tax recoverable amounting to US\$33,643 which represented approximately 0.4% of our total current assets.

Non-current assets

As at 31 December 2016, our non-current assets of approximately US\$0.30 million accounted for approximately 3.7% of our total assets. Our non-current assets comprised the following:

- (a) Intangible assets amounting to approximately US\$0.16 million which represented approximately 53.3% of our total non-current assets. Intangible assets mainly comprised patents; and
- (b) Property and equipment amounting to approximately US\$0.14 million which represented approximately 46.7% of our total non-current assets. Property and equipment mainly comprised computer equipment and software, office furniture and fittings, and machinery.

Current liabilities

As at 31 December 2016, our total current liabilities amounted to approximately US\$4.04 million. Our current liabilities comprised the following:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (a) Trade payables amounting to approximately US\$3.41 million which represented approximately 84.4% of our total current liabilities. Trade payables mainly comprised inventory which our Group orders at higher levels during the fourth quarter of each financial year in order to cater to the slowdown in production in the PRC in the first quarter of each financial year due to Chinese New Year; and
- (b) Advances received, accrued expenses, goods and services tax payable and other payables amounting to approximately US\$0.63 million which represented approximately 15.6% of the total current liabilities.

Non-current liabilities

We had no non-current liabilities as at 31 December 2016.

Equity attributable to equity holders of our Company

As at 31 December 2016, our shareholders' equity amounted to approximately US\$4.07 million comprising share capital of approximately US\$4.49 million, negative foreign currency translation account of US\$2,213 and accumulated losses of approximately US\$0.42 million.

As at 31 December 2017

Current assets

As at 31 December 2017, our total current assets of approximately US\$7.44 million accounted for approximately 94.6% of our total assets. Our current assets comprised the following:

- (a) Inventory amounting to approximately US\$4.26 million which represented 57.3% of our total current assets;
- (b) Cash and bank balances amounting to approximately US\$1.49 million which represented approximately 20.0% of our total current assets;
- (c) Fixed deposits amounting to US\$86,826 which represents approximately 1.2% of our total current assets;
- (d) Trades and other receivable amounting to approximately US\$1.54 million which represented 20.7% of our total current assets; and
- (e) Prepayments and current income tax recoverable amounting to US\$62,982 which represents 0.8% of our total current assets.

Non-current assets

As at 31 December 2017, our non-current assets of approximately US\$0.43 million accounted for approximately 5.4% of our total assets. Non-current assets comprised the following:

- (a) Deferred tax assets amounting to approximately US\$0.17 million which represented approximately 39.5% of our total non-current assets;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (b) Plant and equipment amounting to approximately US\$0.14 million which represented approximately 32.6% of our total non-current assets. Plant and equipment mainly comprised computer equipment and software, office furniture and fittings, and machinery; and
- (c) Intangible assets amounting to approximately US\$0.11 million which represented approximately 25.6% of our total non-current assets. Intangible assets mainly comprised patents.

Current liabilities

As at 31 December 2017, our current liabilities amounted to approximately US\$3.74 million. Our current liabilities comprised the following:

- (a) Trade payables amounting to approximately US\$2.85 million which represented approximately 76.2% of our total current liabilities; and
- (b) Advance received, accrued expenses and other payables amounting to approximately US\$0.89 million which represented approximately 23.8% of our total current liabilities.

Non-current liabilities

We had no non-current liabilities as at 31 December 2017.

Equity attributable to equity holders of our Company

As at 31 December 2017, our total shareholders' equity amounting to approximately US\$4.13 million comprised share capital of approximately US\$4.49 million, foreign currency translation account of US\$21,518 and accumulated losses of approximately US\$0.39 million.

As at 31 December 2018

Current assets

As at 31 December 2018, our current assets of approximately US\$10.87 million accounted for approximately 97.2% of our total assets. Our current assets comprised the following:

- (a) Inventory amounting to approximately US\$6.94 million which represents approximately 63.9% of our total current assets.
- (b) Cash and bank balances amounting to approximately US\$1.55 million which represents approximately 14.3% of our total current assets;
- (c) Trade and other receivables amounting to approximately US\$1.96 million which represents approximately 18.0% of our total current assets. Trade and other receivables mainly comprised trade and other receivables, and deposits;
- (d) Prepayments amounting to approximately US\$0.41 million which represents approximately 3.8% of our total current assets. Prepayments increased in FY2018 mainly due to expenses incurred in connection with the Placement;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (e) Fixed deposits amounting to US\$7,253 which represents approximately 0.1% of our total current assets. Fixed deposits were pledged for credit cards; and
- (f) Current income tax recoverable amounting to US\$3,797 which represents approximately 0.03% of our total current assets.

Non-current assets

As at 31 December 2018, our non-current assets of approximately US\$0.31 million accounted for approximately 2.8% of our total assets. Our non-current assets comprised the following:

- (a) Intangible assets amounting to approximately US\$0.22 million which represents approximately 71.0% of our total non-current assets. Intangible assets mainly comprised patents; and
- (b) Property and equipment amounting to US\$91,622 which represents approximately 29.7% of our total non-current assets. Property and equipment mainly comprised computer equipment and software, office furniture and fittings, machinery, and air conditioners.

Current liabilities

As at 31 December 2018, our current liabilities amounted to approximately US\$6.04 million. Our current liabilities accounted for approximately 99.96% of our total liabilities and comprised the following:

- (a) Trade and other payables amounting to approximately US\$5.86 million which represents approximately 97.0% of our total current liabilities. Trade and other payables mainly comprised trade payables to suppliers, other payables and accrued expenses. Trade payables mainly comprised inventory which our Group orders at higher levels during the fourth quarter of each financial year in order to cater to the slowdown in production in the PRC in the first quarter of each financial year due to Chinese New Year Terms for these payables are net 75 days and our Group has been prompt in all its payments to its suppliers. Our Group also increased its inventory levels to manage the tariff issue with the PRC, and allow our customers more time to adjust to changes in tariffs, if needed;
- (b) Provision for warranty cost amounting to US\$5,820 which represents approximately 0.1% of our total current liabilities; and
- (c) Current income tax payable amounting to approximately US\$0.17 million which represents approximately 2.8% of our total current liabilities.

Non-current liabilities

As at 31 December 2018, our non-current liabilities amounted to US\$2,296. Our non-current liabilities accounted for 0.04% of our total liabilities and comprised deferred tax liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Equity attributable to equity holders of our Company

As at 31 December 2018, our total shareholders' equity amounting to approximately US\$5.14 million comprised share capital of approximately US\$4.49 million, foreign currency translation account of US\$16,446 and retained earnings of approximately US\$0.63 million.

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, our Group financed our operations through internal sources of funds, namely, cash generated from our Group's operating activities. The principal uses of these sources of funds are to finance operating expenses such as sales and marketing, employee payroll and benefits, administrative expenses, research and development activities, and capital expenditure.

As at the Latest Practicable Date, our Group does not have any banking facilities.

In assessing whether our Group has sufficient working capital, our Directors have considered the following:

- (a) Our Group has maintained positive working capital positions of approximately US\$3.77 million, US\$3.70 million, and US\$4.83 million as at 31 December 2016, 31 December 2017 and 31 December 2018, respectively; and
- (b) Our Group has cash and cash equivalents of approximately US\$1.45 million as at the Latest Practicable Date.

Taking into account the factors above, our Directors are of the reasonable opinion that the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

Taking into account the factors above, the Sponsor, Issue Manager and Placement Agent is of the reasonable opinion that the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

The following table sets out a summary of our Group's cash flows for FY2016, FY2017 and FY2018:

(US\$)	← Audited →		
	FY2016	FY2017	FY2018
Net cash from/(used in) operating activities	1,255,583	(277,259)	1,077,391
Net cash used in investing activities	(48,160)	(58,894)	(164,331)
Net cash used in financing activities	(2,321,535)	(469,755)	(932,254)
Net change in cash and cash equivalents	(1,114,112)	(805,908)	(19,194)
Cash and cash equivalents at beginning of financial year	3,395,633	2,360,084	1,577,907

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

(US\$)	← Audited →		
	FY2016	FY2017	FY2018
Exchange differences on cash and cash equivalents	78,563	23,731	(5,064)
Cash and cash equivalents at end of the financial year	2,360,084	1,577,907	1,553,649

FY2016

In FY2016, we recorded net cash from operating activities of approximately US\$1.26 million, which was a result of negative operating cash flows before working capital changes of approximately US\$0.12 million, adjusted for working capital inflows of approximately US\$1.41 million and income tax paid of US\$32,239. The net working capital increase was due to the following:

- (a) decrease in trade and other receivables inclusive of prepayments of approximately US\$0.24 million; and
- (b) increase in inventory of approximately US\$0.80 million.

The above working capital increase was partially offset by an increase in trade and other payables of approximately US\$1.98 million.

Net cash used in investing activities amounted to US\$48,160, which was attributable to capital expenditure on purchases of fixed assets of US\$52,522 and net-off against bank interest amounting to US\$4,362.

Net cash used in financing activities amounted to approximately US\$2.32 million, which was due to a payment of dividend of approximately US\$0.59 million, and advances to the immediate holding company and a related party of approximately US\$2.18 million and US\$78,712 respectively, which was partially offset by repayment from the immediate holding company and a related party of approximately US\$0.40 million and US\$0.12 million respectively.

As at 31 December 2016, our total cash and cash equivalents were approximately US\$2.36 million.

FY2017

In FY2017, we recorded net cash used in operating activities of approximately US\$0.28 million, which was a result of operating cash flows before working capital changes of approximately US\$0.88 million, adjusted for working capital outflows of approximately US\$1.13 million and income tax paid of US\$29,183. The net working capital decrease was due to the following:

- (a) decrease in trade and other receivables of approximately US\$0.97 million;
- (b) increase in prepayments of US\$2,293;
- (c) increase in inventory of approximately US\$1.80 million; and
- (d) decrease in trade and other payables of approximately US\$0.30 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash used in investing activities amounted to US\$58,894, which was attributable to capital expenditure on purchases of fixed assets of US\$60,832 and net-off against interest received of US\$1,938.

Net cash used in financing activities amounted to approximately US\$0.47 million, which was due to advances to the immediate holding company and a corporate shareholder of approximately US\$0.44 million and US\$25,000 respectively.

As at 31 December 2017, our total cash and cash equivalents were approximately US\$1.58 million.

FY2018

In FY2018, we recorded net cash from operating activities of approximately US\$1.08 million, which was a result of operating cash flows before working capital changes of approximately US\$2.42 million, adjusted for working capital outflows of approximately US\$1.39 million and a tax refunded of US\$44,154. The net working capital decrease was due to the following:

- (a) increase in inventory of approximately US\$2.68 million; and
- (b) increase in trade and other receivables including prepayment of approximately US\$0.84 million.

The above working capital decrease was partially offset by an increase in trade and other payables and provision for warranty cost of approximately US\$2.12 million and US\$5,820 respectively.

Net cash used in investing activities amounted to approximately US\$0.16 million, which was attributable to capital expenditure on purchases of fixed assets of US\$10,129, purchase of intangible assets of approximately US\$0.16 million and interest received of US\$1,736.

Net cash used in financing activities amounted to approximately US\$0.93 million, which was primarily due to payment of a dividend of approximately US\$0.48 million and advances to the immediate holding company of approximately US\$0.45 million, which was partially offset against the proceeds from issuance of shares of US\$1.

As at 31 December 2018, our total cash and cash equivalents were approximately US\$1.55 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

CAPITAL EXPENDITURE AND DIVESTMENTS

The capital expenditures and divestments made by our Group in FY2016, FY2017, FY2018 and for the period from 1 January 2019 up to the Latest Practicable Date were as follows:

(US\$)	FY2016	FY2017	FY2018	From 1 January 2019 up to the Latest Practicable Date
Capital expenditures				
Computer, furniture and fittings, office equipment and renovation	38,301	51,981	6,619	12,997
Tools and equipment	14,221	–	–	–
Machinery	–	8,851	3,510	–
Total	52,522	60,832	10,129	12,997
Divestments				
	–	–	–	–

The above capital expenditures were primarily financed through internal sources of funds, namely, cash generated from our Group's operating activities.

Our capital expenditures for the Relevant Period were incurred mainly due to the purchase of office equipment for our offices in Kuala Lumpur, Malaysia and Grand Rapids, Michigan, the USA, in order to support the increase in our business activities.

FOREIGN EXCHANGE MANAGEMENT

Accounting treatment of foreign currencies

Part of our Group's operations is carried out by our subsidiary in Malaysia. The functional currency of this entity is in RM. Foreign monetary currency assets and liabilities are remeasured into US\$ at the end of period exchange rates. Non-monetary assets and liabilities are remeasured each day at the exchange rate in effect on the day of the transaction, except for those expenses relating to balance sheet amounts, which are recorded at historical exchange rate. Gains or losses from foreign currency transactions are included in the consolidated statements of operations as part of financial expenses – net when they arise.

Foreign exchange exposure

The proportions of our revenue and purchases denominated in the various currencies during the Period Under Review were as follows:

Revenues denominated in	FY2016 (%)	FY2017 (%)	FY2018 (%)
US\$	99.7	99.8	100.0
Canadian dollar	0.3	0.2	–
	100.0	100.0	100.0

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Cost of revenues denominated in	FY2016 (%)	FY2017 (%)	FY2018 (%)
US\$	100.0	100.0	100.0
	100.0	100.0	100.0

Expenses denominated in	FY2016 (%)	FY2017 (%)	FY2018 (%)
US\$	92.6	89.0	83.9
RM	7.0	10.7	15.6
S\$	–	–	0.2
HK\$	0.4	0.2	0.3
	100.0	100.0 ⁽¹⁾	100.0

Note:

(1) The percentages do not add up to 100.0% due to rounding.

To the extent that the revenues, cost of revenues and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/payment, we may be exposed to fluctuations of the various currencies against the US\$, which may adversely affect the earnings.

The net foreign exchange exposure for FY2016, FY2017 and FY2018 were as follows:

	FY2016	FY2017	FY2018
Net foreign exchange loss/(gain) (US\$)	77,260	26,287	(872)
As a percentage of revenue (%)	0.9%	0.3%	n.m. ⁽¹⁾
As a percentage of (loss)/income before income tax (%)	(31.1%)	5.5%	n.m. ⁽¹⁾

Note:

(1) Not meaningful.

We do not currently have a formal hedging policy although we may, subject to the approval of our Board of Directors, enter into relevant transactions when necessary, to hedge the exposure to foreign currency fluctuations. We will also put in place, where necessary, procedures to hedge the exposure to foreign currency fluctuations. Such procedures will be reviewed and approved by our Audit Committee and our Board of Directors.

SIGNIFICANT ACCOUNTING POLICY CHANGES

During FY2016, FY2017 and FY2018, our Group adopted the new or revised SFRS(I) that are relevant to its operations and effective for each financial year respectively. Changes to our Group's accounting policies have been made as required in accordance with the relevant transitional provisions in the respective SFRS(I). The adoption of the new or revised SFRS(I) including related SFRS(I) Interpretations ("**SFRS(I) INT**") did not result in any substantial changes

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

to our Group's accounting policies and has no material effect on the amounts reported for the respective financial years, except as detailed below.

Save as disclosed in this section of the Offer Document, our Company will not be adopting any new accounting policies in the near future which may have a material impact on our Group's financials.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In addition, it also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

Our Group adopted SFRS(I) 15 using the full retrospective method. There is no impact arising from the adoption of SFRS(I) 15 on the combined financial statements.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. Our Group has applied SFRS(I) 9 retrospectively, with the initial application date of 1 January 2018 and elected not to restate the comparative information for the financial year beginning 1 January 2017.

SFRS(I) and SFRS(I) INT issued but not yet effective

The following new SFRS(I), amendments to and SFRS(I) INT are effective for financial years beginning on or after 1 January 2019, and have not been early adopted:

- (a) SFRS(I) 1-19 *Amendments to SFRS(I) 1-19: Plan Amendment, Curtailment or Settlement*
- (b) SFRS(I) 9 *Amendments to SFRS(I) 9: Prepayment Features with Negative Compensation*
- (c) SFRS(I) 1-28 *Amendments to SFRS(I) 1-28: Long-term Interests in Associates and Joint Ventures*
- (d) SFRS(I) 16 *Leases*
- (e) SFRS(I) 17 *Insurance Contracts*
- (f) SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- (g) Annual improvements to SFRS(I) 2015-2017 cycle
- (h) SFRS(I) 3 *(Amendments) to SFRS (I) 3: Definition of a Business*
- (i) SFRS(I) 1-1 and SFRS(I) 1-8 *(Amendments) to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material*
- (j) Various (Amendments) *References to the Conceptual Framework in SFRS(I) Standards*

Mandatory effective date deferred

- (k) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Management anticipates that the adoption of the above new SFRS(I), amendments to and SFRS(I) INT will not have a material impact on the consolidated financial statements of our Group in the period of their initial adoption, except as disclosed below.

SFRS(I) 16 Leases

Summary of the requirements

SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use assets and financial liabilities to pay rentals with a term of more than 12 months, unless the underlying asset is of a low value.

SFRS(I) 16 substantially carries forward the lessor accounting requirements in FRS 17 *Leases* ("**FRS 17**"). Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two (2) types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

When effective, SFRS(I) 16 replaces existing lease accounting guidance, including FRS 17, FRS Interpretations 104 *Determining whether an Arrangement contains a Lease*, FRS Interpretations 15 *Operating Leases – Incentives* and FRS Interpretations 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied.

Potential impact on the financial statements

Our Group has performed an assessment on the adoption of SFRS(I) 16 based on currently available information as well as recognition exemptions under SFRS(I) 16. Our Group expects to capitalise its office premises and other operating facilities on the combined statement of financial position by recognising them as "right-of-use" assets and their corresponding lease liabilities for the present value of future lease payments of S\$50,745 respectively. This assessment may be subject to changes from the ongoing analysis until the finalisation of transition entries. Our Group plans to adopt the standard in the financial year beginning on 1 January 2019 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in the financial statements for that financial year.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with "Appendix A – Independent Auditors' Report and Audited Combined Financial Statements of TrickleStar Limited and its Subsidiaries for the Financial Years ended 31 December 2016, 2017 and 2018" to this Offer Document, sets out our cash and cash equivalents and capitalisation, which is prepared based on:

- (a) our audited combined financial statements as at 31 December 2018;
- (b) our unaudited combined management accounts as at the Latest Practicable Date;
- (c) our unaudited combined management accounts as at the Latest Practicable Date as adjusted for the allotment and issue of the Placement Shares and the application of net proceeds from the Placement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

(US\$)	As at 31 December 2018	As at the Latest Practicable Date	As at the Latest Practicable Date and adjusted for the allotment and issue of the Placement Shares and the application of net proceeds from the Placement
Cash and cash equivalents	1,553,649	1,454,384	3,218,441
Non-current liabilities			
Secured and guaranteed	–	–	–
Non-secured and non-guaranteed	2,296	2,296	2,296
Current liabilities			
Secured and guaranteed	–	–	–
Non-secured and non-guaranteed	6,036,906	4,779,790	4,779,790
Total indebtedness	6,039,202	4,782,086	4,782,086
Total shareholders' equity and reserves	5,137,399	4,798,614	6,562,671
Total capitalisation and indebtedness	11,176,601	9,580,700	11,344,757

Save for (a) the changes in working capital; and (b) the changes in our shareholders' equity and reserves arising from the day-to-day operations in the ordinary course of business, there were no material changes to our capitalisation and indebtedness as disclosed above as at the Latest Practicable Date.

Indebtedness

As at the Latest Practicable Date, we do not have credit facilities with any financial institutions nor any indebtedness.

Our Group does not have any committed borrowing facilities.

To the best of our Board of Directors' knowledge, our Group is not in breach of any of the terms and conditions or covenants associated with any of its financing arrangements which could materially affect our Group's financial position and results or business operations or the investments of Shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Operating lease commitments

Our Group has entered into commercial property tenancies for the rental of its office premises in Malaysia and commercial property leases for the rental of its office and warehouse premises in the USA. These commercial property tenancies and commercial property leases are non-cancellable operating leases.

As at 31 December 2018 and the Latest Practicable Date, our Group's future minimum rentals payable under the non-cancellable operating leases are as follows:

(US\$)	As at 31 December 2018	As at the Latest Practicable Date
Not later than one (1) year	51,780	44,950
Later than one (1) year but not later than five (5) years	22,258	11,488
	74,038	56,438

Capital commitments

As at the Latest Practicable Date, our Group has no material capital commitments.

CONTINGENT LIABILITIES

As at the Latest Practicable Date, to the best of the Board of Directors' knowledge and belief, they are not aware of any contingent liabilities which may have a material effect on the financial position and profitability of our Group.

SEASONALITY

Our business activities are generally not subject to any significant seasonal fluctuation.

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation on a Group basis.

GENERAL INFORMATION ON OUR GROUP

OUR HISTORY

Our Company was incorporated in Singapore on 31 October 2018 under the Companies Act as a private company limited by shares under the name of “TrickleStar Pte. Ltd.”. On 17 May 2019, our Company was converted into a public company limited by shares and our name was changed to “TrickleStar Limited”. In preparation for our Listing, we undertook the Restructuring Exercise, following which our Company became the holding company of our Group. Please refer to the section entitled “Restructuring Exercise” of this Offer Document for further details on the Restructuring Exercise.

The following are key events in our history and business development:

Year	Key Event
2007	TrickleStar HK was incorporated on 6 November 2007. Bernard Christopher Emby was one of the founders of TrickleStar HK. At that time, TrickleStar HK was incorporated for the purposes of developing energy-saving products.
2009	TrickleStar USA was incorporated as a Delaware limited liability company under the name “Tricklestar LLC” on 19 May 2009 as a wholly-owned subsidiary of the TrickleStar HK, to act as the importer of products to be sold in the USA and Canada and enable our Group to provide fast domestic delivery to customers.
2009	Our Group successfully launched the TrickleSaver energy-saving product line at the Consumer Electronics Show in Las Vegas, the USA.
2010	TrickleStar HK successfully raised US\$1 million in funding.
2011	TrickleStar Malaysia was incorporated as a wholly-owned subsidiary of TrickleStar HK under the Malaysia Companies Act on 5 December 2011, to serve as the operating headquarters of our Group.
2011	Our Group engaged Powertech as our primary independent contract manufacturer and outsourced the manufacture and assembly of our products to Powertech.
2012	Our Group was appointed to provide energy-saving products for the energy efficiency program in the State of Vermont, USA. This was a major milestone for our Group as there are stringent selection criteria for products to be included in government-approved energy efficiency programs. This significantly boosted the sales of Advanced Powerstrips and opened up opportunities with other electrical utilities and energy efficiency programs nationally.
2013	Our Group secured our first major contract with a California electric utility for the supply of energy-saving products worth approximately US\$2 million.

GENERAL INFORMATION ON OUR GROUP

Year	Key Event
2013	Our Group secured its first contract with the US Air Force, worth approximately US\$1.50 million.
2014	Our Group secured contracts with major clients who are distributors to utilities companies.
2014	Our Group launched Tier 2 Advanced Powerstrips and energy monitors.
2016	Our Group sold a total of 3 million Advanced Powerstrips in North America.
2016	Our Group made a significant investment to develop connected devices such as connected power controllers for electric utility energy efficiency and demand response programs.
2016	Our Group entered into a 5-year framework supply agreement with Powertech in relation to the manufacture and assembly of products by Powertech.
2017	Our Group established a warehousing facility and an office in Grand Rapids, Michigan, the USA.
2018	TrickleStar launched PROSeries surge protectors and USB motion sensors.
2018	Our Group sold a total of 3.50 million Advanced Powerstrips in North America.

INDUSTRY OVERVIEW

Energy Efficiency Industry

Energy efficiency refers to a reduction in the amount of energy required to produce a given level of products and services or using less energy while enjoying the same, or higher, levels of services.

In 2013, the International Energy Agency (the “IEA”), an autonomous intergovernmental organisation with a mission to enhance the reliability, affordability and sustainability of energy for its 30 member countries as well as globally, labelled energy efficiency as the world’s “first fuel”, describing it as a “source of energy in its own right”,¹ capable of displacing demand for traditional energy resources.

¹ International Energy Agency. (2013). *Energy Efficiency Market Report 2013*. Paris: International Energy Agency.

GENERAL INFORMATION ON OUR GROUP

In a study conducted on energy consumption of a group of 11 member countries, the IEA noted that energy-savings from energy efficiency measures in the year 2010 amounted to 63 exajoules (“EJ”), exceeding the amount of every single supply-side energy source consumed during the year, such as oil (43 EJ), electricity (22 EJ) and natural gas (22 EJ).² In the year studied, energy-savings from efficiency measures amounted to 65.0% of total final consumption of energy in the 11 IEA member countries, which translated directly into substantial cost-savings for these nations.

In the years following the study, global energy efficiency has continued to improve. Between 2000 and 2017, energy efficiency increased by 15.0% amongst IEA countries and other major economies including the PRC, India, and Russia.³

In the USA, potential savings from energy efficiency are estimated at more than US\$130 billion per year⁴. Describing efficiency as a vast, low-cost and easily accessible energy source, former US Energy Secretary Steven Chu wrote in a 2009 opinion piece in the Times of London that “Energy efficiency is not just the low-hanging fruit, it’s the fruit that’s lying on the ground.”

Apart from financial savings for governments and, in turn, consumers, energy efficiency also contributes meaningfully to long-term energy security, economic growth, and even improved health and well-being. The gamut of potential rewards from increased energy efficiency has propelled global investment in supporting measures in the past decades, reaching USD236 billion in the year 2018.⁵

USA Energy Efficiency Policies

The USA is the world’s second-largest consumer of energy, consuming 2.20 billion tonnes of oil equivalent (“toe”) in 2017⁶. Viewed in another way, such high consumption needs provide strong impetus for the nation to pursue energy efficiency and the large potential savings it could yield.

Accordingly, over the past decades, several federal legislations containing significant energy efficiency provisions have been signed into law. For instance, the Energy Policy Act of 2005 included several appliance standards, new tax incentives, and federal energy management enhancements, while the Energy Independence and Security Act of 2007 further raised appliance and equipment efficiency standards and put in place new light bulb efficiency requirements. More recently in 2011, the Alliance to Save Energy’s Commission on National Energy Efficiency Policy established a goal of doubling energy productivity in the USA by 2030.⁷

² International Energy Agency. (2013). Energy Efficiency Market Report 2013. Paris: IEA Publications.

³ International Energy Agency. (2018). Energy Efficiency 2018 – Analysis and Outlook to 2040. Paris: IEA Publications.

⁴ This information was extracted from the internet website of the Renewable Energy and Energy Efficiency Partnership at: <https://www.reeep.org/united-states-america>.

⁵ International Energy Agency. (2018). World Energy Investment 2018. Paris: International Energy Agency.

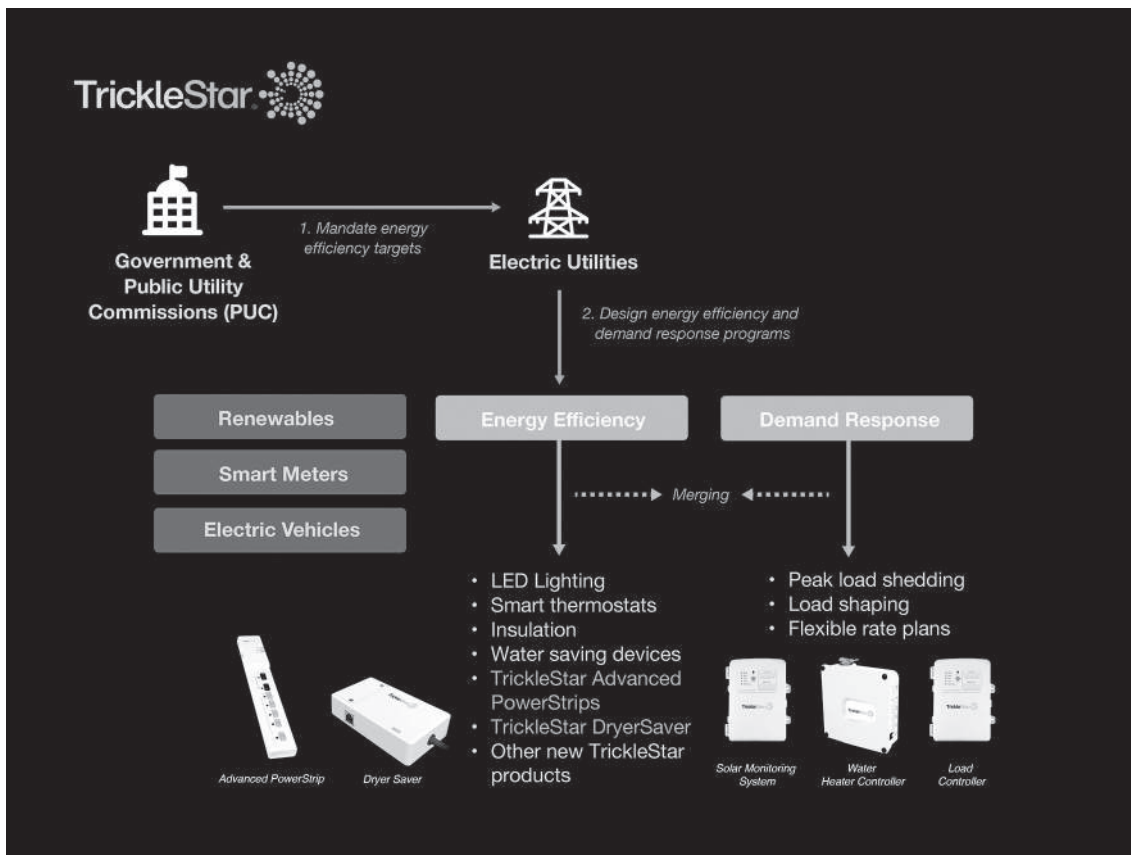
⁶ Enerdata Ltd. (2018). Global Energy Statistical Yearbook World Consumption Statistics. Retrieved from Global Energy Statistical Yearbook 2018: <https://yearbook.enerdata.net/total-energy/world-consumption-statistics.html>.

⁷ Alliance Commission on National Energy Efficiency Policy. (2013). The History of Energy Efficiency. Washington, DC: Alliance Commission on National Energy Efficiency Policy.

GENERAL INFORMATION ON OUR GROUP

Federal policies are broad in coverage, pursuing energy efficiency through various policy areas including utility and public benefits programs and policies, transportation policies, building energy codes and standards, combined heat and power policies, as well as appliance and equipment standards. Amongst these common policy areas, utility and public benefits programs and policies are often deemed one of the most important in terms of the potential energy-savings they represent. For instance, in a study conducted by the American Council for an Energy-Efficient Economy scoring the effectiveness of individual states' energy efficiency policies and measures, utility and public benefits programs and policies were considered the most important policy area, contributing 40.0% of the total energy-savings possible through the measures scored.⁸

Utility Energy Efficiency Programs



In line with federal policies, governments and public utility commissions in many states across the USA have implemented Energy Efficiency Resource Standards (“EERS”), which establish specific long-term energy efficiency targets that electric utilities, supported by statewide program administrators, must achieve through, *inter alia*, energy efficiency and demand response programs. As of December 2018, 27 out of 52 states in the USA had adopted state-specific EERS.

⁸ American Council for an Energy-Efficient Economy. (2017). Topics – Energy Efficiency Resource Standard (EERS). Retrieved from American Council for an Energy-Efficient Economy: <https://aceee.org/topics/energy-efficiency-resource-standard-eers>.

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Overall, the USA spent approximately US\$7.90 billion on energy efficiency in the utility sector in 2017, and reaped savings of almost 27.3 megawatt-hours during the year.⁹ Savings targets mandated by state-specific EERS increase over time, gradually requiring greater energy-savings, thereby promoting ever-increasing energy efficiency. For instance, Massachusetts, one of the leading states in promoting energy efficiency in the USA, implemented a three-year electric savings plan representing a 5.0% increase relative to what was achieved in the previous three-year plan.

To meet savings targets, utilities develop, implement and administer a portfolio of energy efficiency measures, such as providing energy education, replacing incandescent and fluorescent lightbulbs with light-emitting diode (“**LED**”) lightbulbs in homes and workplaces, and subsidising the cost of energy efficient technologies such as smart thermostats, Advanced Powerstrips and dryer savers.

Historically, energy efficiency programs had relied heavily on the replacement of incandescent light bulbs with compact fluorescent light (“**CFL**”) bulbs in homes and workplaces in order to achieve energy efficiency targets. For more than a decade, lighting has contributed to a significant majority of the savings claimed by many energy efficiency programs in North America. As a result of the success of this initiative, however, the US market has achieved near saturation of CFL bulbs. While the recent change to light-emitting diode LED light bulbs and fixtures has opened up further opportunities for energy efficiency within the lighting space, the energy efficiency gained from replacing CFL bulbs with LED bulbs will not be comparable to that from replacing incandescent bulbs with CFL bulbs. The energy efficiency gained from using LED bulbs instead of CFL bulbs is typically four (4) to six (6) watts per light bulb, but the cost of a LED bulb is more than three (3) times that of a CFL bulb, which delivers savings of more than 45 watts from incandescent bulbs.

The saturation of CFL bulbs in the market has left a very sizable gap in the energy-saving plans of many energy efficiency programs in the USA. As a result, program designers have been shifting the focus of their programs to other energy efficiency opportunities such as plug-load controls, internet-connected systems, enhanced appliance standards, load shifting and improved demand response systems.

Standby power use corresponds to 10.0% of total electricity consumption in the USA.¹⁰ This represents an enormous and largely untapped opportunity to improve energy efficiency for electric utilities.

⁹ Weston Berg, S. N. (2018). The 2018 State Energy Efficiency Scorecard. Washington, DC: American Council for an Energy-Efficient Economy.

¹⁰ Bertoldi, Paolo et. al. Standby Power Use: How Big is the Problem? What Policies and Technical Solutions Can Address It?

Each of the above organisations and corporations (as the case may be) has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

GENERAL INFORMATION ON OUR GROUP

BUSINESS OVERVIEW

We design and supply affordable, simple and easy-to-use energy-saving products to help consumers reduce energy consumption in their homes and workplaces. These products also protect consumer devices and help to minimise environmental impact by reducing energy wastage from appliances and consumer electronics products. Our portfolio of energy-saving products includes Advanced Powerstrips, load controllers, energy meters, energy monitors and surge protectors.

Our Group's business focus has historically been in North America. In 2012, our Group achieved a significant milestone when the USA state of Vermont officially included our Advanced Powerstrips in the state's list of approved products for its state-funded energy efficiency programs. State-funded energy efficiency programs are sponsored by electric utilities, which in turn assign distributors to purchase the products from our Group, and arrange for the products to be installed for use in workspaces and homes. Following favourable feedback on the performance and quality of our products as well as the standard of our customer service, our Group's products subsequently successfully obtained approval from several other states in the USA. As of 2018, our products have been included on the list of approved products for state-funded energy efficiency programs in more than 20 states in the USA, including Massachusetts, California and South Carolina.

Our energy-saving products are purchased by electric utilities, energy efficiency programs, implementation contractors and energy auditors in the USA. Since 2017, we have also begun to expand and increase the utilisation of other sales channels for distribution of our energy-saving products, such as our Group's proprietary website, e-commerce marketplaces, and through the physical stores of retailers such as The Home Depot.

Our business model is asset-light and customer-centric, with a particular focus on the development of intellectual property, brand development and the marketing of energy-saving products.

As at the Latest Practicable Date, our Group has operations in Malaysia and the USA. Our headquarters located in Kuala Lumpur, Malaysia, serves as our corporate office and houses our finance, logistics, marketing and other corporate support functions. Our USA sales office is located in Grand Rapids, Michigan. Our Group also has third-party warehouse and logistics facilities located in Massachusetts, California in the USA and Toronto in Canada, that enable us to facilitate better access and reach to our customers who are based in the USA and Canada.

Since 2015, our Group has actively pursued automation of our entire enterprise through the use of SAP Business One, an enterprise resource planning software. This has enabled us to maintain a very lean organisation that is built for scale.

Our Company has been our Group's holding company since the Restructuring Exercise was completed. TrickleStar HK, incorporated in Hong Kong, holds the legal ownership of patents on behalf of our Group.

Our Group has invested significantly into connected devices over the past two (2) years and intends, in the medium term, to release a range of innovative energy-saving products that will expand our product offerings to include devices well-suited for electric utility demand response programs.

GENERAL INFORMATION ON OUR GROUP

OUR PRODUCTS

The following sets out details of our Group's main portfolio of products.

Advanced Powerstrips

Our Group derives its revenue substantially from the sale of Advanced Powerstrips built based on our Group's patented technology. An Advanced Powerstrip is a smart power strip with energy-saving and surge protection functionality, automatically cutting off power supply to plugged-in electronic appliances when these are not in use, thereby reducing energy usage. Our Group produces a range of Advanced Powerstrips for different applications, the majority of which have fireproof surge protection, and are equipped with noise-filtering and overload protection capabilities.

Tier 1 Advanced Powerstrips

A typical Advanced Powerstrip has a number of outlets, one of which is designated to the "master" appliance, such as a television or a Central Processing Unit ("CPU"), while the remaining are utilised by peripheral devices such as audio-visual ("AV") receivers, printers, and speakers.

A Tier 1 Advanced Powerstrip automatically cuts off power supply to plugged-in peripheral devices when it detects that the master appliance has been switched off by the user. When the master appliance is subsequently switched on, the Advanced Powerstrip will resume power supply to peripheral devices as well. By reducing standby power usage, utilising an Advanced Powerstrip aids users in reducing standby loads.



TS0006
4 Outlet Tier 1
Advanced Powertap



TS1104
7 Outlet Tier 1
Advanced Powerstrip



TS1006
12 Outlet Tier 1
Advanced Powerstrip

Tier 2 Advanced Powerstrips

On top of performing functions that a Tier 1 Advanced Powerstrip performs, a Tier 2 Advanced Powerstrip is able to detect the level of user engagement with the master appliance, and automatically cuts off power supply to the master appliance, followed by the peripheral devices, when it detects that the user is not interacting with the devices. A typical Tier 2 Advanced Powerstrip detects user engagement using infrared detection, while a Tier 2 Advanced Powerstrip manufactured by our Group is also able to detect user engagement through motion via its own patented motion sensor.

A Tier 2 AV Advanced Powerstrip features a sensor with a user-configured countdown timer that detects either infrared remote control activity or motion to determine whether the television, being the master appliance in this case, is being used. If no infrared remote control activity or motion is detected within the timer period, the Tier 2 AV Advanced Powerstrip automatically switches off the television and peripheral devices. A Tier 2 personal computer ("PC") Advanced Powerstrip features a universal serial bus ("USB") motion sensor with a countdown timer that connects to a

GENERAL INFORMATION ON OUR GROUP

PC via a USB port. Each time the sensor detects movement in the workspace area the timer is reset. If no movement is detected in the workspace area during the timer period, a command is sent to the PC, putting the PC into sleep mode and then switching off power supplied to the peripheral devices of the PC system.



*TS1814
4 Outlet Tier 2 AV
Advanced Powertap*



*TS1810
7 Outlet Tier 2 AV
Advanced Powerstrip*



*TS1813
12 Outlet Tier 2 AV
Advanced Powerstrip*

GSA-Approved Powerstrips

The General Service Administration (“**GSA**”) is an independent agency of the US government which provides centralised procurement for the US government. The GSA maintains long-term government-wide contracts, known as Schedules, with commercial companies to provide the federal, state, and local government buyers access to commercial products and services at fair and reasonable prices. In order to be awarded a Schedule contract, a supplier has to meet multiple requirements, including the ability to demonstrate past performance and compliance with the Trade Agreement Act (“**TAA**”). The TAA fosters fair and open international trade and requires that government agencies in the USA only acquire products that are produced or undergo “substantial transformation” within the USA or a designated country, such as those with reciprocal trade agreements with the USA.



*TAA3201
7 Outlet
Surge Protector*



*TAA3701
7 Outlet Advanced Powerstrip
+ Motion Sensor*



*TAA3101
7 Outlet Tier 1
Advanced Powerstrip*

Energy Monitor

An energy monitor helps users understand how much power their electronic appliances use so that users can take steps to reduce their energy consumption. An energy monitor includes surge protection to ensure appliances are protected against surges and voltage spikes whilst their energy consumption is being measured.

GENERAL INFORMATION ON OUR GROUP



*TS2001
Plus-In Energy Monitor*

PROSeries Surge Protectors

With extensive expertise in surge protection and safety, our Group expanded our product portfolio to include a range of high quality surge protectors for a range of applications.



*TS1206
4 Outlet
Surge Protector*



*TS1210
7 Outlet
Surge Protector*



*TS1268
10 Outlet
Surge Protector*



*TS1205
12 Outlet
Surge Protector*

MARKETING AND BUSINESS DEVELOPMENT

Our marketing and business development efforts are spearheaded by our Executive Chairman and CEO, Bernard Christopher Emby.

To increase awareness of our energy-saving products, we have attended and participated and will continue to attend and participate in industry trade shows attended by electric utilities, implementation contractors and energy auditors in the USA. We also work with research organisations which test our energy-saving products for deemed saving numbers using quantitative and qualitative tests. The findings are set out in research papers which are subsequently published and read by, *inter alia*, utilities for purposes such as calculating potential energy efficiency measured. We also actively engage utility commissions to understand their evolving requirements for energy-saving products in order to ensure that our products continue to comply with such requirements in order to be included in the utilities' approved energy-saving product lists.

We also believe in fostering strong, long-term relationships with our customers. We identify the specific needs of our existing and prospective customers and propose either readily available or customised solutions to meet their requirements. We are able to provide our energy-saving products at short notice so as to meet the needs of our customers. We also regularly obtain feedback from our customers to ensure that we continue to provide reliable and quality energy-saving products to meet their requirements.

GENERAL INFORMATION ON OUR GROUP

We incurred marketing expenses amounting to approximately US\$0.49 million, US\$0.64 million and US\$0.72 million in FY2016, FY2017 and FY2018, respectively.

OUR MAJOR CUSTOMERS

Customers contributing 5.0% or more of our Group's total revenue for FY2016, FY2017 and FY2018 are set out below:

Customers	FY2016 (%)	FY2017 (%)	FY2018 (%)
Customer A	43.3	36.2	37.3
Customer B	17.0	23.4	22.6
Customer C	4.9	12.1	12.5
Customer D	0.2	7.7	8.2
Customer E	8.8	8.7	5.5
Customer F	5.1	2.7	4.0
Customer G	5.6	1.2	2.1

Note: Due to confidentiality obligations and the highly competitive landscape of the energy efficiency industry in the USA, our Group believes that disclosing the names of our major customers, which are primarily distributors who purchase for energy efficiency programs, will be detrimental to our business as competitors will be able to derive our current geographic markets based on the locale of our major customers, and also further deduce our Group's near-term target markets in the USA.

Save as disclosed above, there is no other customer whose revenue contribution accounted for more than 5.0% of our revenue in FY2016, FY2017 and FY2018.

Our Group has not entered into any long-term contracts with our major customers and our Group is not materially dependent on any contract with any customer.

To the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of our major customers.

Our Company did not encounter any material issues in payment collection from any of our major customers during the Period Under Review.

As at the Latest Practicable Date, none of our Directors or Substantial Shareholders or their associates is related to or has any interest in any of our major customers set out above.

OUR MAJOR SUPPLIER

Suppliers contributing 5.0% or more of our Group's total purchases for FY2016, FY2017 and FY2018 are set out below:

Name of supplier	Products/Services purchased	As a percentage of total purchases ⁽²⁾		
		FY2016 (%)	FY2017 (%)	FY2018 (%)
Powertech Industrial Co. Ltd. ⁽¹⁾	Ready-for-sale energy-saving products	81.2	84.6	88.3

Notes:

- (1) Powertech, a company established in Taiwan, is a power solutions manufacturer which has been listed on the Taiwan Stock Exchange Corporation since December 2007.
- (2) Total purchases comprise purchases from independent contract manufacturers, selling and distribution expenses, engineering fees and research and testing expenses.

GENERAL INFORMATION ON OUR GROUP

Powertech is a power solutions manufacturer and has been an independent contract manufacturer for our Group since 2010. Due to a good working relationship and competitive pricing, our Group adopted a strategy in 2011 to work with Powertech as our single primary independent contract manufacturer. The appointment of Powertech as our Group's single independent primary contract manufacturer allowed our Group to enjoy cost-savings from manufacturing and assembly economies of scale. In 2017, Powertech acquired 125,000 shares in TrickleStar HK from CircleBright Limited, which, after the Restructuring Exercise will translate to approximately 4.1% of our Company's post-Placement issued and paid-up share capital of 81,791,925 Shares.

Notwithstanding that our Group is currently materially dependent on Powertech as our single primary independent contract manufacturer, we believe that the following factors have mitigated the potential supplier concentration risk faced by our Group:

(a) Longstanding and mutually beneficial relationship

As aforementioned, the relationship between our Group and Powertech started in 2010 and has remained positive ever since. Additionally, while our Group enjoys cost-savings extended by Powertech as a result of the consolidation of our orders, Powertech in turn also benefits from our recurring demand.

We further believe that Powertech's investment into our Group in 2017 is a demonstration of our positive working relationship.

(b) The availability of alternative independent contract manufacturers

Notwithstanding the collaborative and longstanding relationship between our Group and Powertech, our Group believes that there are alternative independent contract manufacturers readily accessible to our Group in the market. Our Group has identified and established contact with several such alternative independent contract manufacturers.

(c) Healthy financial standing of Powertech

Powertech has been listed on the Taiwan Stock Exchange Corporation since December 2007. Based on Powertech's annual reports for FY2016 and FY2017 as well as the results announcement for its unaudited financial statements for FY2018, Powertech's financial position was healthy and it was not in financial distress.

The summarised income statement and balance sheet of Powertech were as follows:

Summarised Income Statement of Powertech

(in millions)	FY2016 ⁽¹⁾		FY2017 ⁽²⁾		FY2018 ⁽³⁾	
	NT\$	S\$	NT\$	S\$	NT\$	S\$
Revenue	2,894	127	2,859	128	3,141	141
Profit after tax	130	6	2	0.1	99	4

GENERAL INFORMATION ON OUR GROUP

Summarised Balance Sheet of Powertech

(in millions)	As at 31 December 2016 ⁽¹⁾		As at 31 December 2017 ⁽²⁾		As at 31 December 2018 ⁽³⁾	
	NT\$	S\$	NT\$	S\$	NT\$	S\$
Cash and cash equivalents	1,075	46	726	33	848	38
Total assets	2,615	117	2,269	102	2,448	109
Net assets	1,792	80	1,539	69	1,611	72

Notes:

(1) Extracted from Powertech's annual report for FY2016.

(2) Extracted from Powertech's annual report for FY2017.

(3) Extracted from Powertech's results announcement for FY2018.

(d) Long-term framework supply agreement

Powertech and TrickleStar USA entered into a framework supply agreement on 28 November 2016 (the "**Framework Supply Agreement**") for the supply of products manufactured by Powertech to our Group. Pursuant to the terms of the Framework Supply Agreement, the Framework Supply Agreement shall be effective for a term of five (5) years from the date of the Framework Supply Agreement. The Framework Supply Agreement may be terminated if a party materially breaches the Framework Supply Agreement and such party fails to cure the breach within 30 days of the date of written notice from the other party of such breach. In addition, the Framework Supply Agreement may be terminated by one party without prior notice in the event the other party enters voluntary or involuntary bankruptcy or insolvency, makes an assignment for the benefit of creditors or a petition is filed against the other party under bankruptcy or other laws, the effect of which is to cause such party to have its business discontinued.

(e) Control over procurement of certain components and parts

While Powertech assembles our Advanced Powerstrips, it does not manufacture all components and parts for us. As a supply consolidator and assembler, Powertech places orders and takes deliveries for components and parts used in our products from other third-party parts manufacturers on behalf of our Group, but such parts manufacturers are selected by our Group. Typically, our Group sets the product specifications and negotiates with the selected parts manufacturers on pricing. Once the terms for the supply of parts are agreed, we will enter into a supply agreement with the parts manufacturer. Powertech will then be notified to place orders directly with the relevant parts manufacturers on behalf of our Group.

Save as disclosed above, our business and profitability are not materially dependent on any single supplier.

GENERAL INFORMATION ON OUR GROUP

CREDIT MANAGEMENT

Credit Terms to Our Customers

We generally extend to our customers credit terms of net 30 to 90 days, following an assessment of factors such as creditworthiness, level of risk involved, size of order, payment history records and length of relationship with the customer. We conduct credit and reference checks on new customers. In the event that we are not able to complete such checks on new customers prior to production cut-off dates, we require prepayment from such new customers and will not extend any credit terms. There were negligible bad and doubtful debts for the Period Under Review.

From time to time, we do allow for the extension of credit terms to facilitate customer or business requirements, for instance when a customer's project is delayed after our Group has fulfilled delivery, or when customers opt to receive deliveries ahead of schedule in order to mitigate concerns such as increases in tariffs, or when there are anticipated delays due to inclement weather.

Our average trade receivables' turnover days for the Period Under Review were as follows:

	FY2016	FY2017	FY2018
Average trade receivables' turnover days ⁽¹⁾	56	48	37

Note:

(1) Trade receivables' turnover days is computed as follows:

$$\frac{\text{Average trade receivable balances}}{\text{Revenue}} \times \text{Number of days}$$

Where:

"Average trade receivable balances" is computed based on the average of the opening and closing trade receivables balances for the actual or forecasted financial year.

"Number of days" is defined as the number of calendar days in the actual financial year.

Our average trade receivables' turnover days have decreased from 56 days in FY2016 to 48 days in FY2017 and from 48 days in FY2017 to 37 days in FY2018 as our trade volume with established customers who are prompt with payments increased. In addition, we have improved our internal procedures during the Period Under Review such that accurate and complete payment information can be provided in a timely manner to our customers to expedite payments.

Impairment Policy

We assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Credit Terms from Our Suppliers

The credit terms from our suppliers is net 75 days, and are based on factors such as our relationship with the supplier, the quantum of our purchases and the suppliers' internal policies.

Our average trade payables' turnover days for the Period Under Review was as follows:

	FY2016	FY2017	FY2018
Average trade payables' turnover days ⁽¹⁾	178	168	175

Note:

(1) Average trade payables' turnover days was computed on the basis of average trade payables divided by total cost of sales for the financial year and multiplied by 365 days.

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INVENTORY MANAGEMENT

As at 31 December 2018, we held an inventory of approximately US\$6.94 million.

In managing our inventory, we employ the use of an enterprise resource planning software, SAP Business One. We believe that we maintain strict control over our inventory. We keep records of our inventory and carry out periodic inventory assessments.

Ready stock of our products are held in the PRC and owned by Powertech, our primary independent contract manufacturer. Pursuant to the Framework Supply Agreement, we purchase ready-for-sale products from Powertech and thereafter sell the same to consumers and customers.

Inventory is also stored in our warehouses in the USA. Due to the limited storage space and regular delivery of our products, we do not maintain a significant level of inventory at our warehouses.

Obsolete inventory written off recognised as expenses and included in the “cost of sales” line item amounted to approximately US\$4,951, US\$0.28 million and US\$32 for FY2016 to FY2018, respectively. Moving forward, inventory obsolescence shall be considered to be written off after two (2) years.

Our inventory turnover days for the Period Under Review are as follows:

	FY2016	FY2017	FY2018
Average inventory turnover days ⁽¹⁾	157	188	244

Note:

(1) Average inventory turnover days was computed on the basis of average inventory balance divided by total cost of sales for the financial year multiplied by 365 days.

Our Group’s inventory turnover days increased from 157 days in FY2016 to 188 days in FY2017 following a commercial decision made by our Group to increase the inventory on hand in FY2017 in order to avoid potential delays in shipment and fulfilment due to reasons such as inclement weather and holidays.

The average inventory turnover days increased further from 188 days in FY2017 to 244 days in FY2018 following a commercial decision made by our Group to increase the inventory on hand in anticipation of increased trade tariffs due to trade tensions between the PRC and the USA. We do not anticipate increased risks of a material write-off for inventory obsolescence in the short term as a result of such increases in inventory on hand, as our customers have indicated projected increases in demand for our products in the near term, in part also due to concerns over the possibility of a rise in trade tariffs.

As at the Latest Practicable Date, our Group has adopted and implemented the following internal controls and procedures in relation to inventory management:

- (a) a standard operating procedure for stock count at our Group’s warehouse located at Grand Rapids, Michigan, the USA, outlining, *inter alia*, frequency of stock count, generation of inventory records for physical stock count, inventory record verification processes and reconciliation procedures;

GENERAL INFORMATION ON OUR GROUP

- (b) a standard operating procedure for reporting, handling and approving scrap, waste disposal, and inventory write-off, outlining, *inter alia*, a stock obsolescence policy; and
- (c) a standard operating procedure to reconcile its estimated conversion costs such as freight cost and import duty with actual costs incurred on a quarterly basis.

Our Directors are of the view that the internal controls and procedures in relation to inventory management above are sufficient to ensure that our Group's inventory is not materially misstated.

QUALITY MANAGEMENT

We do not carry out the assembly and manufacturing of our products on our own. We are dependent on our third-party quality assurance supplier to ensure quality control at various stages of production.

Through a stringent due diligence process in the selection and qualification of a suitable third-party quality assurance supplier, we have appointed SGS S.A. ("**SGS**"), an independent inspection, verification, testing and certification company, as our independent investigator in relation to product investigations. In doing so, we also took into account, where applicable, results from audits by applicable regulatory authorities. Our stringent selection process ensures the quality, safety and reliability of our products.

Our third-party quality assurance supplier is required to carry out, *inter alia*, the following principal activities:

- (a) Incoming quality inspection

The incoming materials such as semiconductors and pre-assembled printed circuit boards from vendors, and the storage methods at incoming warehouses for incoming materials, are subject to inspection by SGS.

- (b) In-line quality inspection

Production in-line assembly process inspection and inspection of our products are carried out based on standard operating procedures for assembly processes approved by our Group. The electrical components and cable insertion, soldering, housing silkscreen printing, housing appearance and packaging inspections are also carried out to verify and ensure the quality, safety and reliability of our products.

- (c) Outgoing quality inspection

Acceptance Quality Limits ("**AQL**") is an international quality inspection standard utilised for product quality inspection on fully assembled products. AQL inspection standards include carrying out inspections on outgoing warehouse inventory to ensure that quality, safety, reliability and product specifications of our products are met.

Following the engagement of SGS, we will carry out regular scheduled inspections on finished products and the production line. In particular, inspections on a sampling basis will be carried out once every two (2) weeks. These regular inspections allow us to monitor our quality performance on an ongoing basis.

As at the Latest Practicable Date, no material findings have been highlighted by SGS.

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COMPETITION

The industry relating to the provision of energy-saving products for energy efficiency programs has high barriers to entry due to, *inter alia*, the requirements set by utility commissions and stringent selection criteria by electric utilities, implementation contractors and energy auditors in the USA for inclusion into the approved energy-saving products list for energy efficiency programs.

We consider Embertec Pty Ltd, Bits Smart Strip LLC. and CyberPower Systems, Inc. as our key competitors.

COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths have enabled and will continue to enable us to capitalise on the trends and opportunities in our business:

Efficient and reliable supply chain and scalable business

We have a longstanding strategic partnership with our suppliers. In particular, due to a good working relationship and competitive pricing, our Group adopted a strategy in 2011 to work with Powertech as our single primary independent contract manufacturer. The appointment of Powertech as our Group's single independent primary contract manufacturer allowed our Group to enjoy cost-savings from manufacturing and assembly economies of scale. Notwithstanding the collaborative and longstanding relationship between our Group and Powertech, our Group believes that there are alternative independent contract manufacturers readily accessible in the market and have identified and established contact with several such alternative independent contract manufacturers.

Our products have an established track record and reputation

Over the years, we have established a track record in delivering our products on time and built a reputation for delivering safe, well-built energy-saving products. Our established track record has enabled us to gain our customers' confidence as we continue to provide energy-saving products which meet the requirements and specifications of energy efficiency programs and our other customers. The recurring purchases of our energy-saving products for the Period Under Review is a testament to our customers' confidence in our products.

We have an experienced and dedicated management team

We have an experienced and dedicated management team led by Bernard Christopher Emby, our Executive Chairman and CEO, who has more than 25 years of experience in energy-saving products. His many years of experience have allowed him to establish an extensive network in the energy-saving products space and energy efficiency programs across various states in the USA.

We place strong emphasis on professional development, and members of our management team regularly attend training and educational programs to update themselves on management techniques and the latest market developments relating to our business. Our management is supported by a team of key executives who are also experienced and competent in their respective functions.

GENERAL INFORMATION ON OUR GROUP

We have an established network of customers within the USA

We have, over the years, developed a good network of customers in the industry relating to the provision of energy-saving products for energy efficiency programs. Our strong track record has enabled us to gain our customers' confidence in our energy-saving products and this is evident from the longstanding relationships and the recurring purchases by our customers. We believe that our longstanding relationships and quality energy-saving products make us well-placed to be included in energy efficiency programs in other states in the USA.

We place great emphasis on understanding the needs and requirements of our customers to ensure we provide them with quality products that meet their expectations. We also work closely with our customers to gather feedback and continuously enhance the quality of our products.

We believe that our emphasis on understanding the needs and requirements of our customers has contributed to the strong growth in our customer base and the high level of repeat sales. We believe that this approach, backed by our proven track record, will enable us to continually grow in existing markets and expand into new markets.

RESEARCH AND DEVELOPMENT

Our research and development team is responsible for continuously developing improved energy-saving products that meet the requirements set by governments and public utility commissions. The team plans and designs specifications of new varieties of our energy-saving products to meet specific requirements set by our customers on an ongoing basis. We also constantly work with research organisations to test our energy-saving products for deemed energy-saving numbers using quantitative and qualitative tests. These numbers are then published in research articles and official reports which are consumed by the utilities and their program administrators in assessing our products' suitability to be included on their lists of approved products.

As at the Latest Practicable Date, our research and development team, led by S Krishnan A/L Sinnappan with direct involvement by Bernard Christopher Emby, contracts and works closely with multiple third-party engineering firms with whom our Group has longstanding relationships.

We do not have a policy of committing any fixed amount to research and development activities.

Our research, testing and engineering expenses were approximately US\$0.22 million, US\$0.35 million and US\$69,677 in FY2016, FY2017 and FY2018, representing 2.5%, 3.4% and 0.5% of our revenue, respectively.

INSURANCE

As at the Latest Practicable Date, our Group has taken out the necessary insurance policies for our operations, including the following:

- (a) Marine open cover insurance – covering damage to products and materials of our Group including but not limited to electronic products and/or computer equipment shipped or consigned to our Group.
- (b) Commercial general liability insurance – for damages consequent upon: (i) accidental bodily injury to third-parties; and/or (ii) accidental property damage to third-parties, caused by any one of the insured products thereof which have been sold or supplied by our Group in connection with its business.

GENERAL INFORMATION ON OUR GROUP

- (c) Group hospitalisation and surgical insurance on our employees.
- (d) Machinery and equipment insurance – for loss of or physical damage to some of our equipment and machinery such as television sets, computers, monitors, printers, engineering lab support working tools at our headquarters in Kuala Lumpur, Malaysia.
- (e) Fire risk insurance – on furniture and fittings, renovation, engineering lab and related equipment at our headquarters in Kuala Lumpur, Malaysia.
- (f) Travel personal accident insurance – on the life of S Krishnan A/L Sinnappan for death and permanent disablement and medical expenses.

Our Directors are of the view that the above insurance policies are adequate for our existing operations. However, significant damage to our operations due to unanticipated events may still have a material and adverse effect on our results of operations or financial position. If such events were to occur, our business may be materially and adversely affected. Our Directors will review our insurance coverage as and when the need arises to ensure that our Group has sufficient insurance coverage.

INTELLECTUAL PROPERTY

Intellectual property rights, particularly patent rights, play a critical role in our business. We rely on intellectual property rights for the protection of the products we have developed or are developing.

The procedure for obtaining a patent is typically started by filing a national patent application in a patent office of a territory party to the Paris Convention for the Protection of Intellectual Property (the “**Paris Convention**”). Most major industrialised countries are signatories to the Paris Convention. A national patent application provides a priority date for the invention disclosed in the priority application. The priority date is the date that determines which patent application, if there are applications with similar claims, has the priority to be granted patent status. This priority date can be extended to further patent applications filed in other Paris Convention jurisdictions provided that these further patent applications are filed within 12 months of the first (1st) priority application.

Although it is possible to file individual national or regional patent applications in those Paris Convention jurisdictions in which protection is sought, claiming the right to priority based on the priority application, it is common to file an international or Patent Cooperation Treaty (“**PCT**”) application. This is a single application which provides a filing date in all of those jurisdictions which are party to the PCT and which are specified in the PCT application. Accordingly, a PCT application is, effectively, a bundle of separate territorial applications, each of which has the potential of becoming a national or regional patent application if the appropriate steps are taken. No patent can be granted directly from a PCT application and it remains the purview of the national or regional patent offices in deciding whether to approve the application. Most major industrialised countries, including the USA, Malaysia, Singapore and major European countries are parties to the PCT.

There are also two types of patent applications in the USA (and some other foreign jurisdictions), namely, a provisional application and a utility application. A provisional application is a preliminary filing that can be made to secure an early priority filing date. The legal requirements for establishing a filing date are very low and the application is not examined. A provisional application can be used as a basis for priority of a later filed national application in the USA and/or a PCT application, so long as the later filed application claiming priority to the provisional application is placed on file within 12 months of the provisional application filing date. A utility application and PCT application are considered a full patent application and are subject to a

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number of legal requirements as to disclosure and format that may differ slightly between countries. A utility application and PCT application is also subject to examination. Due to the size of the market, in some cases, both a USA utility application and a PCT application will be filed simultaneously, claiming priority to an earlier filed provisional application.

Patent applications are searched and examined by the relevant patent office before a patent is granted. The purpose of the search is to identify documents (and possibly other prior disclosures) which are relevant in assessing whether the invention claimed in the patent application is new and non-obvious; the purpose of the examination is for a patent office examiner to assess whether the claimed invention meets all the requirements of patentability. The examination process is an interactive procedure between the patent examiner and patent applicant in which the patent applicant may have to put forward arguments and evidence to rebut objections that the patent examiner may have to the patent application. The patent applicant may have to amend the claims to its invention during the procedure.

A PCT application is searched and it may also be examined to provide a basis for rendering a non-binding opinion on the patentability of the claimed invention. In order to continue with the application in the territories specified in the application, it must be processed in the national or regional patent offices typically within approximately two (2) and a half years from the priority date. These separate national and regional patent applications are typically searched and examined further by the national and regional patent offices which determine whether a patent is to be granted.

We aim to secure intellectual property protection for our inventions in all relevant jurisdictions, as and when necessary. Patents, once granted, have a lifespan of 20 years from the date of application.

As at the Latest Practicable Date, the patents in which we have obtained registration for or are in the process of registering for include:

	Country	Type	Applicant/ Proprietor	Title	Application Number	Filing Date	Grant Number	Grant Date
1.	USA	Granted Patent	TrickleStar HK	Sensing Socket Assembly	10/497,851	11 November 2002	US 7,193,335 B2	20 March 2007
2.	USA	Provisional Patent Application	TrickleStar HK	Multi- Sensor	61/907,035	21 November 2013	Not applicable ⁽¹⁾	Not applicable ⁽¹⁾
3.	USA	Full Patent Application	TrickleStar HK	Sensor	14/205,928	13 March 2014	US 9,665,073 B2	30 May 2017
4.	PCT – Claims priority to Provisional Application No. 61/907,035 AND to USA Application No. 14/205,928, granted as US Patent No. 9,665,073. National phase Canadian Application No. 2,930,971 (pending).		TrickleStar HK	Sensor	PCT/ IB2014/ 000321	13 March 2014	Not applicable ⁽²⁾	Not applicable ⁽²⁾
5.	Canada	National Phase Patent Application	TrickleStar HK	Sensor	2,930,971	13 March 2014	Not available ⁽³⁾	Not available ⁽³⁾

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	Country	Type	Applicant/ Proprietor	Title	Application Number	Filing Date	Grant Number	Grant Date
6.	USA	Provisional Patent Application	TrickleStar HK	A System and an Apparatus for Controlling Electric Power Supply and Methods	62/258,796	23 November 2015	Not applicable ⁽¹⁾	Not applicable ⁽¹⁾
7.	USA	Full Patent Application	TrickleStar HK	A System and an Apparatus for Controlling Electric Power Supply and Methods	15/357,311	21 November 2016	Not available ⁽³⁾	Not available ⁽³⁾
8.	PCT – Claims priority to Provisional Application No. 62/258,796 AND to USA Application No. 15/357,311 (pending). National phase Canadian Application No. 3,006,016 (pending).	PCT	TrickleStar HK	A System and an Apparatus for Controlling Electric Power Supply and Methods	PCT/ IB2016/ 057020	22 November 2016	Not applicable ⁽²⁾	Not applicable ⁽²⁾
9.	USA – Claims priority to Provisional Application No. 62/258,796 AND to USA Application No. 15/357,311 (pending).	Full Patent Application	TrickleStar HK	A System and an Apparatus for Controlling Electric Power Supply and Methods	15/602,762	23 May 2017	Not available ⁽³⁾	Not available ⁽³⁾
10.	Canada	National Phase Patent Application	TrickleStar HK	A System and an Apparatus for Controlling Electric Power Supply and Methods	3,006,016	23 November 2016	Not applicable ⁽³⁾	Not applicable ⁽³⁾

Notes:

- (1) The grant number and/or grant date is stated as “not applicable” or “not available” because these noted matters relate to a provisional application which is not examined or issued. It can form the priority basis for a later filed utility application in the case of a provisional application.
- (2) The grant number and/or grant date is stated as “not applicable” or “not available” because these noted matters relate to PCT international applications which are preliminarily examined, but are not granted. They form the priority basis for a later filed national phase patent application in the case of a PCT international application.
- (3) Application still pending.

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Embertec Pty Ltd (“**Embertec**”) had alleged that certain of our products infringed Embertec’s patent. Our Group proactively avoided any potential claims or liability for infringement of Embertec’s United States Patent No. 9,106,099 (“**099 patent**”), issued on 11 August 2015, and titled, “Power Monitoring System,” by challenging the validity of the ‘099 patent in Inter Partes Review (“**IPR**”) proceedings before the Patent Trial and Appeal Board (“**PTAB**”) of the United States Patent and Trademark Office. An IPR is an out-of-court, administrative challenge to the patentability (validity) of a United States patent. The decision by the PTAB of the United States Patent and Trademark Office on this matter is legally binding. All claims of the ‘099 patent were held unpatentable (invalid) in Final Written Decisions of the PTAB dated 20 December 2017 (Case IPR2016-01336) and 9 July 2018 (Case IPR2017-00839). As TrickleStar HK was successful in invalidating the claims made in respect of the ‘099 patent in the abovementioned IPR proceeding, no further claim of infringement of the ‘099 patent can be asserted against any member of our Group. Therefore, there are no material implication(s) on our Group as a result of the allegations or claims made in respect of the ‘099 patent.

As at the Latest Practicable Date, the trademarks for which we have obtained registration or are in the process of registering for include:

Country	Type	Applicant/ Proprietor	Matters	Class	Filing Date
USA	Trademark Registration	TrickleStar HK	SENSORCLICK	Class 9 ⁽¹⁾	29 July 2014
USA	Trademark Registration	TrickleStar HK	TAV-Link	Class 9 ⁽²⁾	12 February 2016
USA	Trademark Registration	TrickleStar HK	TRICKLESTAR	Class 9 ⁽³⁾	29 May 2008
EUTM	Trademark Registration	TrickleStar HK	TRICKLESTAR	Class 9 ⁽⁴⁾	15 May 2008

Notes:

- (1) Modular electrical power strips and surge protectors, and connectors and accessories therefor in the nature of remote controllers, remote control receivers for electronic signals, status indicator devices in the nature of lighted circuit boards for monitoring power levels, accessory controller electronic connectors, infrared signal sensors for control of power levels, motion sensors, adjustable timers, energy monitors, light level sensors, electrical power extension cords, power adapters, and power cables.
- (2) A feature of modular electrical power strips and surge protectors and electronic multi-sensors, sold as a component thereof, for use in sending high level commands to compatible televisions and audio visual equipment.
- (3) Alternating-current voltage surge protection devices and parts therefor; in-line and single inlet/multiple alternating-current outlet devices of computer-controlled alternating-current switching devices incorporating an input suitable for connection to a computer or computer peripheral that provides for control of switching devices and parts therefor; combination voltage surge protection devices and computer-controlled alternating-current switching devices; remote controllers for alternating-current voltage surge protection devices and computer controlled alternating-current switching devices; remote control receivers and indicator devices for receiving and indicating the status of the operation of the surge protection feature of the alternating-current voltage surge protection device and the status of at least one switch in the computer-controlled alternating-current switching device.
- (4) Alternating-current surge protection devices, computer controlled alternating-current switching devices incorporating an input suitable for connection to a computer or computer peripheral that provides for control of the switching device, the goods including in line versions of these devices, single inlet/multiple alternating-current outlet versions of these devices and combination surge protection and computer controlled alternating-current switching devices; remote controllers for alternating-current surge protection devices and computer controlled alternating-current switching devices; remote receivers and indicator devices for receiving and indicating the status of alternating-current surge protection devices and computer controlled alternating-current switching devices; parts and accessories for alternating-current surge protection devices and computer controlled alternating-current switching devices.

GENERAL INFORMATION ON OUR GROUP

Save as disclosed above, we do not own or use any other patents, trademarks, licences or other intellectual property rights upon which our business or profitability is materially dependent.

LICENCES, PERMITS, APPROVALS AND GOVERNMENT REGULATIONS

We are subject to all relevant laws and regulations of the countries where our business operations are located and may be affected by policies which may be introduced by the relevant governments from time to time. We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations, the relevant regulatory bodies and the licences, permits and approvals typically required for the conduct of our business.

Other than a general qualification to do business in a given state or county or registration for sales tax purposes, which may be required by certain states and local governments in the USA, no other licences, permits or certificates are required by our Group for the purposes of our business operations in the USA.

The following licence is required for our business operations in Malaysia:

Description of Approval/ Licence/Other Regulatory Requirement	Date of Issue	Duration	Regulatory Authority
Business Premises Licence	15 February 2018 ⁽¹⁾	One (1) year	Kuala Lumpur City Hall (DBKL)

Note:

(1) TrickleStar Malaysia has submitted an application for the renewal of the Business Premises Licence on 2 April 2019. TrickleStar Malaysia has received a Kad Akuan dated 7 May 2019 (Acknowledgement Card of Receipt of Application) provided by Dewan Bandaraya Kuala Lumpur (“DBKL”) which provides, *inter alia*, that TrickleStar Malaysia may carry on its business at the premises for a validity period of 30 days from the date of the Kad Akuan. TrickleStar Malaysia expects to obtain a Lesen Sementara (Temporary Business Premises Licence) to be issued by DBKL in June 2019 for FY2019 and a Lesen Tetap (Fixed Business Premises Licence) to be issued by DBKL for FY2020 (which may require periodic renewal) thereafter.

Save as disclosed above and apart from those pertaining to general business registration requirements, we do not require any other material licences, registrations, permits or approvals in respect of our operations. As at the Latest Practicable Date, our Directors believe that we are in compliance with the laws or regulations applicable to our business operations that would materially affect our business operations.

In addition to the above, the following is a summary of the main legislation in the USA and Malaysia that is relevant to our business in our countries of operations at the Latest Practicable Date:

USA

Consumer protection, product safety and product liability law

In the USA, there are two (2) separate and distinct areas of law that applies to product defects or injuries caused by a product, namely product safety regulations and product liability law. Product safety regulations refer to a body of administrative law pertaining to product requirements and rules that are enforced by various government agencies, depending on the product. Product liability law governs litigation of product accidents and injuries in which a plaintiff may be entitled

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to recover monetary damages. Exposure to product liability law can be broad and allows consumers to sue a party who designed, manufactured, sold, or supplied an offending product, whether that causes an injury or in some cases where there is a likelihood that a product could cause injury. Exposure to either product safety regulations or products liability law in the USA is limited by the jurisdictional power of the courts in the USA and its administrative agencies.

Product Liability Law

Product liability law governs private litigation of product accidents. It operates *ex post*, meaning it is a body of rules that governs after a product accident has already occurred. There are four (4) basic theories of recovery when dealing with a product alleged to be defective, namely strict product liability, negligence, breach of warranty, and tortious misrepresentation. A litigant is not limited to one (1) theory in bringing a lawsuit, but rather can assert any and all theories simultaneously. Further, all four (4) theories have broad application to a vast array of products.

Strict product liability is generally the most common cause of action asserted in lawsuits involving allegedly defective products. This is because, unlike negligence, strict product liability wrongs do not depend on the degree of carefulness by the defendant. The analysis depends solely on the product and whether it was defective at the time it left the hands of the manufacturer. A product can be defective in its manufacture, that is the product does not conform to design specifications or performance standards, or it deviated in some material way from otherwise identical units of the same product line. A product can also be defective in its design. A product has a design defect when its design or configuration makes it unreasonably dangerous. Finally, a product can be defective because it lacks proper warning or instructions. These are generally called failure to warn claims.

With strict product liability, it is irrelevant whether the manufacturer or supplier exercised all due care in the design, manufacture, or marketing of the product; if there is a defect in the product that causes harm, the manufacturer will be liable for it. Thus, strict product liability is liability without fault for an injury proximately caused by a product that is defective and not reasonably safe.

Negligence actions, on the other hand, require a plaintiff to show that (a) the defendant owed the plaintiff a duty of due care; (b) the defendant breached that duty by furnishing a defective product; and (c) the defendant's breach caused the plaintiff's injury. The analysis focuses on the acts or omissions of the manufacturer of the product. The duty to exercise reasonable care involves every phase of getting the product to the public. For example, not only must the product be manufactured with reasonable care, the product must also be designed in a way that is safe when used as intended. The product must be inspected and tested at appropriate stages in the manufacturing, distribution and selling process. The product must be made from appropriate (i.e. safe and non-defective) materials, and assembled with appropriate care to avoid negligent manufacture. The product's container or packaging must be adequate (and not itself dangerous or defective), and contain appropriate warnings and directions for use. An otherwise non-defective product can be made unsafe by the failure to provide adequate instructions for its safe use.

The breach of warranty cause of action is governed by contract law. In the simplest of terms, a warranty is a promise, claim, or representation made about the quality, type, number or performance of a product. In general, the law assumes that a seller always provides some kind of warranty concerning the product he sells and the he should be required to meet the obligation created by the warranty.

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For the most part, the law that governs the sale of goods, in general, and warranties, in particular, is uniform from state to state in the USA. The law that governs the sale of goods is Article 2 of the Uniform Commercial Code (“**UCC**”). The UCC has been adopted in every state of the USA. Under the UCC, there are two (2) kinds of warranties: express and implied. An express warranty can be created by a representation by the seller, or by showing a sample of a product to the buyer where the buyer reasonably assumed that a second (2nd) shipment of the same quality as the first would be provided. An implied warranty, on the other hand, is presumed to exist unless the buyer clearly and unambiguously disclaims it in writing as part of the sales agreement.

Finally, tortious misrepresentation is similar to a warranty in that it seeks to hold a party liable for misrepresenting a material fact about the product which causes either damage or injury. The rules governing tortious misrepresentation are judge-made and vary from jurisdiction to jurisdiction.

Product Safety Regulations

The second body of law is product safety law. The law of product safety is regulatory law and is governed primarily by the Consumer Product Safety Commission (“**CPSC**”), an administrative agency of the US government that regulates certain classes of products sold to the public. Product safety law operates *ex ante*, meaning that it seeks to prevent product-caused accidents before they occur.

The Consumer Product Safety Improvement Act of 2008 (“**CPSIA**”) governs the safety of all products imported into distributed in the USA. Products imported into the USA which fail to comply with CPSIA’s requirements are subject to confiscation and the importer and/or distributor in the USA is subject to civil penalties and fines, as well as possible criminal prosecution. However, while the CPSC works closely with USA custom agents, its jurisdiction does not extend beyond the territorial limits of the USA.

Under the CPSIA, a “general conformity certification” is required for any consumer product imported into the USA that is subject to a consumer product safety rule issued under the Consumer Product Safety Act (“**CPSA**”), or a similar rule, standard, regulation, or ban issued by the CPSA or under any statute issued by the commission. The requirement applies to all manufacturers and importers of goods. Those parties must certify that their products comply with all applicable consumer product safety rules and similar rules, bans, standards, and regulations under any law administered by the commission. Such laws include the CPSA, Flammable Fabrics Act, Federal Hazardous Substance Act, and Poison Prevention Act.

The CPSIA specifies that certification must be based on a “test of each product or a reasonable testing program.” The certificate must accompany the product or shipment of products, and a copy must be furnished to each distributor or retailer. The certification must also be furnished to the US Customs. If requested by the commission, a copy must be furnished to the CPSC. Where there is more than one (1) manufacturer or importer for a product, the party providing the certification should be the importer for imported products.

Electrical Product Safety Standards

The electrical product safety system primarily relies on compliance with voluntary industry-consensus standards. Most electrical product safety standards have been developed and maintained by Underwriters Laboratories LLC (“**UL**”), a global safety certification company. Other standards developers for electrical product safety include the Institute of Electrical and Electronics Engineers (“**IEEE**”) and the National Electrical Manufacturers Association (“**NEMA**”). Other than the general requirements applicable to all consumer products, the USA has not implemented any

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specific safety or design requirements for the products that our Group sells. While the CPSC's regulations do not require any third-party certification for electrical products, some states and municipalities require certification for all electrical products to be sold in those jurisdictions.

California Specific Statutes and Regulations

In addition to the regulatory scheme imposed on the federal level and state-based claims, it is important to note that state regulations can also control the distribution of imported products into the USA. The most significant of those are California statutes and regulations.

California's Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code section 25249.5 et seq., commonly known as "**Proposition 65**") requires that a warning be given before any manufacturer or distributor knowingly exposes anyone in California to any of approximately 800 chemicals identified by the state as a carcinogen and/or a reproductive toxicant. Various phthalates which can be used in plastics and vinyl are among the chemicals so regulated. Exposures requiring a warning include those that may occur from handling a product or its packaging. This statute and the related regulations apply to all consumer products including medical products and devices. Under Proposition 65, enforcement for failure to provide an appropriate warning is brought about either by government authorities in California or by private enforcers and may result in fines of up to US\$2,500 per day per item sold and the payment of the enforcer's legal costs and fees.

For some chemicals, a "safe harbor" level has been determined whereby a warning is not required under this statute if the use of a specific product or its packaging would not result in exposing the average user to more than that level of the chemical at issue.

Overseas manufacturers are not exempt from these Proposition 65 requirements if their products are sold in California.

Product Labeling

The CPSC requires that all consumer products produced abroad and imported into the USA must bear a label identifying the place of manufacture and identification of the manufacturing company. The products that our Group sells are not subject to any special labelling requirements in the USA.

General taxation and transfer pricing

General Taxation

Corporate Income Tax

USA corporate income tax is imposed at the federal level on all entities treated as corporations and by 47 states and the District of Columbia. The USA corporate income tax ("**CIT**") rate has been reduced from a maximum of 35.0% under the previous progressive rate structure to a flat 21.0% rate for tax years beginning after 31 December 2017. Certain localities also impose corporate income tax. Corporate income tax is imposed on all domestic corporations and on foreign corporations having income or activities within the jurisdiction.

Sales Tax or Value-Added Tax

The USA does not impose a federal sales tax or value-added tax. However, several states do impose a sales tax that is applicable to receipts from retail sales of products.

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Transfer Pricing

As our Group has a subsidiary in the USA, transfer pricing issues may arise. Disclosures related to related party transactions are required to be prepared or submitted to the revenue authority annually along with the USA subsidiary's tax return. In general, disclosure of related party transactions including loans, tangible goods, services, and intangibles are required. The statute of limitations on assessment of transfer pricing adjustments differs depending on the situation. Generally, the US Internal Revenue Service ("**IRS**") has three (3) years from the tax return filing date to make adjustments. However, if gross income in excess of 25.0% of the gross income stated in the return is omitted, the period is extended to six (6) years. The period is unlimited if a false or fraudulent return is filed, if a wilful attempt to evade taxes is made, or if no return is filed. Transfer pricing penalty of 20.0% or 40.0% of additional tax resulting from adjustments exceeding objective threshold may be imposed.

Anti-dumping laws

There are a range of trade laws in the USA which address the issue of imports which may injure or threaten certain industries in the USA. Under anti-dumping laws (Title VII of the Tariff Act of 1930), the US International Trade Commission ("**USITC**"), conducts investigations into whether dumping or subsidisation is occurring in products brought into the USA. A significant proportion of such investigations in recent years have been in relation to imports from the PRC.

Whether an item is being dumped or not is assessed on the basis of whether it is being sold at less than fair value in the USA. This means that it is being sold below the producer's sales price in its home market, or at a price which is lower than the cost of production. Subsidisation occurs when a government provides countervailable financial assistance to the benefit, production, manufacture and/or export of a good. There is first an assessment made by the US Department of Commerce ("**DOC**") that dumping or subsidisation is occurring, together with a calculation of the estimated margin of dumping or amount of subsidy, and then the USITC is called upon to determine whether or not there is a material injury or threat to a particular industry. If such a threat is found, the DOC will issue an antidumping duty and/or countervailing duty order. When such an order is imposed, the US Customs and Border Protection ("**CBP**") is instructed to assess special duties on products subject to the order at the time of their import.

After an order has been issued, there is an automatic "sunset" review, pursuant to the Uruguay Round Agreement Act, approved in 1994, no later than five (5) years after the order is issued, which is conducted to assess whether a revocation of the order would lead to the continuation or recurrence of dumping or subsidies and of material injury within a reasonably foreseeable time.

In addition to anti-dumping and subsidisation investigations, there is a special PRC safeguards investigation which may also be conducted by USITC. Under this safeguard law, the USITC determines whether articles from the PRC are being imported into the USA in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic producers of like or directly competitive products.

International Anti-Bribery Laws

Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act ("**FCPA**") is a US statute that prohibits USA companies and individuals (anywhere in the world) from offering, authorising, promising, directing, or providing anything of value, to any non-USA government official, political party, party official, or candidate

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for foreign political office, for the purpose of influencing the non-USA official or party to assist the company in obtaining or retaining business or securing an improper business advantage. Individuals and companies may also be penalised if they order, authorise, or assist someone else to violate the anti-bribery provisions or if they conspire to violate those provisions. The USA government also asserts jurisdiction over foreign entities and individuals who take any act in furtherance of an FCPA violation while in the territory of the USA.

Our Company has measures in place to address our compliance with the FCPA. In particular, our Company has a FCPA policy which requires strict FCPA compliance.

Penalties under the FCPA

Under the anti-bribery provisions of the FCPA, any individual who wilfully violates the FCPA may be liable for up to US\$16,000 in civil penalties and up to US\$0.25 million in criminal fines (or twice the gross gain resulting from the offense, whichever is greater), for each FCPA violation. The individual also may be imprisoned for up to five (5) years, and the FCPA prohibits companies from paying the fines or penalties of their employees. Companies may be liable for civil penalties up to US\$16,000, and criminal fines up to US\$2 million, for each FCPA violation. In addition, an FCPA violation could result in other adverse consequences such as investigations by the US Department of Justice (“**DOJ**”), suspension or debarment from USA government contracts, revocation or suspension of export license privileges, shareholder lawsuits, disgorgement, and long-term damage to the company’s and individual’s reputation.

Intellectual property laws

Trademarks law in the USA is governed by both state and federal law and the main federal statute is the Lanham Act. A trademark includes any word, name, symbol, slogan or device (such as design), or any combination of these, used to identify goods or services and to distinguish them from those manufacture, sold or serviced by others. The remedies for trademark infringement can include injunctions, lost profits and damages.

Patent law in the USA is governed exclusively by federal law, namely the Patent Act, which secures for inventors an exclusive right to their discoveries. Types of patents recognised under USA law include utility patents, design patents and plant patents. A patent is essentially a limited monopoly whereby the patent holder is granted the exclusive right to make, use and sell the patented innovation for a limited period of time.

Competition laws

The USA has a variety of federal statutes which are designed to promote fair and open competition by prohibiting unfair, restrictive or collusive business practices. These statutes include the Sherman Antitrust Act, 15 U.S.C. § 1 et seq., as amended, the Clayton Act, 15 U.S.C. § 12 et seq., as amended, the Federal Trade Commission Act, 15 U.S.C. § 45 et seq., as amended, and the Robinson-Patman Act, 15 U.S.C. § 13a et seq., as amended. These statutes prohibit, among other things, agreements or arrangements in restraint of trade, unfair or deceptive trade practices and, in certain situations, unfair or discriminatory pricing practices. They may be enforced by the DOJ, the Federal Trade Commission (“**FTC**”) and private litigants. In addition, most states have similar statutes which likewise prohibit arrangements in restraint of trade, unfair or deceptive practices and unfair or discriminatory pricing practices. These state statutes are enforced by State Attorneys General and other state regulators, as well as private litigants.

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Malaysia

Company laws

Companies Act 2016 (“CA 2016”)

TrickleStar Malaysia was incorporated in 2011 under the Companies Act 1965 (“CA 1965”) which was repealed on 31 January 2017 by the CA 2016. As such, TrickleStar Malaysia and its directors and officers are subject to the provisions under the CA 2016. Accordingly, a person is guilty of an offence under the CA 2016 if (a) he does that which he is forbidden to do under the CA 2016; (b) he does not do that which he is required or directed to do under the CA 2016; or (c) if he otherwise contravenes or fails to comply with any provision of the CA 2016. Upon conviction, such person shall be liable to a penalty or punishment not exceeding the expressed penalty or punishment for the offence in relation to such offence, or if a penalty or punishment is not so mentioned, (i) in the case of a person, to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three (3) years, or to both; or (ii) in the case of a person other than an individual, to a fine not exceeding RM50,000.

Employment laws

Employment Act 1955 (“EA 1955”)

The EA 1955 generally sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA 1955. Section 2 of the EA 1955 stipulates that an employee within the definition of the EA 1955 means any person or class of persons, irrespective of his occupation, who has entered into a contract of service with an employer under which such person’s wages do not exceed RM2,000 a month. The EA 1955 generally governs the employer-employee relations within TrickleStar Malaysia and is treated as a guideline by TrickleStar Malaysia to ensure that the minimum terms and conditions of employment are provided in employment contracts. In brief, Part II of the EA 1955 sets out the general conditions for contract of service, Part III of the EA 1955 sets out the conditions for payment of wages, Part XII of the EA 1955 sets out the basic requirements for rest days, hours of work, holidays and other conditions of service and Part XIIA of the EA 1955 sets out termination, lay off and retirement benefits.

General

Contracts Act 1950 (“CA 1950”)

The CA 1950 is essentially a codification of the common law pertaining to matters involving contracts.

Municipal Licensing Requirements

All companies having an office in Malaysia are required to obtain a business premise or signboard licence from the respective local authorities. There are over 150 local authorities in Malaysia which are responsible for approving business premise and signboard licences. The requirements for obtaining a business premise or signboard licence may vary according to the conditions requirements set by each local authority.

GENERAL INFORMATION ON OUR GROUP

PROPERTIES AND FIXED ASSETS

Owned Properties

As at the Latest Practicable Date, we do not own any properties.

Leased or Tenanted Properties

As at the Latest Practicable Date, we lease or tenant the following properties:

Group Entity	Nature and Description of Property	Location	Approximate Gross Floor Area (sq m)	Tenure	Lessor/Landlord	Use of Property
TrickleStar Malaysia	Strata Commercial Title for the use of Shops/ Offices and Service Apartments only	Unit C3-U6-13A Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia	73	Minimum 2 years with automatic monthly extension terminable with 3 months' notice by either party, starting from 1 July 2018 to 31 December 2019 ⁽¹⁾	Gunananthan A/L Ninthyanantham	Commercial use only
TrickleStar Malaysia	Strata Commercial Title for the use of Shops/ Offices and Service Apartments only	Unit C3-U6-15 Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia	72	Minimum 2 years with automatic monthly extension terminable with 3 months' notice by either party, starting from 1 July 2018 to 31 December 2019 ⁽¹⁾	Gunananthan A/L Ninthyanantham	Commercial use only
TrickleStar Malaysia	Strata Commercial Title for the use of Shops/ Offices and Service Apartments only	Unit C3-U6-16 Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia	48	Minimum 2 years with automatic monthly extension terminable with 3 months' notice by either party, starting from 1 July 2018 to 31 December 2019 ⁽¹⁾	Gunananthan A/L Ninthyanantham	Commercial use only
TrickleStar USA	Office and warehouse	Portion of the building located on Lot 1, Cascade Industrial Park, Cascade Township, Kent County, Michigan, USA	656.36	3 years, commencing September 2015 with option to renew for another 2 years	CORE Grand Rapids Owner L.L.C.	Solely for office and warehousing purposes in connection with the design and manufacturing of energy conserving products business and for any related purpose

Note:

(1) The tenancy agreement may be unilaterally terminated by either party by giving three (3) months' notice. Such termination will not have any material impact on our operations.

GENERAL INFORMATION ON OUR GROUP

Save as disclosed above, none of the leases disclosed above may be terminated by the lessor or landlord unilaterally.

Save as disclosed above, we do not lease or tenant any other properties as at the Latest Practicable Date.

Our fixed assets had a net book value of approximately US\$0.31 million as at 31 December 2018. Such fixed assets comprise primarily intangible assets in the form of patents, as well as office equipment such as computer equipment and software, office furniture and fittings, warehouse machinery and air conditioners.

As at the Latest Practicable Date, none of our fixed assets were subject to any mortgage, pledge or any other encumbrances or otherwise used as security for any bank borrowings.

To the best of our Directors' knowledge, there are no regulatory requirements or environmental issues that may materially affect our utilisation of the above properties and fixed assets, save as disclosed in the sub-section entitled "General Information on Our Group – Licences, Permits, Approvals and Government Regulations" of this Offer Document.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

INDUSTRY PROSPECTS

The following discussion about the energy efficiency industry's prospects includes forward-looking statements that involve risks and uncertainties. Actual results could differ from those that may be projected or implied in these forward-looking statements. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

Energy consumption is projected to grow over time as end-use activities increase across all sectors.

Our Directors believe that the prospects for the energy efficiency industry remain healthy with the USA being our Group's primary focus market. The USA is the world's second-largest consumer of energy in 2017, consuming 2.20 billion tonnes of oil equivalent ("toe") during the year.¹¹ Such energy consumption is projected to grow over time as end-use activities increase across all sectors, including residential, commercial, industrial and transportation, with increases in demand for electricity and natural gas expected to grow at the fastest pace.¹² Correspondingly, we expect that increasing state resources will be channelled into state-funded energy efficiency programs, thus increasing demand for our products.

Our products are also commonly referred to as "plug-load". Plug-loads are devices that plug into a home or building's electrical system. Electricity use associated with plug loads is increasing as more computers, networking devices and general appliances are installed by users.

According to the US Department of Energy, plug-loads account for between 30.0% to 50.0% of commercial building electricity consumption in the USA. It is estimated that plug-loads in California office buildings alone consume more than 3,000 gigawatt-hours annually, costing more than US\$400 million each year.¹³ Recent studies demonstrate that in California, plug-loads can account for nearly two-thirds of residential energy consumption.¹⁴

Plug-loads are now one of the fastest-growing end uses of energy in North America and globally. Energy efficiency efforts have historically targeted lighting, heating and cooling systems, water heaters and major appliances. Now with a growing assortment of electronic appliances plugged into receptacles, utilities and end-users are focused on improving energy efficiency in this category.¹⁵

Electronic devices are evolving rapidly and many devices are no longer "on" or "off". Today these devices operate in a variety of modes and power levels. Many newer devices support lower energy

¹¹ Enerdata Ltd. (2018). Global Energy Statistical Yearbook World Consumption Statistics. Retrieved from Global Energy Statistical Yearbook 2018: <https://yearbook.enerdata.net/total-energy/world-consumption-statistics.html>.

¹² This information was extracted from the internet website of the US Energy Information Administration at: <https://www.eia.gov/outlooks/aeo/pdf/aeo2019.pdf>

¹³ This information was extracted from the internet website of Green Tech Media at: <https://www.greentechmedia.com/articles/read/time-of-use-data-is-the-key-to-effective-plug-load-management#gs.36gtbf>

¹⁴ This information was extracted from the internet website of E Source at: <https://www.esource.com/tas-1700025-001/powerful-pull-plug-loads>

¹⁵ This information was extracted from the internet website of the Rocky Mountain Institute at: http://blox.rmi.org/blog_time_to_fight_the_rising_plug_load_monster

Each of the above organisations and corporations (as the case may be) has not consented to the inclusion of the above information in this Offer Document for the purpose of Section 249 of the SFA and is therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While our Directors have taken reasonable action to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

use in low power modes but the most efficient way to reduce energy consumption is to ensure that devices are turned off or unplugged when not in use. On the positive side, many plug-loads can be managed through low-cost, simple measures that are easy to implement and this is where we have developed our core competencies.

Our Tier 1 and Tier 2 Advanced Powerstrips are included in 39 and 26 state-funded energy efficiency programs, respectively. However, as of December 2018, only 27 out of 52 states in the USA had adopted state-specific EERS, and energy efficiency programs.¹⁶

As energy efficiency grows in importance as a source of fuel globally and plug-load continues to attract more attention from energy efficiency programs, we are of the opinion that the positive reputation enjoyed by our brand and current portfolio of products will allow our Group to successfully expand and be included in an increasing number of energy efficiency programs.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans for the continued growth of our business are as follows:

(a) Scaling our presence in markets that we operate in, expansion into new geographical markets and establishing new sales channels

We intend to scale up our presence in our existing markets in the USA, by expanding our marketing and distribution network and/or leveraging on existing channels to distribute more products.

We also intend to expand into new geographical markets within the USA. We currently sell and market our energy-saving products to electric utilities and their implementation contractors for state-sponsored energy efficiency programs in the USA. We are exploring the registration of our range of energy-saving products in energy efficiency programs in other states in the USA that we do not currently sell to.

We have new energy-saving products in the pipeline targeting demand response and integrated demand side management which are suitable for a wide variety of geographical markets, and we are exploring the possibility of marketing and distributing these new energy-saving products to other countries and regions outside the USA in the future.

We will also continue to develop the online platform which we use to market and distribute our products. We intend to work with electric utilities, implementation contractors and energy auditors in the USA to provide energy-saving and energy management products in the USA and other geographical markets outside of the USA.

We intend to use S\$0.4 million of the proceeds from the Placement to scale up our presence in markets that we operate in, expand into new geographical markets and establish new sales channels.

¹⁶ Each state may have more than one (1) state-funded energy efficiency program at any point in time.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

(b) Product development, and acquisitions of products, businesses and assets

As at the Latest Practicable Date, we have not identified any new business or assets to be acquired.

New product development for next-generation energy-saving products for demand response programs

We intend to develop a portfolio of next-generation energy-saving products which are “smart” and “connected” and which will fit the requirements of demand response programs.

Such new “smart” and “connected” products will be utilised to, *inter alia*:

- (a) recognise and analyse consumer habits in order to anticipate consumer needs;
- (b) assist electric utilities to improve demand response functionality in their programs;
- (c) assist electric utilities to manage their electric load and shift load to non-peak periods; and
- (d) provide information to electric utilities and users on the performance of residential-based renewable energy solutions.

Some of these products will be able to interact with other “smart” and “connected” systems such as motion sensors, temperature sensors and light sensors, and to automate the switching on and off of electrical products and appliances based on user habits and needs.

Being “connected” will allow our products to recommend to users the most cost-efficient time to schedule the usage of products and appliances which consume a high volume of energy, thereby providing consumers with potential cost-savings.

New product development of energy-saving products specifically designed to fit the requirements of energy efficiency programs

We have also invested significant resources into the research and development of new products that are specifically designed to fit the requirements of energy efficiency programs. Amongst these new products which are currently being developed is an electric clothes dryer accessory product. We have completed our research and testing of the product and expect to launch it in the fourth quarter of FY2019.

Save as disclosed above and in the sections entitled “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position”, “Prospects, Business Strategies and Future Plans” of this Offer Document and barring any unforeseen circumstances, our Directors are not aware of any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our Group’s revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial position. Please also refer to the section entitled “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document.

We intend to use approximately S\$1.0 million of the proceeds from the Placement for product development, and acquisition of products, businesses and assets.

PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

TREND INFORMATION AND ORDER BOOK

Based on our Directors' knowledge and experience of the industry and barring any unforeseen circumstances, our Directors have made the following observations for the remainder of FY2019 and for the next 12 months from the Latest Practicable Date:

- (a) our industry faces a potential increase in raw material and production costs in the short to middle term as a result of tariffs arising from trade tensions between the USA and the PRC; and
- (b) our Group's operating expenses are expected to increase as a result of the Placement and Listing due to listing expenses and ongoing compliance costs. For further details on the listing expenses, please refer to the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document.

Save as disclosed above and in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document, and barring any unforeseen circumstances, our Directors are not aware of any significant recent trends in production, sales and inventory, and in the costs and selling prices of our products from 31 December 2018 to the Latest Practicable Date, or other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenue, profitability, liquidity or capital resources, or that may cause the financial information disclosed in this Offer Document to be not necessarily indicative of the future operating results or financial condition of our Group.

Due to the nature of our business whereby customers purchase via purchase orders to be fulfilled within one (1) month, the concept of an order book is not meaningful to our Group.

INTERESTED PERSON TRANSACTIONS

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of our Interested Persons after the Placement would constitute Interested Person Transactions for the purposes of Chapter 9 of the Catalyst Rules.

The following discussions on material Interested Person Transactions for the Period Under Review and the Relevant Period, are based on our Group and Interested Persons as construed accordingly.

Save as disclosed below, our Group does not have any other material Interested Person Transactions with any of our Interested Persons during the Relevant Period.

In line with the rules set out in Chapter 9 of the Catalyst Rules, transactions with a value less than S\$100,000 are not considered material in the context of the Placement and are not taken into account for the purposes of aggregation in this section.

INTERESTED PERSONS

Each of the following persons is considered an “Interested Person” for the purpose of this section.

Interested Person	Relationship with our Group
CircleBright Limited	Our Controlling Shareholder
Gunananthan A/L Nithyanantham	Our Non-Executive Non-Independent Director
Biosoft Ventures Sdn. Bhd.	An associate of Gunananthan A/L Nithyanantham, being a company in which Gunananthan A/L Nithyanantham has a shareholding interest of 51.0% as at the Latest Practicable Date
Zernet Limited	An associate of our Controlling Shareholder, CircleBright Limited, being a company in which our Controlling Shareholder, CircleBright Limited, has a shareholding interest of 70.0% as at the Latest Practicable Date

PAST INTERESTED PERSON TRANSACTIONS

Details of the past Interested Person Transactions, which are material in the context of the Placement, for the Relevant Period are as follows:

Provision of management services by CircleBright Limited to TrickleStar HK

In 2016, CircleBright Limited, our Controlling Shareholder, provided management services to TrickleStar HK, our wholly-owned subsidiary. The aggregate amount paid to CircleBright Limited for such management services was approximately US\$0.95 million.

Our Directors are of the view that the provision of management services by CircleBright Limited were not negotiated on an arm’s length basis and were not on normal commercial terms, but were not prejudicial to the interests of our Group and our minority Shareholders as the transaction was completed prior to the Listing.

INTERESTED PERSON TRANSACTIONS

Our Group does not intend to enter into similar transactions with CircleBright Limited following the Listing.

Provision of advances by TrickleStar HK to CircleBright Limited

TrickleStar HK, our wholly-owned subsidiary, had from time to time extended unsecured interest-free advances to CircleBright Limited, our Controlling Shareholder, as follows:

(US\$)	FY2016	FY2017	FY2018	From 1 January 2019 to the Latest Practicable Date
Advances from our Group	2,180,448	444,755	450,000	–

The outstanding amounts owing to our Group as at 31 December 2016, 31 December 2017 and 31 December 2018 were as follows:

(US\$)	31 December 2016	31 December 2017	31 December 2018
Amount outstanding owing to our Group	621,787	444,762	–

The advances have been fully repaid as at the Latest Practicable Date. The largest amount outstanding in relation to the advances during the Period Under Review (based on amounts outstanding as at the end of each calendar month) was approximately US\$2.18 million. Our Directors are of the view that the terms of the advances were not negotiated on an arm's length basis and were not on normal commercial terms, but were not prejudicial to the interests of our Group and our minority Shareholders.

Our Group does not intend to enter into similar transactions with CircleBright Limited following the Listing.

Provision of management services by TrickleStar HK to Zernet Limited

In FY2017, TrickleStar HK, our wholly-owned subsidiary, provided management services to Zernet Limited, an associate of our Controlling Shareholder, CircleBright Limited. The aggregate amount paid by Zernet Limited for such management services was US\$50,629.

Our Directors are of the view that the provision of management services by TrickleStar HK were not negotiated on an arm's length basis and were not on normal commercial terms, but were not prejudicial to the interests of our Group and our minority Shareholders.

Our Group does not intend to enter into similar transactions with Zernet Limited following the Listing.

Provision of advance by TrickleStar HK to Zernet Limited

TrickleStar HK, our wholly-owned subsidiary, had in FY2016 extended an unsecured interest-free advance in the amount of US\$78,712 to Zernet Limited, an associate of our Controlling Shareholder, CircleBright Limited.

INTERESTED PERSON TRANSACTIONS

The advance has been fully repaid as at the Latest Practicable Date. The largest amount outstanding in relation to the advance during the Period Under Review (based on amounts outstanding as at the end of each calendar month) was US\$78,712. Our Directors are of the view that the terms of the advance were not negotiated on an arm's length basis and were not on normal commercial terms, but were not prejudicial to the interests of our Group and our minority Shareholders.

Our Group does not intend to enter into similar transactions with Zernet Limited following the Listing.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Provision of commercial property tenancies by Gunananthan A/L Nithyanantham to our Group

Our Group has entered into commercial property tenancies for the rental of its office premises in Malaysia located at Unit C3-U6-13A, 15 and 16 Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur from Gunananthan A/L Nithyanantham, our Non-Executive Non-Independent Director. The aggregate amounts paid to Gunananthan A/L Nithyanantham pursuant to such commercial property tenancies in FY2016, FY2017 and FY2018 were US\$14,393, US\$23,623 and US\$22,933, respectively.

Our Directors are of the view that the terms of the commercial property tenancies were negotiated on an arm's length basis and were on normal commercial terms, given that the rent paid by our Group is at not more than the prevailing rental rates of similar properties in the vicinity. Our Directors are therefore of the view that the provision of commercial property tenancies by Gunananthan A/L Nithyanantham to our Group were not prejudicial to the interests of our Group and our minority Shareholders.

Our Group intends to continue to carry out the above transactions with Gunananthan A/L Nithyanantham after the Listing. Such transactions after the Listing will be subject to the requirements under Chapter 9 of the Catalist Rules and guidelines and procedures set out in the sub-section entitled "Interested Person Transactions – Guidelines and Review Procedures for Future Interested Person Transactions" of this Offer Document. In particular, any amendments or variations to the terms, or renewal, of the commercial property tenancies will be subject to the review and approval of our Audit Committee.

Please also refer to the sub-section entitled "General Information on our Group – Properties and Fixed Assets" of this Offer Document.

Provision of insurance agency services by Biosoft Ventures Sdn. Bhd. to our Group

Biosoft Ventures Sdn. Bhd., an associate of Gunananthan A/L Nithyanantham, our Non-Executive Non-Independent Director, provides insurance agency services to our Group. The aggregate amounts paid to Biosoft Ventures Sdn. Bhd. for such insurance agency services in FY2016, FY2017 and FY2018 were US\$2,230, US\$3,031 and US\$3,899 respectively.

Our Directors are of the view that the provision of insurance agency services by Biosoft Ventures Sdn. Bhd. were negotiated on an arm's length basis and were on normal commercial terms, given that the amounts paid by our Group is at the prevailing rates of similar insurance agency service

INTERESTED PERSON TRANSACTIONS

providers. Our Directors are therefore of the view that the provision of insurance agency services by Biosoft Ventures Sdn. Bhd. were not prejudicial to the interests of our Group and our minority Shareholders.

Our Group intends to continue to carry out the above transactions with Biosoft Ventures Sdn. Bhd. after the Listing. Such transactions after the Listing will be subject to the requirements under Chapter 9 of the Catalyst Rules and guidelines and procedures set out in the sub-section entitled “Interested Person Transactions – Guidelines and Review Procedures for Future Interested Person Transactions” of this Offer Document. In particular, any amendments or variations to, or renewal of, the insurance agency services will be subject to the review and approval of our Audit Committee.

GUIDELINES AND REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

To ensure that all future Interested Person Transactions are carried out on normal commercial terms, will not be prejudicial to our Group’s interests and the interests of our minority Shareholders, and are consistent with our Group’s usual business practices and policies, the following procedures will be implemented by our Group:

- (a) in relation to any purchase of products or procurement of services from Interested Persons, quotes from at least two (2) unrelated third-parties in respect of the same or substantially the same type of transactions will be used as comparison whenever possible. The purchase price or procurement price shall not be higher than the most competitive price or fee of the two (2) comparative quotes from the two (2) unrelated third-parties. Our Audit Committee will review the pertinent factors, taking into account, the requirements or suitability, quality and cost of product or service, specifications, delivery time and track record and reliability of the supplier;
- (b) in relation to any sale of products or provision of services to Interested Persons, the price and terms of at least two (2) other completed transactions of the same or substantially the same type of transactions to unrelated third-parties are to be used as comparison whenever possible. The Interested Persons shall not be charged at rates lower than that charged to the unrelated third-parties;
- (c) where it is not possible to compare against the terms of other transactions with unrelated third-parties and given that the products or services may be purchased only from the Interested Person, the Interested Person Transaction will be approved by our Directors or our CFO, who has no interest in the transaction, in accordance with our Group’s usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or services, factors such as, but not limited to, quality, quantity, requirements and specifications will be taken into account; and
- (d) when renting properties from or to the Interested Person, our Directors shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining suitable reports or reviews published by property agents (as necessary), including an independent valuation report by a property valuer, where appropriate. The rent payable shall be compared against the most competitive market rental rate of similar property in terms of size, suitability for purpose and location, based on the results of the relevant enquiries.

INTERESTED PERSON TRANSACTIONS

All Interested Person Transactions above S\$100,000 are to be approved by a Director who shall not be an Interested Person in respect of the particular transaction. Any contracts to be made with an Interested Person shall not be approved unless the pricing is determined in accordance with our Group's usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between our Group and unrelated third-parties and the terms are no more favourable than those extended to or received from unrelated third-parties.

For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between our Group and unrelated third-parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the Interested Person are no more favourable than those extended to or received from unrelated third-parties.

In addition, we will monitor all Interested Person Transactions entered into by our Group and categorise these transactions as follows:

- (a) a "Category 1" Interested Person Transaction is one where the value thereof is equal to or in excess of 5.0% of the latest audited NTA of our Group;
- (b) a "Category 2" Interested Person Transaction is one where the value thereof is equal to or in excess of 3.0% of the latest audited NTA of our Group, but less than 5.0% of the latest audited NTA of our Group; and
- (c) a "Category 3" Interested Person Transaction is one where the value thereof is less than 3.0% of the latest audited NTA of our Group.

A "Category 1" Interested Person Transaction must be approved by our Shareholders at a general meeting in accordance with the Catalist Rules. A "Category 2" Interested Person Transaction must be approved by our Audit Committee prior to entry. A "Category 3" Interested Person Transaction need not be approved by our Audit Committee prior to entry but shall be reviewed on at regular intervals by our Audit Committee.

Our Audit Committee will review all Interested Person Transactions, if any, at regular intervals to ensure that they are carried on normal commercial terms, will not be prejudicial to our Group's interests and the interests of our minority Shareholders, and are consistent with our Group's usual business practices and policies. In accordance with the procedures outlined above, our Audit Committee will take into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

We shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all Interested Person Transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

In addition, our Audit Committee and our Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9 of the Catalist Rules) and relevant accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all Interested Person Transactions entered into at least on an annual basis. Such transactions will also be subject to the approval of our Shareholders if required by the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

The internal audit reports will be reviewed by our Audit Committee to ascertain whether the guidelines and procedures established to monitor Interested Person Transactions have been complied with. Our Audit Committee shall also, from time to time, review such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that Interested Person Transactions are conducted on normal commercial terms, on an arm's length basis, and do not prejudice our Group's interests and the interests of our minority Shareholders. If during these periodic reviews, our Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that Interested Person Transactions will be on normal commercial terms, on an arm's length basis, and not prejudicial to our Group's interests and the interests of our minority Shareholders, our Audit Committee will adopt such new guidelines and review procedures for future Interested Person Transactions as may be appropriate.

Pursuant to the Catalist Rules, we will make the required disclosure in relation to our Interested Person Transactions in our annual report during the relevant financial year under review.

POTENTIAL CONFLICTS OF INTERESTS

Generally, a conflict of interest arises when any of our Directors, Controlling Shareholders and/or their associates has an interest in any entity carrying on the same business or dealing in similar products as our Group.

All our Directors have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflicts of interest (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceedings of our Board and shall abstain from voting in respect of any such transaction where the conflict arises.

As at the Latest Practicable Date, CircleBright Limited, our Controlling Shareholder, has a 70.0% shareholding interest in Zernet Limited, and our Directors, Bernard Christopher Emby and Gunananthan A/L Nithyanantham are directors of Zernet Limited, which is principally in the business of developing, marketing and selling smart air conditioner controllers in Asia.

In this regard, we believe that any potential conflicts of interest arising from the above relationships are resolved by a deed of undertaking executed by CircleBright Limited dated 17 May 2019 (the "**Deed of Undertaking**"), a deed of undertaking executed by Gunananthan A/L Nithyanantham dated 17 May 2019 (the "**GN Deed of Undertaking**") and the non-solicitation and restrictive covenants in the Service Agreement of Bernard Christopher Emby.

Please refer to the sub-section entitled "Directors, Management and Employees – Service Agreements" of this Offer Document for more information on the non-solicitation and restrictive covenants in the Service Agreement of Bernard Christopher Emby.

1. Deed of Undertaking from CircleBright Limited

Pursuant to the Deed of Undertaking, CircleBright Limited has unconditionally and irrevocably undertaken that:

- (a) It shall not, and shall procure that its associates shall not, (for as long as it and/or its associates remain a Controlling Shareholder of our Company):

INTERESTED PERSON TRANSACTIONS

- (i) within any jurisdiction in which our Company or any of our subsidiaries is doing business, directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected in any manner with, any business of the type and character engaged in and/or competitive with that conducted by our Company or any of our subsidiaries. For these purposes, ownership of securities not exceeding 5.0% of any class of securities of any public company listed on a stock exchange shall not be considered to be competition with our Company or any of our subsidiaries provided that CircleBright Limited shall not, and shall procure that its associates shall not, be involved in the day-to-day management of such public companies;
 - (ii) persuade or attempt to persuade any potential customer or client to which our Company or any of our subsidiaries has made a presentation, or with which our Company or any of our subsidiaries has been in negotiations or having discussions, not to deal with or hire our Company or any of our subsidiaries or to deal with or hire another company;
 - (iii) solicit for itself or any person other than our Company or any of our subsidiaries the business of any supplier, customer or client of our Company or any of our subsidiaries, or was our Company's or any of our subsidiaries' supplier, customer or client within six (6) months prior to the date on which it and/or its associates cease to be a Controlling Shareholder of our Company; or
 - (iv) persuade or attempt to persuade any employee of our Company or any of our subsidiaries, or any individual who was an employee during the six (6) months prior to the date on which it and/or its associate cease to be a Controlling Shareholder of our Company, to leave our Company's or any of our subsidiaries' employ, or to become employed by any person other than our Company or any of our subsidiaries,

(collectively, the "**Non-Compete Undertakings**").
- (b) Subject to certain exceptions stated in the Deed of Undertaking, it shall keep secret and shall not at any time (for as long as it and/or its associates remain a Controlling Shareholder of our Company) use for its own or another's advantage, or reveal to any person, firm or company, any of the trade secrets, business methods or information which it knew or ought reasonably to have known to be confidential concerning the business or affairs of our Company or any of our subsidiaries so far as they shall have come to its knowledge ("**Confidentiality Undertakings**").
- (c) It shall not at any time (for as long as it and/or its associates remain a Controlling Shareholder of our Company), solicit any inquiries or proposals from, or continue any discussion with, any third-parties with respect of the sale of its shares in Zernet Limited and/or offer or sell such shares in Zernet Limited that it legally and beneficially owns without the prior written consent of our Company.

Notwithstanding the foregoing, it may offer and sell the shares in Zernet Limited that it legally and beneficially owns provided that it shall first offer such shares in Zernet Limited to our Company prior to offering such shares in Zernet Limited to any third-parties on terms and conditions not less favourable than those that it intends to offer to a third-party (the "**Right of First Refusal**"). In the event the terms and conditions are revised more favourably in favour of the third-party after the non-exercise of the Right of First Refusal, it shall offer the Right of First Refusal to our Company again on such revised terms and conditions.

INTERESTED PERSON TRANSACTIONS

The Deed of Undertaking specifies that the Non-Compete Undertakings, the Confidentiality Undertakings and the Right of First Refusal granted by CircleBright Limited to our Company shall be effective for as long as CircleBright Limited and/or its associates remain a Controlling Shareholder of our Company.

Save as set out above, there are no other termination events specified in the Deed of Undertaking in respect of the Confidentiality Undertakings, the Right of First Refusal and the Non-Compete Undertakings.

2. Deed of Undertaking from Gunananthan A/L Nithyanantham

Pursuant to the GN Deed of Undertaking, Gunananthan A/L Nithyanantham has unconditionally and irrevocably undertaken that:

- (a) He shall not, and shall procure that his associates shall not (for as long as he remains a Director of our Company, or he and/or his associates remain a Controlling Shareholder of our Company):
 - (i) within any jurisdiction in which our Company or any of our subsidiaries is doing business, directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected in any manner with, any business of the type and character engaged in and/or competitive with that conducted by our Company or any of our subsidiaries. For these purposes, ownership of securities not exceeding 5.0% of any class of securities of any public company listed on a stock exchange shall not be considered to be competition with our Company or any of our subsidiaries provided that Gunananthan A/L Nithyanantham shall not, and shall procure that his associates shall not, be involved in the day-to-day management of such public companies;
 - (ii) persuade or attempt to persuade any potential customer or client to which our Company or any of our subsidiaries has made a presentation, or with which our Company or any of our subsidiaries has been in negotiations or having discussions, not to deal with or hire our Company or any of our subsidiaries or to deal with or hire another company;
 - (iii) solicit for himself or any person other than our Company or any of our subsidiaries the business of any supplier, customer or client of our Company or any of our subsidiaries, or was our Company's or any of our subsidiaries' supplier, customer or client within six (6) months prior to the date on which he ceases to be a Director of our Company, or he and/or his associates cease to be a Controlling Shareholder of our Company, whichever is later; or
 - (iv) persuade or attempt to persuade any employee of our Company or any of our subsidiaries, or any individual who was an employee during the six (6) months prior to the date on which he ceases to be a Director of our Company, or he and/or his associates cease to be a Controlling Shareholder of our Company, whichever is later, to leave our Company's or any of our subsidiaries' employ, or to become employed by any person other than our Company or any of our subsidiaries,

(collectively, the “GN Non-Compete Undertakings”).

INTERESTED PERSON TRANSACTIONS

- (b) Subject to certain exceptions stated in the GN Deed of Undertaking, he shall keep secret and shall not at any time (for as long as he remains a Director, or he and/or his associates remain a Controlling Shareholder of our Company) use for his own or another's advantage, or reveal to any person, firm or company, any of the trade secrets, business methods or information which he knew or ought reasonably to have known to be confidential concerning the business or affairs of our Company or any of our subsidiaries so far as they shall have come to his knowledge ("**GN Confidentiality Undertakings**").

The GN Deed of Undertaking specifies that the GN Non-Compete Undertakings and the GN Confidentiality Undertakings shall be effective for as long as Gunananthan A/L Nithyanantham is a Director of our Company, or he and/or his associates remain a Controlling Shareholder of our Company.

Save as set out above, there are no other termination events specified in the GN Deed of Undertaking in respect of the GN Confidentiality Undertakings and the GN Non-Compete Undertakings.

Save for personal investments (whether directly or through nominees) in quoted investments which may include companies listed on the SGX-ST and such investments not exceeding 5.0% of the total amount of issued securities in that class, none of our Directors, Controlling Shareholders and any of their associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar products as our Group.

INTERESTS OF EXPERTS

None of the experts named in this Offer Document:

- (a) is employed on a contingent basis by our Company or its subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

DIRECTORS, MANAGEMENT AND EMPLOYEES

DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Address	Position
Bernard Christopher Emby	49	80 Robinson Road #02-00, Singapore 068898	Executive Chairman and Chief Executive Officer
Gunananthan A/L Nithyanantham	51	80 Robinson Road #02-00, Singapore 068898	Non-Executive Non-Independent Director
Jeremy John Figgins	66	80 Robinson Road #02-00, Singapore 068898	Lead Independent Director
Chuah Jern Ern	49	80 Robinson Road #02-00, Singapore 068898	Independent Director
Ling Hee Keat	47	80 Robinson Road #02-00, Singapore 068898	Independent Director

The business and working experience and areas of responsibility of our Directors are set out below:

Bernard Christopher Emby

Bernard Christopher Emby is the Executive Chairman and CEO of our Company. He was appointed as our Group's Executive Chairman and CEO on 31 October 2018 and is responsible for the overall management of our Group and the formulation of our Group's strategic direction. He has been appointed as the chief executive officer of TrickleStar HK since 1 January 2008. He is also responsible for managing product development, overseeing manufacturing operations and evaluating potential acquisitions of companies.

Bernard Christopher Emby started his career as a product marketing manager in The Smart Company Pty Ltd from January 1993 to May 1995. From June 1995 to May 1998, he was a managing director at Electronic Lifestyles Pty Ltd. From June 1998 to October 2005, he was a managing director of Clipsal Integrated Systems, a public listed company, where he was responsible for, *inter alia*, developing commercial and marketing programs for South Asia (including Malaysia, Singapore, Indonesia, Pakistan, India, Sri-Lanka and the Middle East) and oversaw the development of key distribution and marketing communication programs for the company. From October 2005 to February 2007, Bernard Christopher Emby was a management consultant of Honeywell, Novar ED&S, where he was responsible for mapping out the product strategy for the company's residential lighting control and home automation offer in Europe, the Middle East and Africa. From January 2008, Bernard Christopher Emby joined our Group as chief executive officer of TrickleStar HK, where he is responsible for the overall management of, and setting of product strategy for, TrickleStar HK.

DIRECTORS, MANAGEMENT AND EMPLOYEES

In June 2015 and November 2015, Bernard Christopher Emby became an executive director of both Zernet Limited and CircleBright Limited respectively, and is responsible for providing strategic input on product development, manufacturing, acquisitions and marketing strategy for both companies.

Bernard Christopher Emby graduated with a Bachelor of Arts from the University of Western Australia in 1992. He also obtained a Graduate Diploma in Business from the Curtin University in 1993.

Gunananthan A/L Nithyanantham

Gunananthan A/L Nithyanantham, our Group's Non-Executive Non-Independent Director, was appointed as a Director on 31 October 2018.

Gunananthan A/L Nithyanantham started his career as a system administrator in the Bowling Green State University (Ohio, USA) from June 1993 to December 1994. From June 1994 to December 1994, he was also a senior lecturer in Tiffin University (Ohio, USA). From February 1995 to August 2000, he assumed various roles in the Articulate group of companies, including being the head of software development in Articulate Telecommunications Sdn. Bhd. from February 1995 to May 1995, being the head of project development in Articulate Corporation Sdn. Bhd. from May 1995 to February 1996, being a director and producer in TV Interactive Sdn. Bhd. from July 1995 to February 1996, acting as the managing director of Articulate Systems and Software Sdn. Bhd. from February 1996 to November 1996, acting as the chief executive officer of both Articulate Multimedia Sdn. Bhd. and Articulate Online Sdn. Bhd. from November 1996 to May 1999, and serving as an advisor of Articulate Online Sdn. Bhd. from May 1999 to August 2000.

In May 1999, Gunananthan A/L Nithyanantham founded SmartTransact Sdn. Bhd., a company which develops e-commerce solutions. From May 1999 to June 2003, he served as the chairman and chief executive officer of SmartTransact Sdn. Bhd. In June 2000, Gunananthan A/L Nithyanantham co-founded Malaysian Street Sdn. Bhd., a company which provides web-based advisory services. From June 2000 to February 2002, he served as an executive director and chief technical officer of Malaysian Street Sdn. Bhd., where he was responsible for ensuring that the company has a sound technical platform.

From July 2003 to July 2013, Gunananthan A/L Nithyanantham was the chief executive officer of Navigos Corporation Sdn. Bhd., where he was responsible for overseeing and evaluating investment opportunities and financial transactions for the group. He stepped down from his position as chief executive officer in July 2013 but remains as a director of Navigos Corporation Sdn. Bhd..

From January 2012 to December 2017, Gunananthan A/L Nithyanantham joined our Group as a finance director of TrickleStar HK, where he was responsible for overseeing the finances, logistics control and administrative activities of TrickleStar HK. He remains as a director of TrickleStar HK.

In January 2015, Gunananthan A/L Nithyanantham became an executive director of both Zernet Limited and CircleBright Limited, where he was responsible for monitoring the strategic direction and overseeing the use of funds of the respective companies. In January 2018, he became the chief executive officer of both Zernet Limited and CircleBright Limited, where he is responsible for managing the overall operations and resources of Zernet Limited and is responsible for overseeing and evaluating investment opportunities for CircleBright Limited.

DIRECTORS, MANAGEMENT AND EMPLOYEES

Gunanathan A/L Nithyanantham graduated with a Bachelor of Science (*cum laude*) from Mount Union College, Alliance, Ohio in 1992, and graduated with a Master of Science from Yale University, New Haven, Connecticut in 1993. Gunanathan A/L Nithyanantham further obtained a Master of Business Administration, with an operations and research specialisation, from Bowling Green State University, Bowling Green, Ohio in 1994.

Gunanathan A/L Nithyanantham is also a member of the Malaysian Institute of Management, a member of the Malaysia-China Chamber of Commerce and a member of the Young Entrepreneurs' Organisation. He was also a recipient of the Environmentalist Award 2017 granted by the Malaysian-China Chamber of Commerce.

Jeremy John Figgins

Jeremy John Figgins was appointed as a Director on 31 October 2018 and was appointed as our Group's Lead Independent Director on 28 March 2019. As our Lead Independent Director, Jeremy John Figgins' scope of work will include being available to Shareholders where they have concerns and for which contact through normal channels of communication to our Executive Chairman or our CFO are inappropriate or inadequate.

Jeremy John Figgins started his career as an articled clerk in the legal department of 3i PLC FKA Industrial and Commercial Finance Corporation Limited in August 1973, where he progressed and was subsequently promoted to the position of controller, where he was responsible for advising clients on corporate finance activities. From March 1982 to September 1984, he joined Guinness Mahon & Co Ltd. as manager. From September 1984 to February 1985, he joined Arbutnot Latham Ltd. as manager. From March 1985 to March 1989, he served as the head of corporate finance of Wardley Limited, Singapore, where he was responsible for delivering advisory services to clients. From October 1989 to March 1991, he was a director of CIC Capital Limited, where he was responsible for advising on fund raising for listed companies in the group. From March 1991 to August 1995, he was appointed as the president director of PT Standard Chartered Indonesia, which carries on the business of investment banking and stockbroking, where he was responsible for the day-to-day operations of the company. From October 1995 to September 1997, he was a technical advisor at PT Laying Mega Securities. From March 1998 to March 2001, he was a personal advisor to the group chairman of Bolton Berhad. From April 2001 to December 2003, he was the senior vice president corporate of SmartTransact Sdn. Bhd., where he was responsible for overseeing company secretarial and corporate matters. From December 2003 to August 2005, he was appointed as the business development director of Kenneison Brothers Sdn Bhd. From August 2005 to August 2007, he was a self-employed consultant where he provided business advisory services through Jayef Limited and Navigos Corporation Sdn Bhd. From August 2007 to February 2016, he was a general manager of Sakari Resources Limited (formerly known as Straits Asia Resources Limited), where he managed the company secretarial, business development, legal, compliance, sustainability and investor relations functions of the company. During the period from 2010 to 2018, Jeremy John Figgins served as a non-executive director of Straits Engineers Contracting Pte Ltd and Straits Engineers Holding Pte Ltd. He also served as a non-executive director of Fuelcore Pte. Ltd. from December 2014 to June 2015.

Jeremy John Figgins is currently a non-executive director of Pangolin Investments Limited and Jayef Limited.

Jeremy John Figgins was admitted as a Solicitor of the Supreme Court of England and Wales in 1977 and is a member of The Law Society of England and Wales.

DIRECTORS, MANAGEMENT AND EMPLOYEES

Chuah Jern Ern

Chuah Jern Ern was appointed to our Board as an Independent Director on 28 March 2019. He is the chief intellectual property advisor to the Board, and advises the Board on, *inter alia*, intellectual property strategy, intellectual property policy, intellectual property valuation, intellectual property commercialisation, intellectual property dispute resolution, mediation and negotiations.

Chuah Jern Ern started his career as a senior legal assistant in Shearn Delamore & Co. in August 1994 until July 2000. From August 2000 to June 2018, he joined Fusionfort Sdn Bhd (formerly known as Advanz Fidelis Sdn Bhd) as chief executive officer and lead senior consultant, where he assisted clients in resolving intellectual property matters and was responsible for managing intellectual property work in relation to mediation, negotiation settlements, mergers and acquisitions, licensing, and technology transfer. In July 2018, he joined Advanz Fidelis IP Sdn Bhd, an intellectual property specialist corporation in Malaysia, as the chief executive officer and lead senior consultant and he performed the same scope of work and responsibilities as that in Fusionfort Sdn Bhd (formerly known as Advanz Fidelis Sdn Bhd).

Chuah Jern Ern graduated with a Bachelor of Laws (Honours) from the University of Nottingham in 1992. He was also admitted to the Lincoln's Inn and called to the Degree of an Utter Barrister, Lincoln's Inn, in July 1993.

Chuah Jern Ern is an Advocate & Solicitor of the High Court of Malaya (non-practising). He is also registered as a Geographical Indication Agent, Industrial Design Agent, Trade Mark Agent and Patent Agent with the Intellectual Property Corporation of Malaysia.

Ling Hee Keat

Ling Hee Keat was appointed to our Board as an Independent Director on 28 March 2019.

Ling Hee Keat started his career as a research department analyst of HLG Securities Sdn Bhd from January 1996 to February 1997. From February 1997 to August 1997, he was the corporate finance executive of HLG Capital Market. From September 1997 to June 2003, Ling Hee Keat was a director of UT Securities Sdn Bhd (formerly known as United Traders Securities Sdn Bhd), a licensed stockbroking firm in Malaysia, where he was responsible for setting-up and managing two new departments, namely the Investment Research and the Corporate Advisory departments. From June 1999 to May 2015, he was appointed as a non-executive non-independent director of SHH Resources Holdings Berhad. He was subsequently appointed as the executive deputy chairman of SHH Resources Holdings Berhad in May 2015 until December 2016. He was also appointed as a non-executive director of SHH Furniture Industries Sdn Bhd from January 2000 to December 2016, where he was responsible for providing strategic direction to the company, building relationships with customers and providing leads to new potential business opportunities.

From January 2013, Ling Hee Keat has been a Senior Associate in Leong Partnership Advocates and Solicitors, a boutique law firm focusing on corporate law and conveyancing, where he is responsible for advising private and corporate clients, and for the business development of the firm. From November 2018, he has been an independent non-executive director of Iris Corporation Berhad, a company in the business of offering solutions relating to ePassports, smart card manufacturing, personalisation and system integration and secure document management systems, where he is responsible for providing strategic direction to the company and for building relationships with customers and providing leads for new potential business opportunities.

DIRECTORS, MANAGEMENT AND EMPLOYEES

He is also currently a non-executive director of Maxdotcom Sdn Bhd, Nuswana Development Sdn Bhd and Armada Marketing (M) Sdn Bhd.

Ling Hee Keat graduated with a Bachelor of Laws with Second Class Honours (First Division) from the University of Bristol, Bristol in 1994. He was also admitted with the Degree of an Utter Barrister of the Lincoln's Inn, in 1995, and is an Advocate and Solicitor of the High Court of Malaya.

Ling Hee Keat is also a Certified Mediator with the Bar Council Malaysian Mediation Centre since 2017, and is a member of the Entrepreneur's Organisation Malaysia.

Rule 406(3)(a) of the Catalist Rules states that as a pre-quotation disclosure requirement, a listing applicant must release a statement (via SGXNET or in the offer document) identifying for each director, whether the person has prior experience as a director of an issuer listed on the SGX-ST or if the person has other relevant experience, and if so, to provide details of his directorship and other relevant experience. If the director has no prior experience as a director of a listed company, the listing applicant must confirm that the person has undertaken training presented by the SGX-ST. With regards to Rule 406(3)(a) of the Catalist Rules, Bernard Christopher Emby, Gunananthan A/L Nithyanantham, Jeremy John Figgins and Chuah Jern Ern have attended the relevant training at the Singapore Institute of Directors on 25 September 2018, Ling Hee Keat has attended the relevant training at the Singapore Institute of Directors on 8 November 2018 to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

None of our Directors are related to each other, our Executive Officers or our Substantial Shareholders. Our Nominating Committee has considered the shareholding interests of associates of our Independent Directors and are of the opinion that such shareholdings are not deemed controlling or substantial shareholding interests and as such do not affect the independence of our Independent Directors.

Independence of our Independent Directors

The Code of Corporate Governance issued by the Authority on 6 August 2018 (the "**Code**") requires that the board of directors of a company listed on the SGX-ST (the "**Listco**") has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Listco.

Under the Code, an "independent director" is one who is independent in conduct, character and judgment, and has no relationship with the Listco, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the Listco.

Under the Catalist Rules, a director will not be independent under any of the following circumstances:

- (a) if he is employed by the Listco or any of its related corporations for the current or any of the past three (3) financial years;
- (b) if he has an immediate family member who is employed or has been employed by the Listco or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the Listco; and

DIRECTORS, MANAGEMENT AND EMPLOYEES

- (c) with effect from 1 January 2022, if he has been a director for an aggregate period of more than nine (9) years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (i) all shareholders; and (ii) shareholders, excluding the directors and/or the chief executive officer of the Listco, and associates of such directors and chief executive officer.

Before 1 January 2022, the independence of any director who has served on the board of directors of the Listco beyond nine (9) years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the board of directors of the Listco should also take into account the need for progressive refreshing of the board of directors of the Listco. The board of directors of the Listco should also explain why any such director should be considered independent.

In addition to the above, the nominating committee and the board of directors of the Listco should consider the following circumstances in which a director should also be deemed to be non-independent:

- (a) a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for service as a member of the board of directors of the Listco. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$50,000 should generally be deemed significant;
- (b) a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or partner in (with 5.0% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). The amount and nature of service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S\$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question; or
- (c) a director, who is or has been directly associated with a substantial shareholder of the Listco, in the current or immediate past financial year. A director is considered “directly associated” with a substantial shareholder when he is accustomed or under any obligation, whether formal or informal, to act in accordance with the directions, instructions, or wishes of the substantial shareholder in relation to the corporate affairs of the Listco. A director will not be considered “directly associated” with a substantial shareholder by reason only of his or her appointment having been proposed by that substantial shareholder.

Chuah Jern Ern

Chuah Jern Ern was the chief executive officer of Fusionfort Sdn Bhd (formerly known as Advanz Fidelis Sdn Bhd) (“**Fusionfort**”), a company which provided intellectual property advisory and prosecution services to our Group. Such services include application and registration of intellectual property and advising on the intellectual property strategy of our Group.

DIRECTORS, MANAGEMENT AND EMPLOYEES

In July 2018, Fusionfort transferred its intellectual property advisory and prosecution business to Advanz Fidelis IP Sdn Bhd (“**Advanz Fidelis IP**”) which became part of QANTM Intellectual Property Limited (“**QANTM**”), a listed group in Australia. Chuah Jern Ern has a shareholding interest of approximately 0.19% in QANTM. Chuah Jern Ern was appointed as the chief executive officer of Advanz Fidelis IP from July 2018.

Our Group may enter into similar transactions with Advanz Fidelis IP going forward. As Advanz Fidelis IP is not an associate of Chuah Jern Ern, such transactions will not be subject to the requirements of Chapter 9 of the Catalist Rules.

Our Directors (other than Chuah Jern Ern) and Sponsor are of the view that the intellectual property advisory and prosecution services provided by Fusionfort and Advanz Fidelis IP to our Group will not interfere, or be reasonably perceived to interfere, with the exercise of the independent business judgment of Chuah Jern Ern in his role as an Independent Director of our Company, and that Chuah Jern Ern’s role as an Independent Director is in compliance with the Code for the following reasons:

- (a) as Fusionfort was wholly-owned by Chuah Jern Ern’s immediate family members, payments to Fusionfort aggregated over any financial year in excess of S\$50,000 should generally be deemed significant under the Code. The total amount of fees paid by our Group to Fusionfort did not exceed S\$50,000 for any financial year during the Period Under Review, and the total amount of fees paid by our Group to Fusionfort was US\$32,617, US\$18,365 and US\$5,740 for FY2016, FY2017 and FY2018 respectively;
- (b) as Chuah Jern Ern is the chief executive officer of Advanz Fidelis IP with less than 5% shareholding interest in QANTM, payments to Advanz Fidelis IP aggregated over any financial year in excess of S\$200,000 should generally be deemed significant under the Code. The total amount of fees paid by our Group to Advanz Fidelis IP did not exceed S\$200,000 for any financial year during the Period Under Review, and the total amount of fees paid by our Group to Advanz Fidelis IP was US\$56,718 in FY2018;
- (c) the provision of intellectual property advisory and prosecution services is not considered material services as defined by the Code;
- (d) Chuah Jern Ern will abstain from participating in the review and approval process relating to any matters or transactions to be entered into by our Group in relation to Advanz Fidelis IP; and
- (e) Chuah Jern Ern will abstain from participating in the deliberation and views on matters concerning his appointment, including consideration of his independence.

None of our Independent Directors nor their immediate family members has been employed by our Company or any of our related corporations for the current and any of the past three (3) financial years. None of our Independent Directors nor their immediate family members sits on the board of our subsidiaries.

Save as disclosed above, our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

DIRECTORS, MANAGEMENT AND EMPLOYEES

None of our Directors has any arrangement or understanding with any of our Substantial Shareholders, customers or suppliers pursuant to which such person was appointed as our Director.

The list of present and past directorships of each Director over the last five (5) years preceding the date of this Offer Document excluding those held in our Company, is set out below:

Name	Present Directorships/ Partnerships	Past Directorships/ Partnerships
Bernard Christopher Emby	<u>Group Corporations</u>	<u>Group Corporations</u>
	TrickleStar Malaysia TrickleStar USA TrickleStar HK	Nil
	<u>Other Corporations</u>	<u>Other Corporations</u>
	CircleBright Limited Emby Properties Sdn Bhd Ozuno Holdings Limited Ozuno Trading Limited Zernet Limited	Shaves2U (M) Sdn Bhd
Gunananthan A/L Nithyanantham	<u>Group Corporations</u>	<u>Group Corporations</u>
	TrickleStar HK	TrickleStar Malaysia TrickleStar USA
	<u>Other Corporations</u>	<u>Other Corporations</u>
	TouchGrid PLT Ozuno Trading Pty Ltd Zernet Malaysia PLT CircleBright Limited Zernet Limited Serial Cellars Sdn Bhd ServiceRocket Sdn Bhd Navigos Corporation Sdn. Bhd. OpenPath Education Sdn Bhd	Alligator Ventures Sdn. Bhd Elephant Ventures Sdn. Bhd Serial Cellars Retail Sdn. Bhd. Incube8 Venture One Sdn Bhd Incube8 Sdn Bhd
Jeremy John Figgins	<u>Group Corporations</u>	<u>Group Corporations</u>
	Nil	Nil
	<u>Other Corporations</u>	<u>Other Corporations</u>
	Jayef Limited Pangolin Investments Limited	Straits Engineers Contracting Pte Ltd Straits Engineers Holding Pte Ltd Fuelcore Pte. Ltd.

DIRECTORS, MANAGEMENT AND EMPLOYEES

Name	Present Directorships/ Partnerships	Past Directorships/ Partnerships
Chuah Jern Ern	<u>Group Corporations</u>	<u>Group Corporations</u>
	Nil	Nil
	<u>Other Corporations</u>	<u>Other Corporations</u>
	Advanz Fidelis IP Sdn Bhd Priority Communications PR Sdn Bhd Affinity Alliance Sdn Bhd The Five-A Alliance Limited Calliden International Limited Imaginaria Innovations Sdn Bhd Folsys Sdn Bhd Fusionfort Sdn Bhd (formerly known as Advanz Fidelis Sdn Bhd)	Nil
Ling Hee Keat	<u>Group Corporations</u>	<u>Group Corporations</u>
	Nil	Nil
	<u>Other Corporations</u>	<u>Other Corporations</u>
	Iris Corporation Berhad Armada Marketing (M) Sdn Bhd Nuswarna Development Sdn Bhd Maxdotcom Sdn Bhd	SHH Resources Holdings Bhd SHH Furniture Industries Sdn Bhd

EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Director who is assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Principal Occupation
Lai Wan Ming	55	80 Robinson Road #02-00, Singapore 068898	Chief Financial Officer
S Krishnan A/L Sinnappan	47	80 Robinson Road #02-00, Singapore 068898	Head of Technical

DIRECTORS, MANAGEMENT AND EMPLOYEES

The business and working experience and areas of responsibility of our Executive Officers are set out below:

Lai Wan Ming

Lai Wan Ming is our CFO and is responsible for all finance related areas of our Group since joining us on 1 June 2018. In particular, he is responsible for the management of the accounts and finance departments of our Group, overseeing the monthly management reporting of our Group and review of the financial results of our Group.

Lai Wan Ming started his career as an accounts and administrative clerk in Solid Enterprise Sdn Bhd in January 1990 until February 1993. From March 1993 to April 1995, he joined BZ Enterprise Sdn Bhd as an accounts executive. From April 1995 to April 1997, he joined Euro-Pro Footwear (M) Sdn Bhd as a finance and administration manager. From April 1997 to June 2001, he joined Herbal Link (M) Sdn Bhd as financial controller. From July 2001 to April 2006, he joined Richard's Lighting Sdn Bhd as group accountant, where he was responsible for the group's accounts and reporting functions, as well as for the company's cash flow management, planning, budgeting, financial management and internal control of the company. From April 2006 to August 2007, he joined Property Care Services (M) Sdn Bhd as a finance manager. From September 2007 to July 2010, he was the finance manager of Berjaya HVN Sdn Bhd, where he was responsible for the submission of the monthly management accounts and consolidation of accounts and quarterly reports. From July 2011 to March 2013, he was appointed as the finance manager of Plenitude Builders Sdn Bhd. From February 2014 to June 2015, he joined Cybertowers Berhad as their finance manager, where he was responsible for heading the operations of the finance department. From June 2015 to November 2015, Lai Wan Ming joined Compugates Holdings Berhad as the finance manager, where he was responsible for leading the accounting and reporting functions of the entire group. From October 2016 to December 2016, he was an accounts manager of SVI Mall Sdn Bhd. From December 2016 to May 2017, he was a finance manager of Columbia Leisure Sdn Bhd. From March 2018 to May 2018, he joined Bertam Alliance Berhad as their finance manager. In June 2018, Lai Wan Ming joined our Group as the Head of Finance of TrickleStar Malaysia.

Lai Wan Ming obtained a Malaysia Higher School Certificate (Sijil Tinggi Persekolahan Malaysia) in 1986.

Lai Wan Ming is a member of the Malaysian Institute of Accountants.

Our Audit Committee and the Sponsor, after having conducted an interview with Lai Wan Ming and after having considered:

- (a) the qualifications and past working experiences of Lai Wan Ming which are compatible with his position as CFO of our Group;
- (b) Lai Wan Ming's past audit, financial and accounting related experiences (including but not limited to the circumstances of him leaving the various positions in the different companies from 2013 to 2018);
- (c) Lai Wan Ming's demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the Listing;
- (d) the absence of negative feedback on Lai Wan Ming from the representatives of our Group's Independent Auditors and Reporting Accountants, BDO LLP; and

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- (e) the absence of internal control weaknesses attributable to Lai Wan Ming identified during the internal control review conducted,

are of the view that Lai Wan Ming is suitable for the position of CFO of our Group.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee members to cause them to believe that Lai Wan Ming does not have the competence, character and integrity expected of a CFO of a listed company.

In addition, Lai Wan Ming shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

S Krishnan A/L Sinnappan

S Krishnan A/L Sinnappan is our Head of Technical and has been in charge of managing our Group's technical team since joining us on 26 November 2014. In particular, he is responsible for all technical research and product development areas of our Group, drafting specifications, managing product designs and development, and liaising and providing technical support to the sales team in the USA, and communicating with design centres to develop products for our Group.

From April 1998, S Krishnan A/L Sinnappan was a senior manager at Panasonic AVC Networks Johor Malaysia Sdn. Bhd. until May 2006, where he was promoted to the position of assistant general manager. Panasonic AVC Networks Johor Malaysia Sdn. Bhd. is in the business of the provision of home appliances and the manufacturing of electronic audio and video equipment for home entertainment. His responsibilities as assistant general manager included developing key modules including the Panasonic home theatre systems, audio amplifiers and hi-fi systems. He was also involved in the growth of the Panasonic research and development centre and the transfer of new products from the design to production stage. He left his position in Panasonic AVC Networks Johor Malaysia Sdn. Bhd. in February 2010. From December 2010 to December 2012, S Krishnan A/L Sinnappan was a senior lecturer at UCSI University. From January 2013 to October 2014, S Krishnan A/L Sinnappan was a project management director of Summit Edu Consultancy Sdn. Bhd. In November 2014, S Krishnan A/L Sinnappan joined our Group as a Product Manager of TrickleStar Malaysia, and was subsequently re-designated as the Head of Technical of TrickleStar Malaysia in September 2018.

S Krishnan A/L Sinnappan obtained a Bachelor of Engineering with Second Class Honours (Lower Division) in Electrical and Electronic Engineering from the University of East London, United Kingdom in 1996. In 1997, he obtained a Master of Science in Telecommunications from the University of East London, United Kingdom.

S Krishnan A/L Sinnappan also graduated from the Institution of Engineers, Malaysia, in March 2011. S Krishnan A/L Sinnappan is registered as a Graduate Engineer of the Board of Engineers, Malaysia.

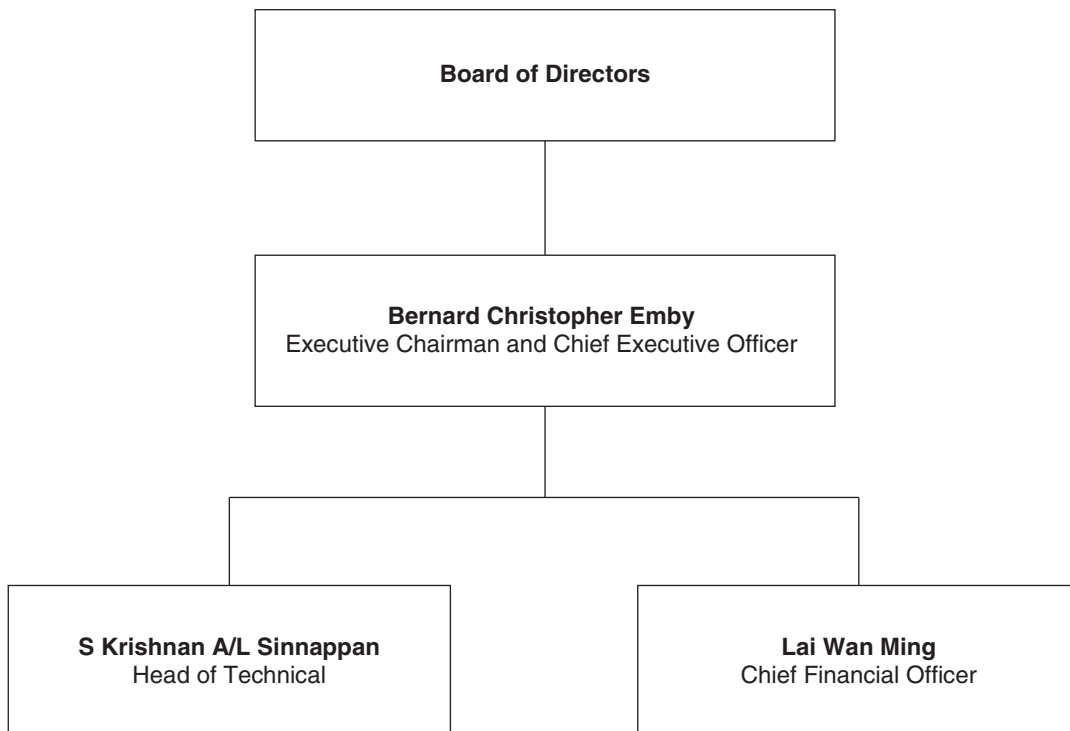
DIRECTORS, MANAGEMENT AND EMPLOYEES

None of our Executive Officers currently holds or has held any directorships in any company in the past five (5) years preceding the date of this Offer Document.

Name	Present Directorships/ Partnerships	Past Directorships/ Partnerships
Lai Wan Ming	<u>Group Corporations</u>	<u>Group Corporations</u>
	Nil	Nil
	<u>Other Corporations</u>	<u>Other Corporations</u>
	Nil	Nil
S Krishnan A/L Sinnappan	<u>Group Corporations</u>	<u>Group Corporations</u>
	Nil	Nil
	<u>Other Corporations</u>	<u>Other Corporations</u>
	Nil	Nil

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out below:



DIRECTORS, MANAGEMENT AND EMPLOYEES

EMPLOYEES

As at the Latest Practicable Date, our Group had a workforce of 15 full-time employees.

The number of employees of our Group has stayed largely consistent during the Period Under Review.

The functional distribution of our Group's employees as at 31 December 2016, 31 December 2017 and 31 December 2018 and Latest Practicable Date are as follows:

Functions	As at 31 December 2016	As at 31 December 2017	As at 31 December 2018	As at the Latest Practicable Date
Management	2	2	1	1
Accounts and finance	2	2	2	2
Administration and human resources	–	1	1	2
Operations	4	3	4	3
Technical	2	4	2	3
Sales	4	3	3	2
Marketing	1	1	1	2
Total	15	16	14	15

The geographical distribution of our Group's full time employees as at 31 December 2016, 31 December 2017 and 31 December 2018 are as follows:

Locations	As at 31 December 2016	As at 31 December 2017	As at 31 December 2018	As at the Latest Practicable Date
Singapore	–	–	–	–
Hong Kong	2	2	1	1
USA	6	4	5	4
Malaysia	7	10	8	10
Total	15	16	14	15

As at the Latest Practicable Date, none of our full-time employees are related to our Directors and Substantial Shareholders. Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

We do not employ a significant number of temporary employees.

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Our employees are not covered by any collective bargaining agreements and are not unionised. The relationship and co-operation between the management and staff have been good and are expected to continue and remain as such in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

Directors and Executive Officers

The remuneration paid to our Directors and Executive Officers (which includes any deferred compensation accrued and bonuses) for services rendered to us on an aggregate basis and in remuneration bands of S\$250,000⁽¹⁾ during FY2017 and FY2018 (being the two (2) most recent completed financial years) and as estimated for FY2019 (excluding bonuses under any profit-sharing plan or any other profit-linked agreement(s)) are as follows:

	FY2017	FY2018	FY2019 (estimated)
Directors			
Bernard Christopher Emby	B	A	A
Gunananthan A/L Nithyanantham	B	A	A
Jeremy John Figgins	_(2)	A ⁽³⁾	A
Chuah Jern Ern	_(2)	_(2)	A
Ling Hee Keat	_(2)	_(2)	A
Executive Officers			
Lai Wan Ming	_(2)	A	A
S Krishnan A/L Sinnappan	A	A	A

Notes:

- (1) Band A: Compensation from S\$0 to S\$250,000 per annum.
 Band B: Compensation from S\$250,000 to S\$500,000 per annum.
 Band C: Compensation from S\$500,000 to S\$750,000 per annum.
- (2) Not under our Group's appointment during the relevant periods.
- (3) No compensation was received during the relevant period.

Pension or retirement benefits

As at the Latest Practicable Date, save as required for compliance with the applicable laws of Singapore, we have not set aside or accrued any amounts to provide for pension, retirement or similar benefits for our employees.

SERVICE AGREEMENTS

On 17 May 2019, our Company entered into a Service Agreement with our Executive Chairman and CEO, Bernard Christopher Emby. In addition, on 17 May 2019, our Company entered into a Service Agreement with our CFO, Lai Wan Ming.

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For the purposes of this sub-section of this Offer Document:

- (a) “**CEO**” means Bernard Christopher Emby;
- (b) “**CFO**” means Lai Wan Ming;
- (c) “**Group**” means our Company, its subsidiaries and associated companies from time to time; and
- (d) “**Group Company**” means any one of the companies within our Group.

Service Agreement with our Executive Chairman and CEO, Bernard Christopher Emby

Term

The Service Agreement is for an initial period of three (3) years (the “**Initial Term**”) commencing with effect from the date of the Service Agreement (or such other date as the parties thereto may mutually agree in writing), unless terminated in accordance with the terms of the Service Agreement. Upon expiry of the Initial Term, the appointment may, at the option of our Company, be extended for such further period on terms and conditions to be agreed between the parties. At least three (3) months before the end of the Initial Term, our Company shall give the CEO written notice of whether it intends to exercise the option to extend the appointment beyond the Initial Term and the terms and conditions on which the appointment is extended.

Termination

The Service Agreement may be terminated at any time (i) by either party giving to the other party not less than six (6) months’ written notice; or (ii) by our Company immediately with written notice provided that an amount equivalent to six (6) months’ salary (based on the CEO’s last drawn monthly salary) shall be paid to the CEO.

In addition, our Company may terminate the Service Agreement forthwith immediately in any of the following cases (“**CEO Termination Grounds**”):

- (a) if the CEO is convicted or otherwise found guilty by any court of competent jurisdiction, or pleads guilty to, any offence involving fraud or dishonesty, or of a felony, serious misdemeanour, or crime involving moral turpitude;
- (b) if the CEO commits an act of bankruptcy under applicable law, is declared a bankrupt or has bankruptcy proceedings commenced against him or any such analogous events occurs under any provisions under applicable law;
- (c) if the CEO is convicted of any criminal offence and/or other offences which, in the opinion of the Board, would affect his position or performance as an Executive Director of our Company;
- (d) if the CEO is, in the opinion of the Board, guilty of any act or thing which may bring discredit or disrepute to our Company or any Group Company, or any of its officers or employees into disrepute, in all cases whether or not in connection with or referable to the appointment;
- (e) if the CEO neglects or refuses, without reasonable cause, to attend to the business of our Company or any Group Company to which he is assigned duties;

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- (f) if the CEO misappropriates assets of our Company or any Group Company;
- (g) if the CEO fails to observe and perform any of the duties and obligations imposed by the Service Agreement or which are imposed by law;
- (h) if the CEO otherwise acts in breach of the Service Agreement;
- (i) if the CEO becomes of unsound mind or mentally disordered;
- (j) if the CEO is found to have made any illegal monetary profit or received any gratuities or other rewards (whether in cash or kind) out of our Company's or any Group Company's affairs;
- (k) if the CEO is incapacitated by reason of his health or accident from performing his duties and obligations under the Service Agreement and shall have been so incapacitated for a total period of 180 days or more (whether or not consecutive) in the preceding 12 months; or
- (l) if the CEO shall cease to hold the office of director pursuant to the constitution of our Company, or is disqualified from acting as, or holding the office of, a director of any company for any reason whatsoever in any jurisdiction pursuant to any applicable law.

Upon such termination above, no compensation or liability shall be payable or incurred by our Company to the CEO for termination under the CEO Termination Grounds.

If before the expiration of the Service Agreement, the appointment of the CEO thereunder shall be terminated by reason of the liquidation of our Company for the purposes of amalgamation or reconstruction or as part of any arrangement for the amalgamation of the undertaking of our Company not involving liquidation, the CEO shall be offered employment with the amalgamated or reconstructed company on terms and conditions generally not less favourable than the terms and conditions of the Service Agreement and the CEO shall have no claim against our Company in respect of the termination of his appointment by our Company.

Non-solicitation and restrictive covenants

The CEO has agreed that he shall observe and be subject to the terms, conditions and restrictions relating to his activities as set out below:

- (a) During the period of the appointment, and for as long as the CEO remains a Director of our Company, or the CEO and/or his associates remain a Controlling Shareholder of our Company, the CEO shall not, and shall procure that his associates shall not, (without the prior written consent of the Board) be directly or indirectly engaged or interested in any capacity in any other business, trade or occupation, except as disclosed or declared to our Company in writing prior to the date of the Service Agreement. This provision shall not restrict the CEO from holding an interest (directly or through nominees) or through companies controlled by the CEO of securities in any public company listed on any stock exchange, provided always that the CEO does not, directly or indirectly, hold more than 5.0% of the total amount of securities of the same class in any such listed company.
- (b) Except as disclosed or declared to our Company in writing prior to the date of the Service Agreement, the CEO shall not, and shall procure that his associates shall not, for as long as the CEO remains a Director of our Company, the CEO and/or his associates remain a

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Controlling Shareholder of our Company, or until 12 months after the termination of the appointment, whichever is later:

- (i) within any jurisdiction in which our Company or any Group Company is doing business, directly or indirectly own, manage, operate, control, be employed by or participate in the ownership, management, operation or control of, or be connected in any manner with, any business of the type and character engaged in and competitive with that conducted by our Company or any Group Company. For these purposes, ownership of securities not exceeding 5.0% of any class of securities of any public company listed on a stock exchange shall not be considered to be competition with our Company or any Group Company provided that the CEO shall not, and shall procure that his associates shall not, be involved in the day-to-day management of such public companies; or
 - (ii) persuade or attempt to persuade any potential customer or client to which our Company or any Group Company has made a presentation, or with which our Company or any Group Company has been in negotiations or having discussions, not to deal with or hire our Company or any Group Company or to deal with or hire another company; or
 - (iii) solicit for himself or any person other than our Company or any Group Company the business of any supplier, customer or client of our Company or any Group Company, or was its supplier, customer or client within six (6) months prior to the date on which the CEO ceases to be a Director of our Company, or the CEO and/or his associates cease to be a Controlling Shareholder of our Company, whichever is later; or
 - (iv) persuade or attempt to persuade any employee of our Company or any Group Company, or any individual who was an employee during the six (6) months prior to the date on which the CEO ceases to be a Director of our Company, or the CEO and/or his associates cease to be a Controlling Shareholder of our Company, whichever is later, to leave our Company's or any Group Company's employ, or to become employed by any person other than our Company or any Group Company.
- (c) The CEO shall keep secret and shall not at any time (whether during the appointment or after the termination of the appointment for whatever reason) (and for so long as the CEO remains a Director of our Company, or the CEO and/or his associates remain a Controlling Shareholder of our Company) use for his own or another's advantage, or reveal to any person, firm or company, any of the trade secrets, business methods or information which the CEO knew or ought reasonably to have known to be confidential concerning the business or affairs of our Company or any Group Company so far as they shall have come to his knowledge during the appointment. The restrictions contained in this paragraph (c) do not apply:
- (i) to any disclosure or use authorised by our Company or required by law or by the appointment; or
 - (ii) so as to prevent the CEO from using his own personal skill in any business in which he may be lawfully engaged (subject to paragraph (b) above) after the appointment has ended; or
 - (iii) to any trade secrets, business methods or information which may lawfully and without breach of the provision of this paragraph (c) have come into the public domain; or
 - (iv) to any disclosure required by an order issued by a court of competent jurisdiction.

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- (d) The CEO agrees that all processes, procedures, programs, discoveries, ideas, formulae, improvements, developments, technologies, designs, inventions (collectively “**Inventions**”), whether or not patentable or copyrightable, conceived, developed, invented, or made solely by the CEO, or jointly with others, during the appointment shall be conclusively deemed “work for hire” (to the extent applicable), and is the property of, and belongs to, our Company and shall in connection therewith (whether during the period of the appointment or after the termination of the Service Agreement), (i) assign to our Company, without additional compensation, all patent, copyright, trademark, trade name, service mark and other rights to such Inventions in any country; (ii) sign all documents and instruments necessary to carry out the foregoing; and (iii) take such further actions as our Company may reasonably request in order to protect and otherwise perfect the rights of our Company to such Inventions.

The Service Agreement provides that the abovementioned non-solicitation and restrictive covenants shall survive the expiry or termination of the Service Agreement and will continue in full force and effect notwithstanding the expiry or termination of the Service Agreement.

Remuneration

Under the terms of the Service Agreement, the CEO shall receive a monthly salary, and subject to approval from Shareholders of our Company at general meeting, the CEO will also be paid an annual director’s fee. In addition, the CEO shall also be entitled to a discretionary annual incentive bonus determined at the sole discretion of our Remuneration Committee.

The CEO may also, if our Remuneration Committee in its absolute discretion deems fit, be entitled to participate in such share option scheme or performance share plan as may be implemented by our Company after obtaining shareholders’ approval, if applicable, upon the terms and conditions of such share option scheme or performance share plan and subject to the relevant provisions of the Catalist Rules.

Service Agreement with our CFO, Lai Wan Ming

Term

The Service Agreement is for an initial period of three (3) years (the “**Initial Term**”) commencing with effect from the date of the Service Agreement (or such other date as the parties thereto may mutually agree in writing), unless terminated in accordance with the terms of the Service Agreement. Upon expiry of the Initial Term, the appointment shall be automatically renewed on a year to year basis unless terminated in accordance with the Service Agreement.

Termination

The Service Agreement may be terminated at any time (i) by either party giving to the other party not less than six (6) months’ written notice; or (ii) by our Company immediately with written notice provided that an amount equivalent to six (6) months’ salary (based on the CFO’s last drawn monthly salary) shall be paid to the CFO.

In addition, our Company may terminate the Service Agreement forthwith immediately in any of the following cases (“**CFO Termination Grounds**”):

- (a) if the CFO is convicted or otherwise found guilty by any court of competent jurisdiction, or pleads guilty to, any offence involving fraud or dishonesty, or of a felony, serious misdemeanour, or crime involving moral turpitude;

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- (b) if the CFO commits an act of bankruptcy under applicable law, is declared a bankrupt or has bankruptcy proceedings commenced against him or any such analogous events occurs under any provisions under applicable law;
- (c) if the CFO is convicted of any criminal offence and/or other offences which, in the opinion of the Board, would affect his position or performance as the CFO of our Company;
- (d) if the CFO, in the opinion of the Board, is guilty of any act or thing which may bring discredit or disrepute to our Company or any Group Company, or any of its officers or employees into disrepute, in all cases whether or not in connection with or referable to the appointment;
- (e) if the CFO neglects or refuses, without reasonable cause, to attend to the business of our Company or any Group Company to which he is assigned duties;
- (f) if the CFO misappropriates assets of our Company or any Group Company;
- (g) if the CFO fails to observe and perform any of the duties and obligations imposed by the Service Agreement or which are imposed by law;
- (h) if the CFO otherwise acts in breach of the Service Agreement;
- (i) if the CFO becomes of unsound mind or mentally disordered;
- (j) if the CFO is found to have made any illegal monetary profit or received any gratuities or other rewards (whether in cash or kind) out of our Company's or any Group Company's affairs;
- (k) if the CFO is incapacitated by reason of his health or accident from performing his duties and obligations hereunder and shall have been so incapacitated for a total period of 180 days or more (whether or not consecutive) in the preceding 12 months; or
- (l) if the CFO is disqualified from acting as, or holding the office of, a director of any company for any reason whatsoever in any jurisdiction pursuant to any applicable law.

Upon such termination above, no compensation or liability shall be payable or incurred by our Company to the CFO for termination under the CFO Termination Grounds.

Non-solicitation and restrictive covenants

The CFO has agreed that he shall observe and be subject to the terms, conditions and restrictions relating to his activities as set out below:

- (a) During the period of the appointment, the CFO shall not (without the prior written consent of the Board) be directly or indirectly engaged or interested in any capacity in any other business, trade or occupation, except as disclosed or declared to our Company in writing prior to the date of the Service Agreement. This provision shall not restrict the CFO from holding an interest (directly or through nominees) or through companies controlled by the CFO of securities in any public company listed on any stock exchange, provided always that the CFO does not, directly or indirectly, hold more than 5.0% of the total amount of securities of the same class in any such listed company.

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- (b) Except as disclosed or declared to our Company in writing prior to the date of the Service Agreement, the CFO shall not, until 12 months after the termination of the appointment:
- (i) within any jurisdiction in which our Company or any Group Company is doing business, directly or indirectly own, manage, operate, control, be employed by or participate in the ownership, management, operation or control of, or be connected in any manner with, any business of the type and character engaged in and competitive with that conducted by our Company or any Group Company. For these purposes, ownership of securities not exceeding 5.0% of any class of securities of a public company listed on a stock exchange shall not be considered to be competition with our Company or any Group Company;
 - (ii) persuade or attempt to persuade any potential customer or client to which our Company or any Group Company has made a presentation, or with which our Company or any Group Company has been in negotiations or having discussions, not to deal with or hire our Company or any Group Company or to deal with or hire another company;
 - (iii) solicit for himself or any person other than our Company or any Group Company the business of any supplier, customer or client of our Company or any Group Company, or was its supplier, customer or client within six (6) months prior to the date of termination of the appointment; or
 - (iv) persuade or attempt to persuade any employee of our Company or any Group Company, or any individual who was an employee during the six (6) months prior to the date of termination of the appointment, to leave our Company's or any Group Company's employ, or to become employed by any person other than our Company or any Group Company.
- (c) The CFO shall keep secret and shall not at any time (whether during the appointment or after the termination of the appointment for whatever reason) use for his own or another's advantage, or reveal to any person, firm or company, any of the trade secrets, business methods or information which the CFO knew or ought reasonably to have known to be confidential concerning the business or affairs of our Company or any Group Company so far as they shall have come to his knowledge during the appointment. The restrictions contained in this paragraph (c) do not apply:
- (i) to any disclosure or use authorised by our Company or required by law or by the appointment;
 - (ii) so as to prevent the CFO from using his own personal skill in any business in which he may be lawfully engaged (subject to paragraph (b) above) after the appointment has ended;
 - (iii) to any trade secrets, business methods or information which may lawfully and without breach of the provision of this paragraph (c) have come into the public domain; or
 - (iv) to any disclosure required by an order issued by a court of competent jurisdiction.

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- (d) The CFO agrees that all processes, procedures, programs, discoveries, ideas, formulae, improvements, developments, technologies, designs, inventions (collectively “**Inventions**”), whether or not patentable or copyrightable, conceived, developed, invented, or made solely by the CFO, or jointly with others, during the appointment shall be conclusively deemed “work for hire” (to the extent applicable), and is the property of, and belongs to, our Company and shall in connection therewith (whether during the period of the appointment or after the termination of the Service Agreement), (i) assign to our Company, without additional compensation, all patent, copyright, trademark, trade name, service mark and other rights to such Inventions in any country; (ii) sign all documents and instruments necessary to carry out the foregoing; and (iii) take such further actions as our Company may reasonably request in order to protect and otherwise perfect the rights of our Company to such Inventions.

Remuneration

Under the terms of the Service Agreement, the CFO shall receive a monthly salary and a monthly petrol allowance. In addition, the CFO shall also be entitled to a discretionary annual incentive bonus determined at the sole discretion of our Remuneration Committee, whose decision shall be final.

The CFO shall also, if our Remuneration Committee deems fit in its sole absolute discretion, be entitled to participate in such share option scheme or performance share plan as may be implemented by our Company after obtaining shareholders’ approval, if applicable, upon the terms and conditions of such share option scheme or performance share plan and subject to the relevant provisions of the Catalist Rules.

Had the Service Agreements mentioned above been in place since 1 January 2018, the aggregate remuneration (including the annual wage supplement, contributions to the CPF and other benefits, if any) paid or provided to our CEO and our CFO would have been approximately S\$0.24 million instead of approximately S\$0.22 million and our profit attributable to owners of parent would have been approximately S\$2.63 million instead of S\$2.65 million.

Bernard Christopher Emby had entered into an employment contract with TrickleStar HK dated 1 September 2018 (the “**Previous Service Agreement**”), which has been terminated upon entry into the new Service Agreement with our Company. The Previous Service Agreement provided that Bernard Christopher Emby shall be appointed as the chief executive officer of TrickleStar HK and shall receive a monthly salary and that the date of appointment is 1 January 2008. The Previous Service Agreement further stated that Bernard Christopher Emby will be subject to the terms and conditions listed in the TrickleStar Scheme of Service (the “**TrickleStar Scheme of Service**”). Pursuant to the TrickleStar Scheme of Service, Bernard Christopher Emby may be eligible to receive retrenchment benefits if his employment is terminated by TrickleStar HK on the grounds of redundancy resulting from any reorganisation or economic measures within TrickleStar HK. The TrickleStar Scheme of Service states that the amount of retrenchment benefits shall be as stipulated by local laws in his country of employment (i.e. Malaysia).

Save as disclosed above, there are no other existing or proposed service contracts entered into or to be entered into between our Company and our subsidiaries with any of our Directors.

Save as disclosed above, there is no existing or proposed service agreement entered into or to be entered into between our Company and our subsidiaries with any of our Directors which provide for benefits upon termination of employment.

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Save as disclosed above, there are no bonus or profit-sharing plans or any other profit-linked agreements or arrangements between our Company and any of our Directors, Executive Officers or employees.

Our Group did not employ any person who is an immediate family member of our Directors or CEO for each of FY2017 and FY2018.

TRICKLESTAR PERFORMANCE SHARE PLAN

In conjunction with our listing on the SGX-ST, we have adopted a performance share plan known as the “TrickleStar Performance Share Plan” (the “**Plan**”), which was approved by our Shareholders on 17 May 2019. The Rules of the Plan are set out in “Appendix C – Rules of the TrickleStar Performance Share Plan” to this Offer Document. Capitalised terms used throughout this section shall, unless otherwise defined in the section entitled “Definitions” of this Offer Document, bear the meanings as defined in “Appendix C – Rules of the TrickleStar Performance Share Plan” to this Offer Document.

The Plan will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Plan forms an integral and important component of our compensation plan and is designed primarily to reward and retain directors and employees whose services are vital to the growth and performance of our Company and/or our Group.

As at the Latest Practicable Date, no Awards have been granted under the Plan.

Rationale for the Plan

Our Directors have implemented the Plan to increase our Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees and Non-Executive Directors of our Group to promote higher performance goals, recognise exceptional achievement and retain talents within our Group. Our Company believes that the Plan will be effective and rewarding than pure cash bonuses in motivating employees to work towards pre-determined goals of our Company.

The Plan allows our Company to target specific performance objectives and to provide an incentive for Participants to achieve these targets. The objectives of the Plan include:

- (a) to motivate Participants to perform at an optimal level of efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees whose contributions are important to the long-term growth and profitability of our Group;
- (c) to instil loyalty and a strong sense of identity in the Participants;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

Overview of the Plan

A summary of the rules of the Plan is set out as follows:

1. Eligibility

1.1 Subject to the absolute discretion of the Remuneration Committee, the following persons shall be eligible to participate in the Plan:

- (a) any confirmed employee of our Group (including any a Director of our Company and/or a director of our Company’s subsidiaries, as the case may be, who performs an

TRICKLESTAR PERFORMANCE SHARE PLAN

executive function (“**Group Executive Director**”)) selected by the Remuneration Committee to participate in the Plan in accordance with the Rules of the Plan (“**Group Employee**”); and

(b) Directors of our Company (including Non-Executive Directors of our Company),

provided that, as at the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of our Group for at least 12 months, or such shorter period as the Remuneration Committee may determine.

1.2 Subject to the absolute discretion of the Remuneration Committee, a Controlling Shareholder or an Associate of a Controlling Shareholder who meets the criteria as set out above is eligible to participate in the Plan, provided that his participation in the Plan and the grant of Awards to him, including the actual number of Shares and terms of Awards to be granted to him, shall be subject to independent Shareholders’ approval at a general meeting in separate resolutions for participation by each Controlling Shareholder or Associate of a Controlling Shareholder in the Plan, and for the grant of Awards to each Controlling Shareholder or Associate of a Controlling Shareholder. The circular to Shareholders to seek independent Shareholder’s approval for such matters shall disclose the rationale and justification for his participation in the Plan and for the grant of Awards, including the actual number of Shares and the terms of such Awards.

2. Administration of the Plan

2.1 The Plan shall be administered by our Remuneration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that a Participant who is a member of the Remuneration Committee shall not be involved in its deliberation or decision in respect of Awards granted or to be granted to him or held by him, and provided further that where Awards are proposed to be granted to Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Remuneration Committee), except for those Directors, Controlling Shareholders or their Associates, will be involved in the deliberation or decision on the same.

2.2 The Remuneration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, and to give effect to the provisions of the Plan, as it may, in its absolute discretion, think fit.

3. Awards

3.1 Awards represent the right of a Participant to receive fully paid Shares in our Company free of charge upon the Participant satisfying or exceeding prescribed performance target(s) at the end of the performance period(s) and/or otherwise having performed well and/or made a significant contribution to our Group. Awards are vested and the Shares which are the subject of the Award are delivered to the Participant at the end of the performance period(s), once the Remuneration Committee is, at its sole discretion, satisfied that the prescribed performance target(s) have been satisfied. The Remuneration Committee may also grant an Award where in its opinion a Participant has performed well and/or made a significant contribution to our Group.

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3.2 An Award is personal to the Participant to whom it is granted and it may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Remuneration Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse and shall forthwith become void and cease to have effect. However, the Shares received by a Participant pursuant to the vesting of Awards granted under the Plan may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

4. Participants of the Plan

The selection of a Group Employee (including a Group Executive Director) to participate in the Plan, and the grant of Awards to him, including the actual number of Shares and terms of Awards to be granted to him shall be determined at the absolute discretion of the Remuneration Committee and recommended by the Remuneration Committee to the Board for approval, taking into account, *inter alia*, the following criteria:

- (a) the financial performance of our Group;
- (b) such person's rank, length of service, achievements, job performance and potential for future development, and his contribution to the success and development of our Group; and
- (c) the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period(s). The performance target(s) shall be set by the Remuneration Committee based on such person's job scope and responsibilities.

5. Details of Awards

5.1 The Remuneration Committee shall, in its absolute discretion, decide in relation to each Award to be recommended by the Remuneration Committee:

- (a) the Participant;
- (b) the Date of Grant;
- (c) the number of Shares which are the subject of the Award;
- (d) the performance target(s) and the performance period(s);
- (e) the Vesting Period(s);
- (f) the extent to which Shares which are the subject of that Award shall be vested on the prescribed performance target(s), if any, being satisfied (whether fully or partially) or exceeded at the end of the performance period(s), or at the end of the prescribed Vesting Period(s), as the case may be; and

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- (g) such other terms which the Remuneration Committee may determine in relation to the Award,

provided that the grant of Awards to Participants who are Controlling Shareholders or Associates of a Controlling Shareholder shall be subject to independent Shareholders' approval at a general meeting in separate resolutions for the grant of Awards to each Controlling Shareholder or Associate of a Controlling Shareholder, and the actual number of Shares which are the subject of such Awards shall comply with the following limits:

- (i) the aggregate of the number of Shares available to Controlling Shareholders and Associates of Controlling Shareholders under the Plan shall not exceed 25.0% of the Shares available under the Plan; and
- (ii) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10.0% of the Shares available under the Plan,

provided further that the aggregate number of Shares available under the Plan, when added to all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of our Company then in force, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of our Company from time to time.

6. Timing

- 6.1 The Remuneration Committee may recommend such grants of Awards to Participants as the Remuneration Committee may decide in its absolute discretion to the Board for approval at any time during the period when the Plan is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second (2nd) Market Day from the date on which the aforesaid announcement is made.

7. Events Prior to Vesting

- 7.1 An Award, to the extent which Shares which are the subject of that Award have not yet vested, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such event, the Participant shall have no claim whatsoever against our Company, its Directors or employees):
- (a) the Participant, being a Group Employee, ceasing for any reason whatsoever to be in the employment of our Group, or in the event the company, which the Participant is employed in, ceases to be a company in our Group;
- (b) the Participant, being an Executive Director, ceasing to be a Director of our Company for any reason whatsoever;
- (c) the Participant commits any breach of any of the terms of his Award;
- (d) the Participant commits any misconduct or any breach of any of the terms of his employment contract as determined by the Remuneration Committee in its absolute discretion;

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- (e) bankruptcy of a Participant;
- (f) winding-up of our Company; or
- (g) any other event approved by the Remuneration Committee in its absolute discretion.

For the purpose of paragraph 7.1(a) above, a Group Employee shall be deemed to have ceased to be in the employment of our Group on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Group Employee has (with the consent of our Group) withdrawn such notice of termination.

For the purpose of paragraph 7.1(b) above, an Executive Director shall be deemed to have ceased to be a Director of our Company on the date on which he gives notice of resignation as a Director of our Company, unless prior to the date on which resignation takes effect, the Executive Director has (with the consent of our Company) withdrawn notice of resignation.

For the avoidance of doubt, no Award shall lapse and shall forthwith become void and cease to have effect pursuant to paragraphs 7.1(a) or 7.1(b) above in the event of any transfer of employment of a Participant within our Group or upon the cessation of employment of an Executive Director who shall continue to serve as a Non-Executive Director of our Company.

8. Size and Duration of the Plan

- 8.1 The aggregate number of Shares available under the Plan, when added to all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of our Company then in force, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of our Company from time to time.
- 8.2 The Plan shall continue in force at the absolute discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which Shareholders' approval at a general meeting is obtained for the adoption of the Plan by our Company. Subject to compliance with any applicable laws and regulations in Singapore, the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and the approval of any relevant authorities which may then be required.
- 8.3 To enjoy greater flexibility in structuring remuneration and compensation packages, our Company believes it should have a sufficient number of Shares to accommodate Awards issued under the Plan. Taking into account the number of issued Shares of our Company as well as the number of eligible Participants in the Plan, the Directors believe that the above limit will enable our Company to grant a sufficient number of Awards to the Participants to create a meaningful compensation for the Participants' contributions. However, it does not necessarily mean that our Company will definitely issue Shares up to the prescribed limit, as Awards will only be granted to Participants selected at the discretion of the Remuneration Committee. The size of the Plan is intended to accommodate a reasonably large pool of Participants.

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9. Operation of the Plan

9.1 Subject to the prevailing legislation, the Catalist Rules and the Constitution of our Company, our Company shall have absolute discretion to deliver Shares to Participants upon vesting of their Awards by way of:

- (a) an allotment and issue of New Shares; or
- (b) a transfer of treasury shares (if any).

In determining whether to allot and issue New Shares or transfer treasury shares (if any) for delivery to Participants upon vesting of their Awards, our Company will take into account factors, including but not limited to the number of Shares to be delivered, the prevailing market price of the Shares and the financial effects on our Company of either allotting and issuing New Shares or transferring treasury shares (if any).

The financial effects of the above methods are discussed below.

9.2 New Shares allotted and issued and/or treasury shares (if any) transferred, upon the vesting of an Award shall:

- (a) be subject to the provisions of the Constitution of our Company; and
- (b) rank *pari passu* in all respects with the then existing issued Shares of our Company except for any dividend, right, allotment or other distribution, the Record Date of which is before the vesting date.

9.3 The Remuneration Committee shall have the absolute discretion to determine whether the performance target(s) prescribed in the Award has/have been satisfied (whether fully or partially) or exceeded at the end of the performance period(s) and, in making any such determination, the Remuneration Committee shall have the right to make reference to the audited results of our Company or our Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to:

- (a) the Remuneration Committee having determined that the performance target(s) has/have been satisfied or exceeded at the end of the performance period(s);
- (b) the Participant (being a Group Employee) having continued to be a Group Employee from the Date of Grant up to the end of the performance period(s), or the Participant (being an Executive Director) having continued to be a Director of our Company from the Date of Grant up to the end of the performance period(s), as the case may be;
- (c) the Remuneration Committee being of the opinion that the performance of the Participant has been satisfactory;
- (d) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (e) compliance with the terms of the Award, the Plan and the Constitution of our Company;

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- (f) where New Shares are to be allotted and issued or treasury shares (if any) transferred on the vesting of an Award, the Participant having a Securities Account maintained with CDP or a securities sub-account maintained with a Depository Agent, and compliance with the applicable requirements of CDP; and
- (g) where New Shares are to be allotted and issued on the vesting of an Award, our Company being satisfied that the New Shares which are the subject of the vested Award will be listed and quoted on the Official List of Catalist,

upon the expiry of the performance period(s) in relation to an Award, our Company shall deliver to the Participant the Shares which are the subject of the Award on the vesting date.

10. Abstention from Voting

Shareholders who are eligible to participate in the Plan shall abstain from voting on any resolution relating to the Plan.

11. Adjustments under the Plan

11.1 If a variation in the issued share capital of our Company (whether by way of rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or the number of Shares which are the subject of an Award, to the extent which such Shares have not yet vested, and the rights attached thereto; and/or
- (b) the class and/or the number of Shares in respect of future Awards granted under the Plan,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate.

11.2 Notwithstanding the provisions in paragraph 11.1 above:

- (a) no adjustment shall be made:
 - (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (ii) if such adjustment will result in the aggregate number of Shares available under the Plan, when added to all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of our Company then in force, to exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of our Company from time to time; and
 - (iii) unless the Remuneration Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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11.3 Unless the Remuneration Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requirement adjustment:

- (a) a private placement of Shares;
- (b) an allotment and issue of Shares:
 - (i) as consideration for an acquisition of any assets;
 - (ii) upon the exercise of securities convertible into, or with rights to acquire or subscribe for Shares; and
 - (iii) pursuant to the Plan and any other share option scheme, performance share plan or share incentive scheme of our Company then in force; and

a cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by our Company on Catalist during the period when a share buyback mandate granted by Shareholders (including any renewal of such mandate) is in force.

12. Alterations under the Plan

Any or all the provisions of the Plan may be amended, modified and/or altered at any time and from time to time by resolution of the Board on the recommendation of the Remuneration Committee, except that:

- (a) any amendment, modification or alteration which shall materially and adversely alter the rights attached to any Award granted prior to such amendment, modification or alteration may only be made with the consent in writing of such number of Participants whose Shares which are the subject of their Awards represent not less than three quarters of the aggregate number of Shares which are the subject of all Awards held by all Participants who respond to our Company's request for such consent within 21 days of our Company's despatch of the request; and
- (b) any amendment, modification or alteration which would be to the advantage of the Participants under the Plan shall be subject to Shareholders' approval at a general meeting.

For the purposes of paragraphs (a) and (b) above, the opinion of the Remuneration Committee as to whether any amendment, modification or alteration would materially and adversely alter the rights attached to any Award granted prior to such amendment, modification or alteration, or which would be to the advantage of the Participants under the Plan shall be final and conclusive.

Rationale for including Controlling Shareholders and/or their Associates

Our Company acknowledges that the contributions and services of Group Employees who are Controlling Shareholders and Group Employees who are Associates of Controlling Shareholders are equally important to our Company's long-term success. Accordingly, our Company believes that all Group Employees (including Group Employees who are Controlling Shareholders and Group Employees who are Associates of Controlling Shareholders) should be treated fairly and equally and should be equally entitled to participate in the Plan. Our Company is of the view that

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Group Employees who are Controlling Shareholders and Group Employees who are Associates of Controlling Shareholders should be remunerated for their contributions to our Group on the same basis as other eligible Group Employees who are not Controlling Shareholders or Associates of Controlling Shareholders. They should not be excluded from participating in the Plan solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders.

Rule 852 of the Catalist Rules states that participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer. A separate resolution must be passed for each person and approved by independent shareholders of the issuer. A separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant. Accordingly, the Controlling Shareholders and Associates of Controlling Shareholders shall abstain from voting on any resolution in relation to their participation in the Plan and any resolution in relation to a grant of Awards to them. Given the foregoing, our Company is of the view that there are sufficient safeguards against any abuse of the Plan resulting from the participation of Group Employees who are Controlling Shareholders and Group Employees who are Associates of Controlling Shareholders.

Rationale for including Non-Executive Directors

The extension of the Plan to the Non-Executive Directors allows our Group to have a fair and equitable system that recognises and benefits not only persons who are in the direct employment of our Group but also persons who are not employed but nevertheless work closely with our Company and/or are in the position to contribute their experience, knowledge and expertise to the development and success of our Company. Although the Non-Executive Directors are not involved in the day-to-day running of our Company, they are nonetheless in a position to provide valuable support, input and business contacts and to contribute their experience, knowledge and expertise, and/or to provide our Company with strategic business alliances and opportunities.

Our Company believes that including Non-Executive Directors in the Plan gives our Company an additional instrument will recognise their past contributions and services, and help to motivate them generally to contribute towards our Company's long-term success. Our Company is also of the view that as the Non-Executive Directors play an important role in providing entrepreneurial leadership and setting strategic aims for our Group, it is crucial for our Company attract, retain and provide incentives to Non-Executive Directors, in particular granting Awards to them so that they may hold Shares in our Company so as to better align their interests with the interests of Shareholders.

For the purpose of assessing the contributions of the Non-Executive Directors, the Remuneration Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors. In addition, the Remuneration Committee will also consider the scope of advice given, the number of contacts and size of deals which our Company is able to procure from the contacts and recommendations of the Non-Executive Directors. The Non-Executive Directors will be granted Awards at the discretion of the Remuneration Committee. The Remuneration Committee may also decide that no Awards shall be granted in any financial year.

As a safeguard against abuse, Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting on any resolution in relation to their participation in the Plan and grant of Awards to them.

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Financial Effects of the Plan

(a) Share capital

The grant of Awards under the Plan will result in an increase in the issued share capital of our Company to the extent that New Shares are allotted and issued upon vesting of the Awards. The number of New Shares allotted and issued will depend on, *inter alia*, the number of Shares which are the subject of the vested Award. However, if treasury shares are transferred to the Participants in lieu of allotting and issuing New Shares to the Participants, the Plan will have no impact on the issued share capital of our Company.

(b) EPS

The grant of Awards under the Plan will result in a charge to earnings equivalent to the fair value of the Awards as at the Date of Grant, and recognised over the period from the Date of Grant to the vesting date. Although the Plan will have a dilutive impact on the EPS of our Company and our Group, the delivery of Shares to Participants in respect of Awards granted under the Plan is contingent upon the Participants satisfying or exceeding prescribed performance target(s) which will take into consideration, *inter alia*, the contributions of the Participants towards the financial performance of our Group.

(c) NTA

The grant of Awards under the Plan will result in a charge to our Company's and Group's income statements equivalent to the fair value of the Awards as at the Date of Grant, and recognised over the period from the Date of Grant to the vesting date. The allotment and issue of New Shares under the Plan will not have an impact on the NTA of our Company and our Group. If treasury shares are transferred to Participants, the NTA of our Company and our Group will decrease by the cost at which such treasury shares were purchased. Although the Plan will result in a charge to our Company's and Group's income statements, the delivery of Shares to Participants in respect of Awards granted under the Plan is contingent upon the Participants satisfying or exceeding prescribed performance target(s) which will take into consideration, *inter alia*, the contributions of the Participants towards the financial performance of our Group.

(d) Dilutive impact

The dilutive impact of the Plan on the EPS and the NTA per share of our Company and our Group is not expected to be significant.

(e) Potential cost of Awards

The grant of Awards under the Plan is considered a share-based payment that falls under the scope of SFRS(I) 2. The Awards, if settled by way of the allotment and issue of New Shares or by way of a transfer of treasury shares, would be accounted for as equity-settled share-based payment transactions, as described in the following paragraphs.

The grant of Awards under the Plan will result in a charge to our Company's and Group's income statements equivalent to the fair value of the Awards as at the Date of Grant, and recognised over the period from the Date of Grant to the vesting date. The total amount of the charge over the Vesting Period(s) is/are determined by reference to the fair value of each Award granted as at the Date of Grant and the number of Shares delivered as at the vesting

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date, with a corresponding credit to the reserve account. The charge to our Company's and Group's income statement also depends on whether or not the performance target(s) prescribed in an Award is measured by reference to the market price of the Shares. This is known as a market condition. At each reporting date, the number of Shares that are expected to be delivered pursuant to the vesting of Awards under the Plan are estimated. The impact on the revision of original estimates is recognised as an expense in our Company's and Group's income statements, and as a corresponding adjustment to the reserve account over the remaining Vesting Period(s), unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. No expense is recognised for Awards that do not ultimately vest, except for Awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other prescribed performance target(s) are satisfied or exceeded.

(f) Taxes

All taxes (including income tax) arising from the grant or vesting of any Award under this Plan shall be borne by that Participant.

Disclosures in Annual Report

Our Company shall make the following disclosures in its annual report for the duration of the Plan:

- (a) the names of the members of the committee administering the Plan;
- (b) the information required in the table below for the following Participants:
 - (i) Participants who are Directors of our Company;
 - (ii) Participants who are Controlling Shareholders or Associates of Controlling Shareholders; and
 - (iii) Participants, other than those in paragraphs (b)(i) and (b)(ii) above, who receive 5.0% or more of the total number of Shares available under the Plan.

Name of Participant	Awards granted during Financial Year under review (including terms)	Aggregate Awards granted since commencement of the Plan to end of Financial Year under review	Aggregate Awards vested since commencement of the Plan to end of Financial Year under review	Aggregate Awards not yet vested as at end of Financial Year under review
[●]	[●]	[●]	[●]	[●]

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

In conjunction with our listing on the SGX-ST, we have adopted a share option scheme known as the “TrickleStar Employee Share Option Scheme” (the “**Scheme**”) which was approved by our Shareholders on 17 May 2019. The Rules of the Scheme are set out in “Appendix D – Rules of the TrickleStar Employee Share Option Scheme” to this Offer Document. Capitalised terms used throughout this section shall, unless otherwise defined in the section entitled “Definitions” of this Offer Document, bear the meanings as defined in “Appendix D – Rules of the TrickleStar Employee Share Option Scheme” to this Offer Document.

The Scheme will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Scheme, which forms an integral and important component of our employee compensation plan, is designed to primarily reward and retain directors and employees whose services are vital our Company and/or our Group’s well being and success. This would enable our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

As at the Latest Practicable Date, no Options have been granted under the Scheme.

Rationale for the Scheme

The Scheme aims to provide an opportunity for employees and directors of our Group who have contributed significantly to the growth and performance of our Group to participate in the equity of our Company and inculcate in all participants a stronger and more lasting sense of identification with our Company. The Scheme seeks to attract, retain and provide incentives to participants to encourage greater dedication and loyalty by enabling our Company to provide recognition for past contributions and services. Our Company believes that this, in turn, will help to motivate participants generally to contribute towards our Company’s long-term success.

The objectives of the Scheme are as follows:

- (a) to motivate Participants to perform at an optimal level of efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees whose contributions are important to the long-term growth and profitability of our Group;
- (c) to instil loyalty and a strong sense of identity in the Participants;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

Overview of the Scheme

A summary of the Scheme is set out as follows:

1. Eligibility

- 1.1 Subject to the absolute discretion of the Remuneration Committee, the following persons shall be eligible to participate in the Scheme:
 - (a) any confirmed employee of our Group (including any a Director of our Company and/or a director of our Company’s subsidiaries, as the case may be, who performs an executive function (“**Group Executive Director**”)) selected by the Remuneration Committee to participate in the Scheme in accordance with the Rules of the Scheme (“**Group Employee**”); and

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

(b) Directors of our Company (including Non-Executive Directors of our Company),

provided that, as at the Offer Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of our Group for at least 12 months, or such shorter period as the Committee may determine.

1.2 Subject to the absolute discretion of the Remuneration Committee, the Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Scheme, provided that the participation of the Controlling Shareholder and/or his Associate and each grant of an Option to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution setting out the specific number and terms of such grants. Our Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholders and/or their Associates any Options (including the rationale for any discount to the Market Price, if so proposed).

2. Administration of the Scheme

2.1 The Scheme shall be administered by the Remuneration Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.

2.2 The Remuneration Committee shall have the power, from time to time, to make regulations or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.

2.3 Any decision of the Remuneration Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes and uncertainty as to the interpretation of the Scheme or any Rule, regulation, or procedure thereunder or as to any rights under the Scheme).

2.4 As a safeguard against abuse, pursuant to the Catalist Rules, a Participant who is a member of the Remuneration Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Remuneration Committee) except for those Directors, Controlling Shareholders or their Associates, will be involved in deliberation on the same.

3. Size of the Scheme

3.1 The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

(a) all Options granted under the Scheme; and

(b) all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of our Company then in force,

shall not exceed 15.0% of the total issued Shares excluding treasury shares and subsidiary holdings in our Company from time to time.

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

- 3.2 The aggregate number of Shares over which Options may be granted under the Scheme to the Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Scheme, and the number of Shares over which an Option may be granted under the Scheme to each Controlling Shareholder or each of their Associates shall not exceed 10.0% of the Shares available under the Scheme.
- 3.3 To enjoy greater flexibility in structuring remuneration and compensation packages, our Company believes it should have a sufficient number of Shares to accommodate Options issued under the Scheme. Taking into account the number of issued Shares of our Company as well as the number of eligible Participants in the Scheme, the Directors believe that the above limit will enable our Company to grant a sufficient number of Options to the Participants to create a meaningful compensation for the Participants' contributions. However, it does not necessarily mean that our Company will definitely issue Shares up to the prescribed limit, as Options will only be granted to Participants selected at the discretion of the Remuneration Committee. The size of the Scheme is intended to accommodate a reasonably large pool of Participants.
4. Duration of the Scheme
- 4.1 The Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and the approval of any relevant authorities which may then be required.
- 4.2 The Scheme may be terminated at any time by the Remuneration Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by our Company hereunder.
5. Exercise Price
- 5.1 Subject to any adjustment in accordance with paragraph 6.1 below, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Remuneration Committee at its absolute discretion, and fixed by the Remuneration Committee at:
- (a) the Market Price; or
 - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Remuneration Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Price (or such other percentage or amount prescribed or permitted by the SGX-ST) and shall be approved by Shareholders at a general meeting in a separate resolution.

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5.2 In making any determination under paragraph 5.1(b) above on whether to give a discount and the quantum of such discount, the Remuneration Committee shall be at liberty to take into consideration such criteria as the Remuneration Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of our Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (b) the years of service and individual performance of the eligible Participant;
- (c) the contribution of the eligible Participant to the success and development of our Company and/or our Group; and
- (d) the prevailing market and economic conditions.

6. Variation of Capital

6.1 If a variation in the issued share capital of our Company (whether by way of rights issue, capital reduction, subdivision, consolidation of Shares or distribution, or otherwise), shall take place, then:

- (a) the Exercise Price in respect of the Shares comprised in any Option(s) to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of the exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting as experts and not as arbitrators), that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

6.2 Notwithstanding the provisions of paragraph 6.1 above:

- (a) no such adjustment shall be made:
 - (i) if as a result, the Grantee receives a benefit that a Shareholder does not receive;
 - (ii) if such adjustment will result in the number of Shares issued and/or issuable in respect of all Options granted under the Scheme or all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of our Company then in force to exceed 15.0% of the total number of issued Shares excluding treasury shares and subsidiary holdings in our Company from time to time; and
 - (iii) unless the Remuneration Committee after considering all relevant circumstances considers it equitable to do so; and

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- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 6.3 Unless the Remuneration Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:
- (a) issue of securities as consideration for an acquisition of any assets by our Company, or a private placement of securities of our Company;
 - (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on Catalist, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
 - (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including directors or employees of our Company and/or any of its subsidiaries pursuant to share option schemes, performance share plans or share incentive schemes of our Company approved by Shareholders in general meeting, including the Scheme;
 - (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
 - (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company.
- 6.4 Upon any adjustment required to be made pursuant to the Rules of the Scheme, our Company shall notify each Grantee (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option(s) so far as unexercised. Any adjustment shall take effect upon such written notification being given.
7. Option Period
- 7.1 Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Grantee after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the 10th anniversary of the relevant Date of Grant except in the case of Options granted to Non-Executive Directors and Independent Directors of our Company where the exercise period may not exceed five (5) years from the Date of Grant or such earlier date as may be determined by the Remuneration Committee, failing which all unexercised Options shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against our Company.
- 7.2 Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Grantee after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall

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be exercised before the 10th anniversary of the relevant Date of Grant except in the case of Options granted to Non-Executive Directors and Independent Directors of our Company where the exercise period may not exceed five (5) years from the Date of Grant or such earlier date as may be determined by the Remuneration Committee, failing which all unexercised Options shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against our Company.

Rationale for including Controlling Shareholders and/or their Associates

The purpose of the participation of Controlling Shareholders and Associates of Controlling Shareholders in the Scheme is to provide an opportunity for eligible employees who are Controlling Shareholders or Associates of Controlling Shareholders who have contributed or continue to contribute significantly to the growth and performance of our Group to participate in the equity of our Company.

Our Company acknowledges that the contributions and services of employees who are Controlling Shareholders and employees who are Associates of Controlling Shareholders are equally important to our Company's long-term success. Accordingly, our Company believes that all employees (including employees who are Controlling Shareholders and employees who are Associates of Controlling Shareholders) should be treated fairly and equally and should be equally entitled to participate in the Scheme. Our Company is of the view that employees who are Controlling Shareholders and employees who are Associates of Controlling Shareholders should be remunerated for their contributions to our Group on the same basis as other eligible employees who are not Controlling Shareholders or Associates of Controlling Shareholders. They should not be excluded from participating in the Scheme solely for the reason that they are Controlling Shareholders and Associates of Controlling Shareholders.

Rule 852 of the Catalist Rules states that participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer, and a separate resolution must be passed for each person and to approve the actual number and terms of options granted to that participant. Accordingly, Controlling Shareholders and Associates of Controlling Shareholders shall abstain from voting on any resolution in relation to their participation in the Scheme and grant of Options to them. Given the foregoing, our Company is of the view that there are sufficient safeguards against any abuse of the Scheme resulting from the participation of employees who are Controlling Shareholders of our Company and employees who are Associates of Controlling Shareholders of our Company.

Rationale for including Group Non-Executive Directors

The extension of the Scheme to the Non-Executive Directors allows our Company to have a fair and equitable system that recognises and benefits not only persons who are in the direct employment of our Group but also persons who are not employed but nevertheless work closely with our Company and/or are in the position to contribute their experience, knowledge and expertise to the development and success of our Company. Although the Non-Executive Directors are not involved in the day-to-day running of our Company, they are nonetheless in a position to provide valuable support, input and business contacts and to contribute their experience, knowledge and expertise, and/or to provide our Company with strategic business alliances and opportunities.

Our Company believes that including Non-Executive Directors in the Scheme gives our Company an additional instrument that will recognise their past contributions and services, and help to motivate them generally to contribute towards our Company's long-term success. Our Company

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

is also of the view that as the Non-Executive Directors play an important role in providing entrepreneurial leadership and setting strategic aims for our Group, it is crucial for our Company attract, retain and provide incentives to Non-Executive Directors, in particular granting Options to them so that they may hold Shares in our Company so as to better align their interests with the interests of Shareholders.

For the purpose of assessing the contributions of the Non-Executive Directors, the Remuneration Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors. In addition, the Remuneration Committee will also consider the scope of advice given, the number of contacts and size of deals which our Company is able to procure from the contacts and recommendations of the Non-Executive Directors. The Non-Executive Directors will be granted Options at the discretion of the Remuneration Committee. The Remuneration Committee may also decide that no Options shall be granted in any financial year.

As a safeguard against abuse, the Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting on any resolution in relation to their participation in the Scheme and grant of Options to them.

Rationale for Grant of Options at a Discount

All Participants may be granted Options at a discount under the Scheme. The Exercise Price of the Options to be granted will be determined by the Remuneration Committee. The Remuneration Committee may grant Options with or without a discount. In the event that Options are granted at a discount, the discount shall not exceed 20.0% (or such other relevant limits as may be set by SGX-ST from time to time) of the Market Price.

The ability to offer Options at a discount to the Market Price of the Shares will give our Company flexibility in structuring the Options granted, and ensures that our Company maintains the competitiveness of its compensation strategy. Our Company may utilise the Options as a means to reward Participants for their outstanding performance as well as to motivate them to continue to excel and attract new talent into our Company. Being able to grant Options at a discount allows our Company to acknowledge a Participant's contributions where such means is more meaningful than paying a cash bonus, as these Options operate as a form of cashless reward from our Company with a greater potential for capital appreciation than Options granted at Market Price. This serves as an additional method available to our Company for compensating employees rather than through salaries, salary increments and cash bonuses as it enables our Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for the Shareholders.

Further, because Options granted at a discount under the Scheme are subject to a longer vesting period (two (2) years) than those granted at the Market Price (one (1) year), holders of such Options are encouraged to have a long-term view of our Company, thereby promoting staff and employee retention and reinforcing their commitment to our Company.

Financial Effects of the Scheme

(a) Share capital

The grant of Options under the Scheme will result in an increase in the issued share capital of our Company to the extent that New Shares are allotted and issued upon the exercise of the Options. The number of New Shares allotted and issued will depend on, *inter alia*, the number of New Shares comprised in the Options granted, the number of Options that are

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

exercised, the average of the last dealt prices for a Share determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST on the relevant Market Day (the “**Prevailing Market Price**”), and whether our Company chooses to deliver treasury shares in lieu of an allotment and issue of New Shares. If the relevant Options are not exercised or if treasury shares are delivered in lieu of an allotment and issue of New Shares, there would be no increase in the number of issued Shares in our Company.

(b) EPS

Without taking into account earnings that may be derived by our Company from the use of proceeds from the allotment and issuance of new Shares pursuant to the exercise of Options granted under the Scheme, any New Shares allotted and issued pursuant to an exercise of Options granted under the Scheme will have a dilutive impact on the EPS of our Company and our Group following the increase in the number of issued Shares in our Company. However, the dilutive impact arising from the Scheme on the EPS of our Company and our Group is not expected to be material in any given financial year.

(c) NTA

The allotment and issue of New Shares pursuant to an exercise of the Options will increase the NTA of our Company and our Group by the aggregate exercise price of the new Shares allotted and issued. On a per Share basis, the effect on the NTA of our Company and our Group is accretive if the exercise price is above the NTA per Share but dilutive otherwise.

(d) Potential cost of the grant of Options

All Options granted under the Scheme will have a fair value. In the event that the Exercise Price is below the fair value of the Options granted under the Scheme, there will be a cost to our Company.

- (i) If at the time an Option is exercised, the Exercise Price of the Options is less than the Prevailing Market Price of the Shares, there will be a reduction of the proceeds from the exercise of such Option as compared to the proceeds that our Company would have received if the exercise of such Option had been made at the Prevailing Market Price of the Shares. Such reduction would represent a monetary cost to our Company.
- (ii) The grant of Options under the Scheme will also have an impact on our Company's reported profit/loss as share-based payments such as the grant of Options under the Scheme will be required to be recognised as an expense under SFRS(I) 2. Such expense will be based on the fair value of the Share as at the date of grant and will be recognised over the option period.

Shareholders should note that the potential cost to our Company arising from the grant of Options under the Scheme discussed in (i) above will only materialise upon the exercise of the relevant Options and the potential cost to our Company arising from the grant of Options under the Scheme discussed in (ii) above will be recognised in our Company's reported profit/loss even if the Options are not exercised.

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

Disclosures in Annual Report

Our Company shall, for so long as the Scheme continues in operation, make the following disclosure in its annual report:

- (a) the names of the members of the committee administering the Scheme;
- (b) the information required in the table below for the following Grantees (which for avoidance of doubt, shall include Grantees who have exercised all their Options in any particular Financial Year):
 - (i) Grantees who are Directors of our Company;
 - (ii) Grantees who are Controlling Shareholders and their Associates; and
 - (iii) Grantees, other than those in paragraphs (b)(i) and (b)(ii) above, who receive 5.0% or more of the total number of Options available under the Scheme;

Name of Participant	Options granted during the Financial Year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of Financial Year under review	Aggregate Options exercised since commencement of Scheme to end of Financial Year under review	Aggregate Options outstanding as at the end of Financial Year under review
[●]	[●]	[●]	[●]	[●]

- (c) (i) the names of and number and terms of Options granted to each director or employee of the Company and its subsidiaries who receives 5.0% or more of the total number of Options available to all directors and employees of the Company and its subsidiaries under the Scheme, during the Financial Year under review; and
- (ii) the aggregate number of Options granted to the directors and employees of the Company and its subsidiaries for the Financial Year under review, and since the commencement of the Scheme to the end of the Financial Year under review;
- (d) the number and proportion of Options granted at a discount during the Financial Year under review in respect of every 10.0% discount range, up to the maximum quantum of discount granted; and
- (e) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will use best efforts to implement the good practices recommended in the Code of Corporate Governance 2018 (the “**Code**”). Our Board of Directors has formed three (3) committees (the “**Board Committees**”), namely, the Nominating Committee, Remuneration Committee and the Audit Committee. Risk and compliance matters will fall under the jurisdiction of the Audit Committee.

BOARD PRACTICES

Our Directors are to be appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in “Appendix B – Selected Provisions of our Constitution” to this Offer Document.

Nominating Committee

Our Nominating Committee comprises Chuah Jern Ern, Gunananthan A/L Nithyanantham and Jeremy John Figgins. The Chairman of the Nominating Committee is Chuah Jern Ern. Our Nominating Committee will be responsible for, *inter alia*:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Director’s contribution and performance;
- (b) determining on an annual basis, and as and when circumstances require, whether or not a Director is independent;
- (c) providing oversight on and monitoring the independence of the Independent Directors on an ongoing basis;
- (d) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director; and
- (e) making recommendations to the Board in respect of its review of Board succession plans for Directors, training and professional development programs for the Board and the process for evaluation of the performance of the Board, its Board Committees and Directors.

Our Nominating Committee will decide how our Board’s performance is to be evaluated and will propose objective performance criteria, subject to the approval of our Board for assessing the effectiveness of our Board as a whole and for assessing the contribution of each individual Director to the effectiveness of our Board. Each member of our Nominating Committee will not take part in determining his own re-nomination or independence and shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

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Remuneration Committee

Our Remuneration Committee comprises Ling Hee Keat, Gunananthan A/L Nithyanantham and Chuah Jern Ern. The Chairman of the Remuneration Committee is Ling Hee Keat.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director. The recommendations of our Remuneration Committee should be submitted for endorsement by the entire Board. The Remuneration Committee will consider all aspects of remuneration, including termination terms, to ensure that they are fair. In so considering, the Remuneration Committee will also have regard to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments. In carrying out its duties, the Remuneration Committee aims to be fair, and avoid rewarding poor performance. Our Remuneration Committee will also review and administer the TrickleStar Performance Share Plan and the TrickleStar Employee Share Option Scheme.

In addition, our Remuneration Committee shall also perform an annual review of the remuneration of employees related to our Directors and/or Substantial Shareholders, if any, to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Audit Committee

Our Audit Committee comprises Jeremy John Figgins, Gunananthan A/L Nithyanantham and Ling Hee Keat. The Chairman of the Audit Committee is Jeremy John Figgins.

Our Audit Committee will, *inter alia*, perform the following functions:

- (a) review the significant financial reporting issues, recommendations and judgments so as to ensure the integrity of the financial statements of our Group and any announcements relating to our Group's financial performance before submission to our Board for approval;
- (b) review and report to our Board, at least annually, on the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- (c) review the internal control weaknesses identified by the internal auditors and the external auditors, and monitor and ensure that the recommendations proposed by the internal auditors and the external auditors are adopted and satisfactorily implemented to address the said internal control weaknesses;
- (d) review the assurance from the CEO and the CFO on the financial records and financial statements;
- (e) review the adequacy, effectiveness, independence, scope and results of the external audit and our Group's internal audit function;
- (f) make recommendations to our Board on (i) the proposals to the shareholders on the appointment and removal of the external auditors, and (ii) the remuneration and terms of engagement of the external auditors;

CORPORATE GOVERNANCE

- (g) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- (h) ensure that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (i) review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- (j) review potential conflicts of interest, if any;
- (k) review our Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- (l) review our risk management framework, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;
- (m) review and approve the procedures, and monitor the implementation of, any hedging policy proposed by the Group;
- (n) investigate any matters within its terms of reference; and
- (o) undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Our Audit Committee shall also commission internal audits until such time as our Audit Committee is satisfied that our Group's internal controls are robust and effective enough to mitigate our Group's internal control weaknesses (if any). Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Currently, based on the internal controls and risk management framework established and maintained by our Group, work performed by the internal and external auditors and reviews performed by management and various Board committees, our Board, with the concurrence of our Audit Committee, is of the view that our internal controls, including operational, financial, compliance and information technology controls, as well as risk management systems of our Group are adequate and effective as at the date of this Offer Document to address financial, operational, compliance and information technology risks, which our Group considers relevant and material to its operations.

DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the rights and privileges of Shareholders conferred by the laws of Singapore and the Constitution of our Company. These statements summarise the material provisions of our Constitution and are qualified in entirety by reference to the laws of Singapore and our Constitution. Please refer to the section entitled “Appendix B – Selected Provisions of our Constitution” to this Offer Document for further details.

A copy of our Constitution will be available for inspection at our registered office during normal business hours for a period of six (6) months after the date of registration of this Offer Document.

Shares

We have only one (1) class of shares, namely, ordinary Shares, which have identical rights in all respects and rank equally with one another.

Our Constitution provides that we may, subject to the provisions of the Companies Act and the Catalist Rules, issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and may issue preference shares which are, or at our option are, redeemable, subject to certain limitations. Our Shares do not have a par value.

As at the date of this Offer Document, all of our Shares have been issued and fully paid. All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the Catalist Rules, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

Shareholders

Only persons who are registered on our register of members and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share. We may close our register of members for any time or times if we provide SGX-ST at least five (5) clear Market Days’ notice. However, the register may not be closed for one (1) or more periods not exceeding 30 days in the aggregate in any calendar year. We typically close the register to determine our shareholders’ entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law or the Catalist Rules. Our Directors may, in their discretion, decline to register any transfer of Shares which are not fully paid or Shares on which we have a lien. Shares may be transferred by a duly signed instrument of transfer in a form approved by the Directors and SGX-ST. Our Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. Lost or destroyed certificates for Shares may, be renewed upon provision of such evidence and letter of indemnity as may be required by our Directors under the Constitution, and if the applicant pays a fee which will not exceed S\$2.00.

DESCRIPTION OF OUR SHARES

General Meetings of Shareholders

We are required to hold an annual general meeting within four (4) months after the end of each financial year. Our Directors may convene an extraordinary general meeting whenever they think fit and must do so if our Shareholders representing not less than 10.0% of the total number of our paid-up shares that carry the right of voting at general meetings, request in writing that such a meeting be held. In addition, two (2) or more of our Shareholders holding not less than 10.0% of our issued share capital (excluding treasury shares) may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding-up, amendments to the Constitution, a change of our corporate name and a reduction in our share capital. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A holder of our Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy does not need to be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by CDP 72 hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a poll, every Shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two (2) Shareholders present in person or by proxy and entitled to vote.

The following types of members ("**relevant intermediaries**" and each, a "**relevant intermediary**") are allowed to appoint more than two (2) proxies: (i) banking corporation licensed under the Banking Act (Chapter 19) of Singapore or its wholly-owned subsidiary which provides nominee services and holds Shares in that capacity; (ii) a capital market services licence holder which provides custodial services under the SFA and holds Shares in that capacity; and (iii) the CPF Board, in respect of Shares purchased on behalf of CPF members. However, each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the appointing member, specifying which number and class of Shares.

The Catalist Rules requires all resolutions at general meeting to be voted by poll.

In the case of an equality of votes, the chairman of the meeting shall be entitled to a casting vote.

DESCRIPTION OF OUR SHARES

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our Shareholders. Please refer to the sub-section entitled “Description of our Shares – Capitalisation, Bonus and Rights Issue” of this Offer Document. All dividends are paid *pro rata* amongst our shareholders in proportion to the amount paid up on each Shareholder’s Shares, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Capitalisation, Bonus and Rights Issue

Our Directors may, with the approval from our Shareholders at a general meeting, capitalise any sum standing to the credit of any of our Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of the financial statements and distribute the same as bonus Shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Directors may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board of Directors shall think fit.

Our Directors may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which the Shares are listed.

Take-overs

Under the Take-over Code issued by the Authority pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with persons acting or presumed to be acting in concert with him, in 30.0% or more of our voting shares must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with persons acting or presumed to be acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting shares acquires additional voting shares representing more than 1.0% of our voting shares in any six-month period.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, the holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

DESCRIPTION OF OUR SHARES

Indemnity

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified out of the assets of the Company against any liability (as permitted under the Companies Act) incurred by the officer to a person other than the Company attaching to the officer in connection with any negligence, default, breach of duty or breach of trust.

Limitations on Rights to Hold Shares or Vote

Except as described in the sub-sections entitled “Description of our Shares – Voting Rights” and “Description of our Shares – Take-overs” of this Offer Document, there are no limitations imposed by Singapore law or by the Constitution on the rights of non-resident Shareholders to hold Shares or vote.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of the Shareholders, including the applicant; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the relief they may grant and such relief is not limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder’s Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our Company’s share capital;
- (e) in the case of a purchase of Shares by our Company, provide for a reduction accordingly of our Company’s share capital; or
- (f) provide that we be wound up.

DESCRIPTION OF OUR SHARES

Treasury Shares

The Constitution expressly permits our Company to purchase or acquire Shares or stocks of our Company and to hold such Shares or stocks (or any of them) as treasury shares in accordance with the requirements of the Companies Act. Our Company may make a purchase or acquisition of our own Shares (i) on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting; or (ii) otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of Shares held as treasury shares shall not at any time exceed 10.0% of the total number of Shares of our Company at that time. Any excess Shares shall be disposed or cancelled before the end of a period of six (6) months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar may allow. Where Shares or stocks are held as treasury shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the member holding those Shares or stocks.

Our Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to members on a winding-up) may be made to our Company in respect of the treasury shares. However, this would not prevent an allotment of Shares as fully paid bonus Shares in respect of the treasury shares or the subdivision or consolidation of any treasury Share into treasury shares of a greater or smaller amount, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

Where Shares are held as treasury shares, our Company may at any time (i) sell the Shares (or any of them) for cash; (ii) transfer the Shares (or any of them) for the purposes of or pursuant to an employees' share scheme; (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; (iv) cancel the Shares (or any of them); or (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

EXCHANGE CONTROLS

Singapore

As at the Latest Practicable Date, there are no exchange control restrictions on the repatriation of capital and the remittance of profits into or out of Singapore by or to our Company.

Malaysia

The exchange control restrictions in Malaysia are governed by the Foreign Exchange Administration (“**FEA**”) rules which are issued by Bank Negara Malaysia (“**BNM**”), the Central Bank of Malaysia. In upholding the FEA rules, BNM has issued guidelines in the form of notices (“**FEA Notices**”) pursuant to Section 214 of Financial Services Act 2013 (“**FSA**”) and Section 225 of Islamic Financial Services Act 2013 (“**IFSA**”) (both of which came into operation on 30 June 2013) which generally sets out transactions that are allowed by BNM and are otherwise prohibited under Section 213 (read together with Schedule 14 of the FSA) and Section 225 (read together with Schedule 14 of the IFSA). Accordingly, a person must obtain the approval of BNM to undertake or engage in any transactions that are not provided or allowed by BNM under any of the FEA Notices. The FEA Notices may be amended or revoked by BNM through the issuance of subsequent FEA Notices. Any non-compliance with any requirement, restriction or condition imposed in the granting of the approval by BNM in relation to any transaction set out under the FEA Notices is an offence under subsection 214(9) of the FSA and subsection 225(9) of the ISFA.

Rules applicable to non-residents

(a) Investment in Malaysia

A non-resident is free to invest in any form of ringgit assets either as direct or portfolio investments in Malaysia. The investment can be funded through (i) the conversion of foreign currency to RM with licensed onshore banks (excluding licensed international Islamic banks) or through an appointed overseas office of the licensed onshore bank’s banking group; (ii) foreign currency borrowings from licensed onshore banks; or (iii) RM borrowing from licensed onshore banks (excluding licensed international Islamic banks) for real sector activities and for the purchase of residential and commercial properties in Malaysia except for the purchase of land only.

Non-residents are free to remit out divestment proceeds, profits, dividends or any income arising from investments in Malaysia. Repatriation, however, must be made in foreign currency.

(b) Access to Domestic Financing

(i) Financing in foreign currency

Non-residents are free to obtain foreign currency financing from licensed onshore banks. Proceeds of the borrowing can be utilised in or outside Malaysia and are also allowed to issue foreign-currency denominated sukuk/bonds in Malaysia for use in or outside Malaysia.

EXCHANGE CONTROLS

(ii) Financing in ringgit

Non-residents are allowed to obtain ringgit financing as follows:

Borrower	Lender	Limit/Purpose
Non-resident other than financial institution	Licensed onshore banks (excluding licensed international Islamic banks)	Free to obtain any amount to finance: (a) real sector activities in Malaysia; (b) the settlement for the purchase of goods or services with a resident; or (c) the purchase of residential and commercial properties in Malaysia except for the purchase of land only.
	(a) Resident stockbroking corporation (b) Licensed onshore banks with stockbroking license	Free to obtain margin financing for purchase of securities or financial instruments traded on Bursa Malaysia.
	Licensed insurer or a licensed takaful operator	Up to the attained cash surrender value of any life insurance policy or family takaful certificate purchased by the non-resident
	Resident companies and individuals	Free to obtain any amount to finance real sector activities in Malaysia
	Individual(s) who are immediate family member(s)	Any amount and purpose
	Employer in Malaysia	Any amount pursuant to the terms and conditions of service and for use in Malaysia
Non-resident custodian bank or non-resident stock broking corporation	Licensed onshore banks (excluding licensed international Islamic banks)	Free to obtain overdraft facilities to facilitate settlement of shares or ringgit instruments traded: (a) on Bursa Malaysia; or (b) through the Real Time Electronic Transfer of Funds and Securities System (RENTAS) to avoid settlement failure due to inadvertent delays of payment by non-residents.

EXCHANGE CONTROLS

(iii) Settlement for trade in goods or services

Settlement for trade in goods or services with residents can be undertaken both in foreign currency or ringgit.

(iv) Buying or selling of currency

Buying or selling of ringgit

Non-residents are allowed to buy or sell ringgit against foreign currency with:

- (A) licensed onshore banks (excluding licensed international Islamic banks) on spot and forward basis for both current and financial account transactions;
- (B) appointed overseas offices of licensed onshore banks for both current and financial account transactions on firm commitment basis; and
- (C) any non-resident financial institution for the settlement of trade in goods or services with a resident.

Buying or selling of foreign currency

Non-residents are free to buy or sell foreign currency against another foreign currency in Malaysia with licensed onshore banks.

Financial Instruments

- (A) Non-resident non-banks are free to enter into ringgit-denominated interest rate derivatives offered by licensed onshore banks (excluding licensed international Islamic banks) or appointed overseas offices of licensed onshore banks.
- (B) Buying or selling of derivatives involving or with reference to exchange rates shall comply with prevailing rule on buying or selling of currency by non-residents.
- (C) Non-residents are free to enter into ringgit-denominated derivatives and approved foreign currency derivatives offered on Bursa Malaysia.
- (D) Settlement for the above transactions can be made either in ringgit or foreign currency equivalent.

(v) Foreign Currency and Ringgit Accounts

A non-resident is free to open foreign currency accounts with licensed onshore banks in Malaysia and RM accounts in Malaysia. Funds in these accounts are free to be remitted abroad in foreign currency.

(vi) Securities

Non-residents are allowed to issue securities or Islamic securities denominated in foreign currency in Malaysia to any person. Issuance of ringgit-denominated securities (including initial public offering by non-residents) requires the approval from BNM.

EXCHANGE CONTROLS

(vii) Import and export of currency

Non-residents are free to import into and export from Malaysia, any amount of foreign currency including traveller's cheques.

Rules applicable to residents

(a) Investment in Foreign Currency Assets

(i) Investment in foreign currency assets onshore and abroad

Residents are free to undertake investment in foreign currency assets onshore and abroad using foreign currency funds sourced from abroad, other than export proceeds.

(A) Resident entities are free to undertake direct investments abroad using proceeds from foreign currency borrowings obtained from licensed onshore banks or licensed international Islamic banks.

(B) Residents without domestic ringgit borrowing are free to invest in foreign currency assets onshore and abroad.

(C) Residents with domestic ringgit borrowing who are converting ringgit into foreign currency, or using foreign currency funds in Trade Foreign Currency Account are free to invest in foreign currency assets onshore and abroad:

- up to RM50 million equivalent in aggregate for the group of resident entities with parent-subsidiary relationship per calendar year; and
- up to RM1 million equivalent per calendar year in aggregate for resident individuals.

(ii) Investment abroad through intermediaries

Resident unit trust companies, closed-end funds, entities offering collective investment schemes and fund managers and resident insurers are allowed to invest abroad on behalf of their resident and non-resident clients as follows:

(A) up to 100.0% of NAV or total funds belonging to resident clients without domestic ringgit borrowing, non-resident clients and Shariah compliant funds;

(B) up to 50.0% of NAV or total funds belonging to their resident clients with domestic ringgit borrowing.

Licensed takaful operators are allowed to undertake investment abroad up to 100.0% of the NAV of ringgit or foreign currency denominated investment-linked funds belonging to their clients.

EXCHANGE CONTROLS

(b) Borrowing onshore and offshore

(i) Borrowing in foreign currency

Resident entities are free to obtain any amount of foreign currency borrowing from (A) licensed onshore banks; (B) resident or non-resident entities within its group of entities; (C) resident or non-resident direct shareholders; and (D) another resident through the issuance of foreign currency debt securities.

A prudential limit of RM100 million equivalent in aggregate is applicable to borrowing by resident entities from non-resident financial institutions and other non-residents which are not part of its group of entities. Foreign currency borrowing by resident individuals from licensed onshore banks and non-residents, other than immediate family members, is subject to an aggregate limit of RM10 million equivalent.

(ii) Borrowing in ringgit from non-residents

Resident entities are free to obtain from non-resident entities within its group of entities and non-resident direct shareholders, any amount of RM borrowing to finance activities in the real estate sector in Malaysia, and up to RM 1 million in aggregate from any other non-resident, other than a non-resident financial institution, for use in Malaysia.

Resident individuals are free to obtain any amount of ringgit borrowing from non-resident immediate family members and up to RM1 million in aggregate from other non-residents, other than a non-resident financial institution for use in Malaysia.

(c) Payments and receipts in foreign currency between residents

Residents are allowed to pay or receive in foreign currency from another resident for the following:

(i) settlement for the purchase or sale of any:

(A) security or Islamic security (subject to prevailing rules on investment in foreign currency assets, where applicable);

(B) financial instrument or Islamic financial instrument denominated in foreign currency approved by the Bank (subject to prevailing rules on investment in foreign currency assets, where applicable); and

(C) foreign currency derivatives, other than exchange rate derivatives transacted on a Specified Exchange under the Capital Markets and Services Act 2007 undertaken through a resident futures broker.

(ii) settlement for a commodity murabahah transaction undertaken through resident commodity trading service providers;

(iii) settlement for education or employment overseas; and

(iv) for any purpose between immediate family members.

EXCHANGE CONTROLS

(d) Buying and selling of currency

(i) Buying or selling of ringgit

Residents are free to buy or sell ringgit against foreign currency with a licensed onshore bank (excluding international Islamic banks) on spot or forward basis for current and financial account transactions either on firm commitment or anticipatory basis.

(ii) Buying or selling of foreign currency

Residents are free to buy or sell foreign currency against another foreign currency with a licensed onshore bank.

(e) Export of goods

(i) All export proceeds must be repatriated to Malaysia in full earlier than or as per the sales contract which must not exceed six (6) months from the date of export;

(ii) Exporters are allowed to retain up to 25.0% of export proceeds in foreign currency while the balance shall be converted into ringgit. For exporters with foreign currency obligations, the exporters may retain up to the value of six (6) months obligation, subject to documentary proof. Export settlement can be undertaken both in ringgit or foreign currency;

(iii) Approval is required for residents (A) to receive export proceeds later than six (6) months from the date of export; or (B) to offset the export proceeds against other payables due to non-residents;

(iv) Application for approval to extend the period to receive export proceeds exceeding six (6) months from the date of export shall be submitted via online at <http://www.bnm.gov.my/fxadmin>. The application must be submitted before the expiry of the six-month period; and

(v) A resident with annual gross exports of goods exceeding RM50 million equivalent in the preceding year shall submit a report to the Bank via <http://www.bnm.gov.my/fxadmin> on quarterly basis for all goods exported in that quarter, within 21 days after end of each reporting quarter in the calendar year. Once qualified for reporting, the resident exporter shall continue submitting the quarterly report regardless of the value of gross exports of goods in subsequent years.

(f) Foreign Currency Accounts

Resident entities and individuals are free to open foreign currency accounts with licensed onshore banks and non-resident banks and in the case of a resident individual, the account can be maintained individually or jointly with any other resident individual and with a non-resident immediate family member.

EXCHANGE CONTROLS

(g) Guarantees

(i) Financial guarantee obtained from non-residents

Residents are free to obtain any amount of financial guarantees from their non-bank non-resident group of entities. Approval is required for the obtaining of financial guarantees from other non-residents exceeding RM100 million equivalent in aggregate.

(ii) Financial guarantee issued to non-residents

Approval is required for financial guarantees exceeding RM50 million equivalent in aggregate issued by a resident to secure borrowing obtained by a non-resident entity from a non-resident entity which is not within the resident's group of entities.

Financial guarantee exceeding RM50 million equivalent in aggregate which do not require approval shall be registered not later than seven (7) business days after issuing or obtaining the financial guarantee.

(h) Securities

Residents are allowed to issue securities or Islamic securities (i) denominated in ringgit in Malaysia to non-residents; and (ii) denominated in foreign currency to any person.

Issuance of debt securities to non-residents is subject to rules on borrowing by residents.

Residents are allowed to transfer securities, Islamic securities, financial instruments or Islamic financial instruments denominated in foreign currency subject to rules on borrowing and investment in foreign currency assets by residents.

(i) Import and Export of Currency

Residents are free to import into and export from Malaysia any amount of foreign currency including traveller's cheques.

USA

As at the Latest Practicable Date, there are no exchange control restrictions on the repatriation of capital and the remittance of profits out of USA by TrickleStar USA.

TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore, Malaysia, Hong Kong and the USA and is not intended to be and does not constitute legal or tax advice.

While this discussion is considered to be a correct interpretation of existing laws in force as at the date of this Offer Document, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws, which may be retrospective, will not occur. The discussion is limited to a general description of certain tax consequences in Singapore, Malaysia, Hong Kong and the USA with respect to ownership of the Shares by Singapore investors, and does not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a Shareholder's decision with regards to the ownership of the Shares.

Prospective investors should consult their tax advisers regarding Singapore, Malaysia, Hong Kong and USA tax and other tax consequences of owning and disposing the Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in this Placement accepts responsibility for any tax effects or liabilities resulting from the subscription, holding or disposal of our Shares.

SINGAPORE TAXATION

Individual income tax

Individual taxpayers who are Singapore tax residents are subject to tax on income accrued or derived from Singapore. All foreign-sourced income (except for income received through a partnership in Singapore) received on or after 1 January 2004 in Singapore by tax resident individuals will be exempt from tax. Certain Singapore-sourced investment income (such as interest from debt securities) derived by tax resident individuals on or after 1 January 2004 from certain financial instruments (other than income derived through a partnership in Singapore or from the carrying on of a trade, business or profession) will be exempt from tax.

A Singapore tax resident individual is taxed at progressive rates ranging from 0% to a maximum rate of 22.0% after deduction of qualifying personal reliefs where applicable, with effect from the year of assessment 2017.

Non-resident individuals, subject to certain exceptions, are generally subject to income tax on income accrued in or derived from Singapore at a flat rate of 22.0%, with effect from year of assessment 2017 except that Singapore employment income is taxed at 15.0% or at the progressive resident rates, whichever yields a higher tax. However, Singapore does not tax capital gains. A non-resident individual (other than a director) exercising a short-term employment in Singapore for not more than 60 days may be exempt from tax in Singapore.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

TAXATION

Corporate income tax

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- (a) income accrued in or derived from Singapore; and
- (b) foreign sourced service income received or deemed received in Singapore, unless otherwise exempted.

Foreign income in the form of branch profits, dividends and service fee income (“**specified foreign income**”) received or deemed received in Singapore by a Singapore tax resident corporate taxpayer on or after 1 June 2003 are exempted from Singapore tax subject to meeting the qualifying conditions.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accrued in or derived from Singapore, and on foreign income received or deemed received in Singapore.

A company is regarded as tax resident in Singapore if the control and management of the company’s business is exercised in Singapore. In general, control and management of the company is vested in its board of directors and therefore if the board of directors meets and conducts the company’s business in Singapore, the company will be regarded as tax resident in Singapore.

The corporate tax rate in Singapore is 17.0% with effect from the year of assessment 2010 after allowing partial tax exemption on the first S\$300,000 of a company’s chargeable income as follows:

- (a) 75.0% of up to the first S\$10,000 of a company’s chargeable income (excluding Singapore franked dividends); and
- (b) 50.0% of up to the next S\$290,000 of a company’s chargeable income (excluding Singapore franked dividends).

It was announced in the Singapore Budget 2018 that with effect from year of assessment 2020, the partial tax exemption scheme will be limited to the first S\$200,000 (instead of S\$300,000) of the normal chargeable income – 75.0% of the first S\$10,000 and 50.0% of the next S\$190,000.

Further, new start-up companies will, subject to certain conditions, be eligible for full tax exemption on their normal chargeable income (other than Singapore dividends) of up to S\$100,000 and 50.0% tax exemption on up to the next S\$200,000 of normal chargeable income in each of the company’s first three (3) consecutive years of assessment. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate. It has been announced in the Singapore Budget 2018 that with effect from the year of assessment 2020, the tax exemption scheme for new start-up companies will be limited to the first S\$200,000 (instead of S\$300,000) of the normal chargeable income. The tax exemption on the first S\$100,000 will also be reduced from 100.0% to 75.0%.

TAXATION

Dividend distributions

As our Company will be tax resident in Singapore, dividends paid by our Company would be considered as sourced from Singapore. Dividends received in respect of the Shares by either Singapore tax resident or non-Singapore tax resident taxpayers are not subject to Singapore withholding tax, even if paid to non-Singapore resident shareholders.

Currently, (subject to certain transitional rules), Singapore has adopted the “One-Tier” Corporate Tax System (“**One-Tier System**”). Under this One-Tier System, the tax collected from corporate profits is the final tax and our Company can pay tax exempt (one-tier) dividends which are tax exempt in the hands of the shareholder, regardless of the tax residence status or the legal form of the shareholder.

Capital gains tax

Singapore does not impose a tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains may be construed to be of an income nature and therefore be subject to tax if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore. Any profits from the disposal of the Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the disposal profits would be taxable as trading income.

Bonus shares

Under current Singapore tax law and practice, a capitalisation of profits followed by the issue of new shares, credited as fully paid, *pro rata* to shareholders (“**bonus issue**”) does not represent a distribution of dividends by a company to its shareholders. Therefore, a Singapore resident shareholder receiving shares by way of a bonus issue should not have a liability to Singapore tax.

When a dividend is to be satisfied wholly or in part in the form of an allotment of ordinary shares credited as fully paid, the dividend declared will be treated as income to its shareholders. However, as our Company had moved to the One-Tier System after 31 December 2007, any dividend paid on or after 1 January 2008 will be exempt from Singapore tax. Similarly, when shareholders are given the right to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash, the dividend declared will be treated as exempt (one-tier) dividend income and will not be subject to Singapore tax.

SFRS(I) 9 Financial Instruments (“SFRS(I) 9”) tax treatment

Generally, the tax treatment of financial assets and liabilities on revenue account that are recognised and measured under SFRS(I) 9 will generally be aligned with the accounting treatment. There is no option for companies to opt out of the SFRS(I) 9 tax treatment. Any gains or losses arising from our Shares that are held on revenue account recognised in the profit and loss account will be taxed or allowed as a deduction, regardless of whether the gains or losses are realised or not. Gains or losses arising from our Shares held on capital account will not be taxed or allowed as a deduction.

For equity instruments on revenue account measured at fair value through other comprehensive income (“**OCI**”), the gain or loss recognised in OCI will not be taxed or allowed as a deduction until they are realised. Therefore, at the time of de-recognition, the cumulative gains or losses recognised and remaining in OCI will be taxed or allowed as a deduction. Shareholders who are impacted by SFRS(I) 9 are advised to consult their own tax advisers accordingly.

TAXATION

Stamp duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2% of the consideration paid or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

However, as our Shares will be listed on Catalist and their transfers will be scripless transfers via the CDP, no stamp duty will be imposed on the transfers of our Shares via the CDP.

Goods and Services Tax (“GST”)

The sale of the Shares by an investor belonging to Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt sale not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt sale will become an additional cost to the investor.

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Any GST incurred by a GST-registered investor in the making of this supply in the course of furtherance of a business may, subject to the provisions of the Goods and Services Tax Act, be offset against the investor’s GST liability and, in the event of an excess input tax credit, recovered from the Comptroller of GST of Singapore.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase, sale or holding of our Shares will be subject to GST at the current rate of 7.0%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate duty

With effect from 15 February 2008, Singapore estate duty has been abolished.

Individuals, whether or not domiciled in Singapore, should consult their own tax advisers regarding the Singapore tax and estate duty consequences of their ownership of the Shares.

TAXATION

MALAYSIA TAXATION

Individual income tax

An individual is a tax resident in Malaysia for the basis period in a year of assessment if:

- (a) he is in Malaysia in that basis year for a period or periods amounting in all to 182 days or more;
- (b) he is in Malaysia in that basis year for a period of less than 182 days and that period is linked by or to another period of 182 or more consecutive days throughout which he is in Malaysia in the basis year for the year of assessment immediately preceding or after that particular year of assessment:

Provided that any temporary absence from Malaysia:

- (i) connected with his service in Malaysia and owing to service matters or attending conferences or seminars or study abroad;
- (ii) owing to ill-health involving himself or a member of his immediate family; and
- (iii) in respect of social visits not exceeding fourteen days in the aggregate;

shall be taken to form part of such period or that period as the case may be, if he is in Malaysia immediately prior to and after that temporary absence;

- (c) he is in Malaysia in that basis year for a period or periods amounting in all to ninety days or more, having been with respect to each of any three of the basis years for the four years of assessment immediately preceding that particular year of assessment either:
 - (i) resident in Malaysia within the meaning of the Malaysian Income Tax Act for the basis year in question; or
 - (ii) in Malaysia for a period or periods amounting in all to ninety days or more in the basis year in question; or
- (d) he is resident for the year immediately following that year and for each of the three (3) immediately preceding years.

Individual taxpayers who are Malaysian tax residents are generally subject to Malaysian income tax on income accruing in or derived from Malaysia.

The single-tier tax system was introduced in the Budget 2008 to replace the imputation system with effect from year of assessment 2008. Under this system, corporate income is taxed at corporate level and this is a final tax. Companies may declare single tier exempt dividend that would be exempt from tax in the hands of their shareholders.

Non-resident individuals, subject to certain exceptions, are subject to Malaysian income tax on income accruing in or derived from Malaysia. Non-resident individuals are not subject to tax on foreign-sourced income received in Malaysia.

TAXATION

A Malaysian tax resident individual is taxed at progressive rates ranging from 0% to 28.0%. Income derived by a non-resident individual is, subject to certain exceptions, normally taxed at the rate of 28.0%.

Corporate income tax

A company is regarded as resident in Malaysia for Malaysian tax purposes if the control and management of its business is exercised in Malaysia.

Dividend distributions

The single-tier system of taxation for companies completely replaced Malaysia's full imputation system on 1 January 2008. Under the single-tier system, tax collected from corporate profits is a final tax and the after-tax profits of a company resident in Malaysia can be distributed to its shareholders as tax exempt (one-tier) dividends. Such dividends are tax exempt in the hands of shareholders.

No withholding tax is imposed on dividend payments made, whether to resident or non-resident shareholders.

Gains on disposal of shares in a Malaysian company

Gains from disposal of shares are regarded as capital gains and normally not subject to income tax except for shares held in real property companies ("RPC") or if the gains arising from the disposal of the ordinary shares are construed to be of an income nature will be subject to tax. Hence, any profits derived from the disposal of ordinary shares are not taxable in Malaysia unless the seller is regarded as having derived gains of an income nature, in which case the gains on disposal of the ordinary shares will be taxable or if the shares are RPC shares. Likewise, if the gains are regarded by the Inland Revenue Board of Malaysia as having arisen from the carrying on of a trade or business in Malaysia, such gains may be taxed as trading income.

Stamp duty

Transfer of shares in a Malaysian company is subject to stamp duty on the instrument of transfer of shares executed in Malaysia at the rate of 0.3% of the value of shares transferred. Stamp duty is payable by the transferee within 30 days from the date of the instrument of transfer.

Based on the guidelines issued by the Stamp Duty Unit of the Inland Revenue Board of Malaysia on 21 April 2001, the value of the shares (i.e. shares not quoted on Bursa Malaysia) transferred for stamp duty purposes is determined as follows:

- (a) In cases where sale of shares requires the approval of the Securities Commission, the price/value per share as approved by the Securities Commission may be accepted.
- (b) In cases of companies incurring losses, the par value or net tangible assets or sale consideration whichever the highest is to be used.
- (c) In other cases, a comparison is to be made between net tangible assets, price earning multiple/price earnings ratio and sale consideration whichever is the highest to be used.

TAXATION

Goods and Services Tax in Malaysia (“GSTM”)

GSTM is a tax on domestic consumption of goods and services and on the importation of goods into Malaysia. The standard rate of GSTM is currently 6.0%. GSTM was taxed at the rate of 6.0%, unless specially reduced to 0% or exempted by Goods and Services Tax (Exempt Supply) Order 2014 (“**GST Orders**”). With effect from 1 June 2018, GSTM was taxed at the rate of 0%.

The buying or selling of ordinary shares is an exempt supply as set out in the Second Schedule of the GST Orders i.e. when a share is bought or sold there will be no GSTM on the gross contract amount, which is price times quantity of the securities. However, the supply of services relating to the buying and selling of shares such as clearing and settlement, brokerage etc. for which fees or commission are charged, will be subject to GSTM at the standard rate of 6.0%.

The Malaysian Goods and Service Tax Act was repealed on 1 September 2018.

Sales and Services Tax (“SST”)

SST is made up of two (2) separate taxes i.e. sales tax and services tax. Sales tax is imposed on taxable goods sold by registered manufacturers in Malaysia or on imported goods at 10.0%, unless specially reduced to 5.0% or exempted by sales tax orders.

Service tax is imposed on a specific list of taxable services which are provided under the Service Tax Regulations 2018 at the rate of 6.0%.

HONG KONG TAXATION

Profits Tax

Hong Kong profits tax is chargeable on every person, including corporations, carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets). Whether an activity amounted to trade, profession or business and/or whether profits are arising in or derived from Hong Kong is a question of fact.

The prevailing Hong Kong profits tax for a body corporation is 16.5%.

The Inland Revenue (Amendment) (No. 3) Ordinance 2018 was enacted on 29 March 2018. The amendment ordinance has introduced two-tiered profits tax rates for corporations and unincorporated businesses by lowering the tax rate for the first HK\$2 million of assessable profits with effect from the year of assessment 2018/2019 – 8.25% on assessable profits up to HK\$2 million and 16.5% on any part of assessable profits over HK\$2 million.

Dividend Distributions

Dividends from a corporation, which is subject to Hong Kong profits tax, shall not be included in the profits in respect of which any other person is chargeable to Hong Kong profits tax.

Capital Gains Tax

Profits arising from the sale of capital assets are not subject to Hong Kong profits tax. Whether an asset is capital in nature or revenue in nature, thus liable to Hong Kong profits tax, is a question of fact.

TAXATION

USA TAXATION

Corporate – USA Federal Income Tax Considerations

The US Internal Revenue Code of 1986, as amended (“**Internal Revenue Code**”) imposes taxes on profits made by all corporations operating in the USA. Prior to 1 January 2018, the marginal federal corporate income tax rate imposed pursuant to the Internal Revenue Code on the highest income bracket of corporations is 35.0%. State and local governments may also impose income taxes ranging from 0% to 12.0%, the top marginal rates averaging approximately 8.0%. A corporation may deduct its current state and local income tax expense when computing its federal taxable income, generally resulting in a net effective rate of approximately 40.0%. Effective 1 January 2018, the USA corporate tax rate was cut to a flat 21.0%, current state and local income tax expense is still deductible when computing federal taxable income accordingly the new net effective rate is approximately 26.0%. The effective rate may vary significantly depending on the locality in which a corporation conducts business. The USA also has a parallel alternative minimum tax (“**AMT**”) system, which is generally characterised by a lower tax rate (20.0%) but a broader tax base. Effective 1 January 2018, the corporate AMT was eliminated.

CLEARANCE AND SETTLEMENT

For the purposes of trading on SGX-ST, a board lot of our Shares will comprise 100 Shares. Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts maintained by a Depositor with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts. Persons named as direct Securities Account holders and Depository Agents in the Depository Register, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00, or such other amount as our Directors may decide, is payable to the Share Registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third-party. Persons holding physical share certificates who wish to trade on Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favor of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Pursuant to announced rules effective from 1 June 2014, transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis. A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value subject to a minimum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second (2nd) Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a Depository Agent. The Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. None of our Directors, Executive Officers and Controlling Shareholders:
 - (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time he was a partner or at any within two (2) years after the date he ceased to be a partner;
 - (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or key executive at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years after the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding-up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgment against him;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
 - (f) has, at any time during the last 10 years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;
 - (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

GENERAL AND STATUTORY INFORMATION

- (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
- (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; and

- (k) has ever been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

2. There is no shareholding qualification for Directors under the Constitution.
3. Save as disclosed in the section entitled “Restructuring Exercise” of this Offer Document, none of our Directors is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to, our Company or our subsidiaries.
4. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.
5. Save as disclosed in this Offer Document, and specifically, the sub-section entitled “Interested Person Transactions – Potential Conflicts of Interest” and the section entitled “Restructuring Exercise” of this Offer Document:
 - (a) none of our Directors, Executive Officers, Substantial Shareholders or any of their associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party;
 - (b) none of our Directors, Executive Officers, Substantial Shareholders or any of their associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group;
 - (c) none of our Directors, Executive Officers, Substantial Shareholders or any of their associates has any interest, direct or indirect, in any company that is our customer or supplier of goods and services; and
 - (d) none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

GENERAL AND STATUTORY INFORMATION

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in our Constitution.
7. Save as disclosed in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, there are no changes in the issued and paid-up share capital of our Company, our subsidiaries within the last three (3) years preceding the date of this Offer Document.
8. Save as disclosed below and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partially paid for cash or for a consideration other than cash, during the last three (3) years.
9. Apart from the TrickleStar Performance Share Plan and the TrickleStar Employee Share Option Scheme, our Company does not have any arrangement that involves the issue or grant of options or Shares to the directors or employees of our Group.

MATERIAL CONTRACTS

10. Save as disclosed below, our Company and its subsidiaries have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years preceding the date of lodgement of this Offer Document:
 - (a) the moratorium undertakings, as further described in the sub-section entitled “Ownership Structure – Moratorium” of this Offer Document;
 - (b) the restructuring agreement, as further described in the section entitled “Restructuring Exercise” of this Offer Document;
 - (c) the Sponsorship and Management Agreement and Placement Agreement, as further described in the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document;
 - (d) the Framework Supply Agreement, as further described in the sub-section entitled “General Information on our Group – Our Major Supplier” of this Offer Document; and
 - (e) the shareholders’ agreement dated 15 May 2017 entered into between CircleBright Limited, Powertech and TrickleStar HK in relation to the shares of TrickleStar HK, which has been terminated by a letter of termination dated 17 May 2019 following the completion of the Restructuring Exercise.

LITIGATION

11. To the best of our knowledge and belief, having made all reasonable enquiries, neither our Company nor any our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of the Offer Document, a material effect on our Group’s financial position or profitability of our Company or our subsidiaries.

GENERAL AND STATUTORY INFORMATION

MANAGEMENT AND PLACEMENT ARRANGEMENTS

12. Pursuant to the Sponsorship and Management Agreement entered into between our Company and PPCF as the Sponsor and Issue Manager, our Company appointed PPCF to sponsor and manage the Placement. PPCF will receive a management fee for such services rendered.
13. Pursuant to the Placement Agreement entered into between our Company and PPCF as the Placement Agent, PPCF will receive a placement commission from our Company of 3.5% of the gross proceeds raised from the investors introduced by the PPCF. Subject to any applicable laws and regulations, our Company agrees that PPCF shall be at liberty at its own expense to sub-place its placement obligations under the Placement Agreement and/or appoint such sub-placement agents upon such terms and conditions as PPCF may deem fit.
14. The Sponsorship and Management Agreement may be terminated by PPCF on the occurrence of certain events including:
 - (a) PPCF becomes aware of any inaccuracy or misrepresentation by the Company and/or their respective agent(s) or any breach of any of the warranties, representations, covenants or undertakings given by the Company to PPCF in the Sponsorship and Management Agreement;
 - (b) if any of the conditions precedent in the Sponsorship and Management Agreement has not been fulfilled or waived by PPCF on or before the date for the settlement of subscriptions, sales and purchases of the Placement Shares as the Company and PPCF may agree;
 - (c) if there shall have been or come into effect, since the date of the Sponsorship and Management Agreement:
 - (i) in the opinion of PPCF, any material adverse effect, or any development involving a prospective material adverse effect;
 - (ii) in any relevant jurisdiction, any introduction or prospective introduction of or any change in any statute, regulation, order, policy or directive (whether or not having the force of law and including without limitation, any directive or request issued by the SGX-ST) or in the interpretation or application thereof by any court or other competent authority;
 - (iii) any material adverse change, or any development involving a prospective material adverse change or crisis, in local, national or international monetary, financial and capital markets (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition or any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST (including Catalist));
 - (iv) any material adverse change, or any development involving a prospective material adverse change, in local, national or international securities or stock markets or financial markets;

GENERAL AND STATUTORY INFORMATION

- (v) any occurrence or any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict that may have a material adverse effect on the financial market;
- (vi) any regional or local outbreak of disease that may have a material adverse effect on the financial markets;
- (vii) any event or series of events in the nature of *force majeure* (including without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism, acts of God, accident, epidemics, earthquakes or interruption or delay in transportation);
- (viii) any material adverse change, or any development involving a prospective material adverse change, in the business, trading position, operations or prospects of the Company or of the Group as a whole; or
- (ix) any material adverse change, or any development involving a prospective material adverse change, which make it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for PPCF to observe or perform or be obliged to observe or perform the terms of the Sponsorship and Management Agreement,

which event(s) shall in the reasonable opinion of PPCF exercised in good faith (a) be likely to prejudice the success of the subscription, placement or issue of the Placement Shares (whether in the primary market or in respect of dealings in the secondary market) or be likely to have a material adverse effect or a material adverse effect on the placement of the Placement Shares, or (b) be likely to have a material adverse effect on the business, trading position, operations or prospects of the Company or of the Group as a whole, or (c) make it impracticable or inadvisable to proceed with the subscription, sale, placement, issue or transfer of the Placement Shares, or (d) be such that no reasonable full sponsor or issue manager would have entered into the Sponsorship and Management Agreement or (e) result in a material fluctuation or material adverse conditions in the SGX-ST which event(s) shall in the reasonable opinion of PPCF exercised in good faith be likely to have a material adverse effect on the Placement, or (f) make it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for PPCF to observe or perform or be obliged to observe or perform the terms of the Sponsorship and Management Agreement;

- (d) a stop order is issued by the SGX-ST, acting as agent on behalf of the Authority, or other competent authority pursuant to the SFA (notwithstanding that a supplementary or replacement offer document is subsequently registered with the SGX-ST);
- (e) if the SGX-ST or the Authority or other regulatory body having authority over the Company shall make any ruling (or revoke any ruling previously made) the effect of which would restrict or impede the listing of and quotation for the Placement Shares;
- (f) if the issue and subscription and/or sale and transfer of the Placement Shares in accordance with the provisions of the Sponsorship and Management Agreement shall be prohibited by any statute, order, regulation or directive issued by, or objected to by, any legislative, executive or regulatory body or authority of Singapore or elsewhere (including without any limitation, the Authority and the SGX-ST); or

GENERAL AND STATUTORY INFORMATION

- (g) there is a conflict of interest for PPCF, or any dispute, conflict or disagreement with the Company or the Company wilfully fails to comply with any advice from or recommendation of PPCF.

Notwithstanding anything herein contained, PPCF may by notice in writing to the Company terminate the Sponsorship and Management Agreement if:

- (a) there comes to the notice of PPCF (1) any statement contained in this Offer Document or Application Forms relating hereto which in the sole and absolute opinion of PPCF has become untrue, incorrect or misleading in any material respect; or (2) circumstances or matters have arisen or have been discovered, which would, if this Offer Document was to be issued at that time, constitute in the sole and absolute opinion of PPCF, a material omission of such information, and the Company fails to lodge a supplementary or replacement Offer Document or document within a reasonable time after being notified of such a material misrepresentation or omission or fails to promptly take such steps as PPCF may reasonably require to inform investors of the lodgement of such supplementary Offer Document or document; or
- (b) the Company has not been admitted to the Official List of Catalist or there is no listing or quotation for trading of the Placement Shares on Catalist on or before 30 June 2019 (or such other date as the Company and PPCF may agree).

15. The Placement Agreement and the obligations of PPCF under the Placement Agreement are conditional upon:

- (a) this Offer Document having been registered by the SGX-ST acting as agent on behalf of the Authority by the date of registration in accordance with the Catalist Rules;
- (b) the notice of registration (“**Registration Notice**”) being issued or granted by the SGX-ST acting as agent on behalf of the Authority and such Registration Notice not being revoked or withdrawn on or prior to the date of closing of the Application List or such other date for settlement of subscriptions of Placement Shares as the Company and PPCF may agree (the “**Closing Date**”);
- (c) the compliance by the Company to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the Registration Notice (if any), where such conditions are required to be complied with by the Closing Date;
- (d) the SGX-ST not having withdrawn or changed the terms and conditions of its letter of eligibility for the admission of our Company to the Official List of Catalist and the question of dealing in all the existing issued Shares in the Capital of our Company and the Placement Shares on Catalist (“**Admission**”) and the Company having complied with any conditions contained therein required to be complied with prior to the Admission;
- (e) such approvals as may be required for the transactions described in the Placement Agreement and in this Offer Document in relation to the Admission and the Placement being obtained, and not withdrawn or amended, on or before the date on which the Company is admitted to Catalist (or such other date as the Company and PPCF may agree in writing);

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- (f) the offer, allotment, issue, transfer and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or PPCF;
- (g) there not having occurred, in the opinion of PPCF, any material adverse effect or any development likely to involve a prospective material adverse effect, whether or not arising from transactions in the ordinary course of business, subsequent to the date of this Agreement which, in the opinion of PPCF, is or is likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the secondary market nor the occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect, as at the Closing Date, any of the warranties or representations contained in the Placement Agreement nor any breach by the Company of any of its obligations hereunder;
- (h) the compliance by the Company with all applicable laws and regulations concerning the Admission, the listing of the Shares on Catalist and the transactions contemplated in the Placement Agreement and this Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the reasonable opinion of PPCF, has or may have an adverse effect on the Placement and the listing of the Shares and the Placement Shares on Catalist;
- (i) the delivery by the Company to PPCF by 8.00 am on the Closing Date, of a certificate signed on behalf of the Company by its duly authorised officers;
- (j) the delivery to PPCF, on the date of registration of the Offer Document, of a copy of the legal due diligence report(s) or legal opinion(s) prepared by Shook Lin & Bok LLP, Shook Lin & Bok, Nixon Peabody CWL and Nixon Peabody LLP in relation to the Admission and PPCF being satisfied with the results, findings, advice, opinions and/or conclusions set out in such documents;
- (k) the letters of undertaking as set out in the sub-section entitled “Ownership Structure – Moratorium” of this Offer Document being executed and delivered to PPCF before the date of registration of the Offer Document;
- (l) the Sponsorship and Management Agreement not being terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement;
- (m) the sub-placement agent(s)’ fulfilment of their obligations in respect of any sub-placement of the Placement Shares to placees pursuant to a separate sub-placement agreement entered into between any sub-placement agent and PPCF, in respect of the Placement; and
- (n) the representations, warranties and undertakings in the Placement Agreement remaining true and accurate in all respects as at the Closing Date and our Company having performed all of its obligations hereunder to be performed on or before the Closing Date.

GENERAL AND STATUTORY INFORMATION

16. In the reasonable opinion of our Directors, save as disclosed below, our Company does not have a material relationship with PPCF:
 - (a) PPCF is the Sponsor, Issue Manager and Placement Agent, in relation to the Listing; and
 - (b) PPCF will be the continuing sponsor of our Company for a period of three (3) years from the date our Company is admitted to the Official List of Catalist.

MISCELLANEOUS

17. There has not been any public take-over offer by a third-party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between the date of the incorporation of our Company and the Latest Practicable Date.
18. No expert is employed on a contingent basis by our Company or our subsidiaries, or has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.
19. No amount of cash or securities or benefit has been paid or given to any promoter within the two (2) years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.
20. Save as disclosed in the sub-section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.
21. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
22. Save as disclosed in this Offer Document, and specifically, the section entitled “Risk Factors” of this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.

GENERAL AND STATUTORY INFORMATION

23. Save as disclosed in this Offer Document, and specifically, the section entitled “Risk Factors” of this Offer Document, the financial position and profitability of our Group are not likely to be affected by any of the following:
- (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.
24. Save as disclosed in this Offer Document, and in particular, the section entitled “Risk Factors” of this Offer Document, our Directors are not aware of any event which has occurred since 31 December 2018 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
25. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

Name and address	Professional body	Partner-in-charge/ Professional qualification
BDO LLP 600 North Bridge Road #23-01 Parkview Square, Singapore 188778	Institute of Singapore Chartered Accountants	Partner-in-charge: Leong Hon Mun Peter (A member of the Institute of Singapore Chartered Accountants)

26. We currently have no intention of changing our auditors after the listing of our Company on Catalist.

CONSENTS

27. The Independent Auditors and Reporting Accountants, BDO LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the “Independent Auditors’ Report and Audited Combined Financial Statements of TrickleStar Limited and its Subsidiaries for the Financial Years ended 31 December 2016, 2017 and 2018” in the form and context in which they are included in the Offer Document.
28. The Sponsor, Issue Manager and Placement Agent has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and references thereto in the form and context in which they appear in this Offer Document and to act in such capacities in relation to this Offer Document.

GENERAL AND STATUTORY INFORMATION

29. Each of the Solicitors to the Placement and Legal Adviser to the Company on Singapore Law, the Legal Adviser to the Company on Malaysia Law, the Legal Adviser to the Company on Hong Kong Law and the Special Counsel to the Company on USA Law has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Offer Document and to act in such capacity in relation to this Offer Document.
30. Each of the Solicitors to the Placement and Legal Adviser to the Company on Singapore Law, the Legal Adviser to the Company on Malaysia Law, the Legal Adviser to the Company on Hong Kong Law and the Special Counsel to the Company on USA Law, the Singapore Share Registrar and Share Transfer Agent, the Principal Bankers and the Receiving Banker do not make or purport to make any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

31. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement and our Group, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

32. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months after the date of registration of this Offer Document with the SGX-ST (acting as agent on behalf of the Authority):
- (a) the Constitution;
 - (b) the material contracts referred to in this Offer Document;
 - (c) the letters of consent referred to in this Offer Document;
 - (d) the Service Agreements referred to in the section entitled “Directors, Management and Staff – Service Agreements” of this Offer Document;
 - (e) the Independent Auditors’ Report and Audited Combined Financial Statements of TrickleStar Limited and its Subsidiaries for the Financial Years ended 31 December 2016, 2017 and 2018 as set out in “Appendix A – Independent Auditors’ Report and Audited Combined Financial Statements of TrickleStar Limited and its Subsidiaries for the Financial Years ended 31 December 2016, 2017 and 2018” to this Offer Document;
 - (f) the TrickleStar Performance Share Plan; and
 - (g) the TrickleStar Employee Share Option Scheme.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND AUDITED
COMBINED FINANCIAL STATEMENTS OF TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2016, 2017 AND 2018**

**TRICKLESTAR LIMITED
and its subsidiaries**

Independent Auditors’ Report And Audited Combined Financial Statements
For the financial years ended 31 December 2016, 2017 and 2018

**AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

STATEMENT BY DIRECTORS

We, Bernard Christopher Emby and Gunananthan A/L Nithyanantham, being two of the directors of TrickleStar Limited (the “Company”), do hereby state that, in the opinion of the Board of Directors,

- the accompanying combined financial statements together with notes thereon as set out on pages A-6 to A-57 are drawn up in accordance with the Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Company and its subsidiaries (the “Group”) as at 31 December 2016, 2017 and 2018, and of the financial performance, changes in equity and cash flows of the Group for the financial years ended on those dates; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Bernard Christopher Emby
Director

Gunananthan A/L Nithyanantham
Director

Singapore
3 June 2019

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED COMBINED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2016, 2017 AND 2018**

3 June 2019

The Board of Directors
TrickleStar Limited
80 Robinson Road
#02-00
Singapore 068898

Report on the audit of the combined financial statements

Opinion

We have audited the combined financial statements of TrickleStar Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the combined statements of financial position of the Group as at 31 December 2016, 2017 and 2018, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the financial years ended 31 December 2016, 2017 and 2018, and a summary of significant accounting policies and other explanatory notes as set out on pages A-6 to A-57.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the combined financial position of the Group as at 31 December 2016, 2017 and 2018, and of the combined financial performance, combined changes in equity and combined cash flows of the Group for each of the financial years ended 31 December 2016, 2017 and 2018.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of the combined financial statements that give a true and fair view in accordance with SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED COMBINED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2016, 2017 AND 2018 (Continued)**

Report on the audit of the combined financial statements (Continued)

*Responsibilities of Management and Directors for the Combined Financial Statements
(Continued)*

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED COMBINED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2016, 2017 AND 2018 (Continued)**

Report on the audit of the combined financial statements (Continued)

Auditors' Responsibilities for the Audit of the Combined Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report is made solely to you as a body for the inclusion in the Offer Document to be issued in relation to the proposed initial public offering of the shares of the Company in connection with the Company's listing on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore

Leong Hon Mun Peter
Partner-in-charge

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016, 2017 AND 2018**

	Note	2016 US\$	2017 US\$	2018 US\$
ASSETS				
Non-current assets				
Plant and equipment	5	143,827	143,654	91,622
Intangible assets	6	157,866	109,292	216,656
Deferred tax assets	7	–	172,954	–
		<u>301,693</u>	<u>425,900</u>	<u>308,278</u>
Current assets				
Inventories	8	2,735,266	4,259,855	6,940,719
Trade and other receivables	9	2,675,753	1,541,767	1,958,682
Prepayments		9,189	11,482	411,476
Fixed deposits	10	89,589	86,826	7,253
Cash and bank balances	11	2,270,495	1,491,081	1,546,396
Current income tax recoverable		24,454	51,500	3,797
		<u>7,804,746</u>	<u>7,442,511</u>	<u>10,868,323</u>
Total assets		<u><u>8,106,439</u></u>	<u><u>7,868,411</u></u>	<u><u>11,176,601</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital	12	4,490,329	4,490,329	4,490,330
Foreign currency translation account	13	(2,213)	21,518	16,446
(Accumulated losses)/Retained earnings		(421,031)	(385,060)	630,623
Total equity		<u>4,067,085</u>	<u>4,126,787</u>	<u>5,137,399</u>
Non-current liabilities				
Deferred tax liabilities	7	–	–	2,296
Current liabilities				
Trade and other payables	14	4,039,354	3,741,624	5,864,907
Provision for warranty cost		–	–	5,820
Current income tax payable		–	–	166,179
		<u>4,039,354</u>	<u>3,741,624</u>	<u>6,036,906</u>
Total liabilities		<u>4,039,354</u>	<u>3,741,624</u>	<u>6,039,202</u>
Total equity and liabilities		<u><u>8,106,439</u></u>	<u><u>7,868,411</u></u>	<u><u>11,176,601</u></u>

The accompanying notes form an integral part of these financial statements.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

	Note	2016 US\$	2017 US\$	2018 US\$
Revenue	15	8,894,077	10,321,649	12,841,475
Cost of sales		(5,446,654)	(6,793,004)	(8,372,982)
Gross profit		3,447,423	3,528,645	4,468,493
Other items of income				
Other income	16	15,383	85,575	10,033
Other items of expense				
Selling and distribution expenses		(1,198,862)	(1,168,783)	(1,154,325)
Administrative expenses		(2,512,544)	(1,969,601)	(1,011,530)
(Loss)/Profit before income tax	17	(248,600)	475,836	2,312,671
Income tax	18	(7,685)	170,817	(344,978)
(Loss)/Profit for the financial year		(256,285)	646,653	1,967,693
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations, net of tax		(2,213)	23,731	(5,072)
Total comprehensive income for the financial year		(258,498)	670,384	1,962,621
(Loss)/Profit attributable to owners of the parent		(256,285)	646,653	1,967,693
Total comprehensive income attributable to owners of the parent		(258,498)	670,384	1,962,621
(Loss)/Earnings per share				
– Basic and diluted (cents)	19	(0.38)	0.97	2.95

The accompanying notes form an integral part of these financial statements.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

	Note	Share capital US\$	Foreign currency translation account US\$	Retained earnings/ (Accumulated losses) US\$	Total equity US\$
Balance at 1 January 2016		4,490,329	–	422,448	4,912,777
Loss for the financial year		–	–	(256,285)	(256,285)
<i>Other comprehensive income</i>					
Exchange differences on translating foreign operations, net of tax		–	(2,213)	–	(2,213)
Total comprehensive income for the financial year		–	(2,213)	(256,285)	(258,498)
Distributions to owners					
Dividends	20	–	–	(587,194)	(587,194)
Total transactions with owners		–	–	(587,194)	(587,194)
Balance at 31 December 2016		4,490,329	(2,213)	(421,031)	4,067,085
Balance at 1 January 2017		4,490,329	(2,213)	(421,031)	4,067,085
Profit for the financial year		–	–	646,653	646,653
<i>Other comprehensive income</i>					
Exchange differences on translating foreign operations, net of tax		–	23,731	–	23,731
Total comprehensive income for the financial year		–	23,731	646,653	670,384
Distributions to owners					
Dividends	20	–	–	(610,682)	(610,682)
Total transactions with owners		–	–	(610,682)	(610,682)
Balance at 31 December 2017		4,490,329	21,518	(385,060)	4,126,787

The accompanying notes form an integral part of these financial statements.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018 (Continued)**

	Note	Share capital US\$	Foreign currency translation account US\$	Retained earnings/ (Accumulated losses) US\$	Total equity US\$
Balance at 1 January 2018		4,490,329	21,518	(385,060)	4,126,787
Profit for the financial year		–	–	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 year		–	(5,072)	1,967,693	1,962,621
Contributions by and distributions to owners					
Issue of shares	12	1	–	–	1
Dividends	20	–	–	(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

The accompanying notes form an integral part of these financial statements.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

	Note	2016 US\$	2017 US\$	2018 US\$
Operating activities				
(Loss)/Profit before income tax		(248,600)	475,836	2,312,671
Adjustments for:				
Amortisation of intangible assets		48,574	48,574	48,574
Bad debts written-off		–	21,855	–
Depreciation of plant and equipment		54,391	60,575	62,147
Intangible assets written off		20,472	–	–
Inventories written off		4,951	276,840	32
Plant and equipment written off		–	430	6
Interest income		(4,362)	(1,938)	(1,736)
Operating cash flows before working capital changes		(124,574)	882,172	2,421,694
Inventories		(802,512)	(1,801,429)	(2,680,896)
Trade and other receivables		208,273	971,204	(436,670)
Prepayments		26,746	(2,293)	(399,994)
Trade and other payables		1,979,889	(297,730)	2,123,283
Provision for warranty cost		–	–	5,820
Cash generated from/(absorbed by) operations		1,287,822	(248,076)	1,033,237
Income tax (paid)/refunded		(32,239)	(29,183)	44,154
Net cash from/(used in) operating activities		1,255,583	(277,259)	1,077,391
Investing activities				
Purchase of plant and equipment		(52,522)	(60,832)	(10,129)
Additions to intangible assets		–	–	(155,938)
Interest received		4,362	1,938	1,736
Net cash used in investing activities		(48,160)	(58,894)	(164,331)
Financing activities				
Advances to related party		(78,712)	–	–
Repayment from related party		124,819	–	–
Advances to corporate shareholder		–	(25,000)	–
Advances to immediate holding company		(2,180,448)	(444,755)	(450,000)
Repayment from immediate holding company		400,000	–	–
Proceeds from issuance of shares		–	–	1
Dividends paid		(587,194)	–	(482,255)
Net cash used in financing activities		(2,321,535)	(469,755)	(932,254)
Net change in cash and cash equivalents		(1,114,112)	(805,908)	(19,194)
Cash and cash equivalents at beginning of financial year		3,395,633	2,360,084	1,577,907
Exchange difference on cash and cash equivalents		78,563	23,731	(5,064)
Cash and cash equivalents at end of financial year	11	2,360,084	1,577,907	1,553,649

The accompanying notes form an integral part of these financial statements.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

These notes form an integral part and should be read in conjunction with the combined financial statements.

These combined financial statements have been prepared for inclusion in the Offer Document of TrickleStar Limited (the “Company”) and its subsidiaries (the “Group”) and were authorised for issue by the Directors of the Company on 3 June 2019.

1. General corporate information

1.1 Domicile and activities

The Company is a private limited company, incorporated and domiciled in Singapore with its registered office at 80 Robinson Road #02-00 Singapore 068898 and principal place of business at C3-U6-15 Solaris Dutamas, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia. In connection with its conversion into a public company limited by shares, the Company changed its name from TrickleStar Pte. Ltd. to TrickleStar Limited on 17 May 2019. The registration number of the Company is 201837106C.

The immediate and ultimate holding company is CircleBright Limited, a company incorporated in the British Virgin Islands.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 1.3 to the combined financial statements.

1.2 Restructuring exercise

Prior to the Placement, a restructuring exercise (the “Restructuring Exercise”) was carried out which resulted in the Company becoming the holding company of the Group as follows:

Acquisition of TrickleStar Limited (“TrickleStar HK”)

Pursuant to a restructuring agreement dated 17 May 2019, the Company acquired from CircleBright Limited and Powertech Industrial Co. Ltd. the entire issued and paid-up share capital of TrickleStar HK, a company incorporated in Hong Kong for an aggregate consideration of S\$6,229,128. The acquisition consideration was arrived at on a willing-buyer willing-seller basis, taking into account, amongst others, the net asset value of TrickleStar HK and its subsidiaries as at 31 March 2019 of S\$6,229,128. The consideration was satisfied by the allotment and issue of 2,473,773 new shares by the Company to CircleBright Limited, Powertech Industrial Co. Ltd. and the designated nominees.

Following the completion of the above transaction, TrickleStar HK became a wholly-owned subsidiary of the Company.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

1. General corporate information (Continued)

1.3 Details of subsidiaries

As at date of this report after the Restructuring Exercise, the Company has the following subsidiaries:

Name of company	Principal place of business	Principal activities	Effective equity interest		
			2016 %	2017 %	2018 %
TrickleStar HK	Hong Kong	Investment holding company	100	100	100
TrickleStar, Inc.	United States of America	Licenses technology, develops and sells advanced power strips and surge protectors	100	100	100
TrickleStar (M) Sdn. Bhd.	Malaysia	Provides operational support	100	100	100

2. Basis of preparation of combined financial statements

The Restructuring Exercise involved companies which are under common control. The combined financial statements of the Group for the financial years ended 31 December 2016, 2017 and 2018 have been prepared in a manner similar to the “pooling-of-interest” method. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidary relationship was not established until after the end of the reporting periods.

These combined financial statements of the Group are a combination or aggregation of the financial statements of the Company and its subsidiaries after the Restructuring Exercise.

The audited combined financial statements of the Group for the financial years ended 31 December 2016, 2017 and 2018 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) and on the historical cost except as disclosed in the accounting policies in Note 3 to the combined financial statements.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

2. Basis of preparation of combined financial statements (Continued)

The financial statements of all companies within the Group for the financial years ended 31 December 2016, 2017 and 2018 covered by the combined financial statements were audited by the following firms of Chartered Accountants:

Name of company	Auditors	Financial year
TrickleStar HK	Ricky Cheung & Co., Hong Kong	Financial years ended 31 December 2016, 2017 and 2018
TrickleStar, Inc.	Alario & Associates, United States of America	Financial years ended 31 December 2016 and 2017
	BDO, Malaysia	Financial year ended 31 December 2018
TrickleStar (M) Sdn. Bhd.	Law & Associates, Malaysia	Financial years ended 31 December 2016 and 2017
	BDO, Malaysia	Financial year ended 31 December 2018

For the purpose of inclusion in the combined financial statements, BDO LLP, Singapore audited the financial statements of all the entities within the Group for the financial years ended 31 December 2016 and 2017.

Items included in the combined financial statements of the Company are measured using the currency of the primary economic environment in which the entities operate ("functional currency"). The combined financial statements are presented in United States dollar which is the functional currency and presentation currency of the Company.

The preparation of combined financial statements in conformity with SFRS(I) requires the management to exercise judgement in the process of applying the Group's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting periods, and the reported amounts of revenue and expenses throughout the financial years. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the combined financial statements are disclosed in Note 4 to the combined financial statements.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

3. Summary of significant accounting policies

3.1 Changes in accounting policies

During the financial years ended 31 December 2016, 2017 and 2018, the Group adopted the new or revised SFRS(I) that are relevant to its operations and effective for each financial year respectively. Changes to the Group's accounting policies have been made as required in accordance with the relevant transitional provisions in the respective SFRS (I). The adoption of the new or revised SFRS(I) including related SFRS(I) Interpretations ("SFRS(I) INT") did not result in any substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the respective financial years, except as detailed below.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In addition, it also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted SFRS(I) 15 using the full retrospective method. There is no impact arising from the adoption of SFRS(I) 15 on the combined financial statements.

The accounting policy under SFRS(I) 15 is disclosed in Note 3.14 to the combined financial statements.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* is effective from annual periods beginning on or after 1 January 2018. The Group has applied SFRS(I) 9 retrospectively, with the initial application date of 1 January 2018 and elect not to restate the comparative information for the period beginning 1 January 2017.

The accounting policy under SFRS(I) 9 is disclosed in Notes 3.9 and 3.12 to the combined financial statements.

Singapore Financial Reporting Standards (International) ("SFRS(I)s") and Interpretations of SFRS(I) ("SFRS(I) INT") issued but not yet effective

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning on 1 January 2019 and thereafter, and have not been early adopted:

- SFRS(I) 1-19 *Amendments to SFRS(I) 1-19: Plan Amendment, Curtailment or Settlement*

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“SFRS(I) INT”) issued but not yet effective (Continued)

- SFRS(I) 9 *Amendments to SFRS(I) 9: Prepayment Features with Negative Compensation*
- SFRS(I) 1-28 *Amendments to SFRS(I) 1-28: Long-term Interests in Associates and Joint Ventures*
- SFRS(I) 16 *Leases*
- SFRS(I) 17 *Insurance Contracts*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Annual improvements to SFRS(I) 2015-2017 cycle
- SFRS(I) 3 (*Amendments*) to SFRS (I) 3: *Definition of a Business*
- SFRS(I) 1-1 and SFRS(I) 1-8 (*Amendments*) to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*
- Various (*Amendments*) *References to the Conceptual Framework in SFRS(I) Standards*

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (*Amendments to SFRS(I) 10 and SFRS(I) 1-28*).

Management anticipates that the adoption of the above new SFRS(I), amendments to and interpretations of SFRS(I) will not have a material impact on the financial statements of the Group in the period of their initial adoption, except as disclosed below.

SFRS(I) 16 Leases

Summary of the requirements

SFRS(I) 16 eliminates the lessee’s classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and financial liabilities to pay rentals with a term of more than 12 months, unless the underlying asset is of a low value.

SFRS(I) 16 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“SFRS(I) INT”) issued but not yet effective (Continued)

SFRS(I) 16 Leases (Continued)

Summary of the requirements (Continued)

When effective, SFRS(I) 16 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied.

Potential impact on the financial statements

The Group has performed an assessment on the adoption of SFRS(I) 16 based on currently available information as well as recognition exemptions under SFRS(I) 16. The Group expects to capitalise its office premises and other operating facilities on the combined statement of financial position by recognising them as ‘right-of-use’ assets and their corresponding lease liabilities for the present value of future lease payments of \$50,745 respectively. This assessment may be subject to changes from the ongoing analysis until the finalisation of transition entries. The Group plan to adopt the standard in the financial year beginning on 1 January 2019 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in the financial statements for that financial year.

3.2 Basis of consolidation

The combined financial statements comprise the financial statements of the Company and its subsidiaries made up to end of the financial years ended 31 December 2016, 2017 and 2018. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group to ensure consistency.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which that control ceases. In preparing the combined financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred.

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3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation (Continued)

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of subsidiaries, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3.3 Business combinations

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the cash paid for the acquisition and share capital of acquiree is recognised directly to equity as merger reserve.

3.4 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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3. Summary of significant accounting policies (Continued)

3.4 Plant and equipment (Continued)

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful life as follows:

	Years
Computer	3
Tools and equipment	5
Furniture and fittings	5
Office equipment	5
Renovation	5
Machinery	5

The residual values, estimated useful life and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

3.5 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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3. Summary of significant accounting policies (Continued)

3.5 Intangible assets (Continued)

The useful life of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in profit or loss.

Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the changes in useful life from indefinite to finite is made on prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Patents and trademarks

Patents and trademarks are capitalised and stated at cost less accumulated amortisation and accumulated impairment loss, if any, which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of registration for its intended use. Costs associated with maintaining the patents and trademarks are recognised as an expense as incurred. The costs are amortised to profit or loss using the straight-line method over the estimated useful life of 5 years.

Technical know-how

Technical know-how is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

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3. Summary of significant accounting policies (Continued)

3.5 Intangible assets (Continued)

Research and development

Expenditure on research activities is recognised as an expense when incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged using the straight-line method over the periods the Group expects to benefit from selling the products developed of 5 years.

3.6 Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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3. Summary of significant accounting policies (Continued)

3.7 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income up to the amount of any previous revaluation.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable willing parties less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment losses recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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3. Summary of significant accounting policies (Continued)

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

3.9 Financial assets

Accounting for financial assets before 1 January 2018

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose of which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of the reporting period, where allowed and appropriate.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within "trade and other receivables", "fixed deposit" and "cash and bank balances" on the combined statements of financial position.

Recognition and derecognition

Financial assets are recognised on the combined statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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3. Summary of significant accounting policies (Continued)

3.9 Financial assets (Continued)

Accounting for financial assets before 1 January 2018 (Continued)

Recognition and derecognition (Continued)

On derecognition of a financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss.

Initial and subsequent measurement

Financial assets are initially recognised at fair value plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less impairment loss, if any.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

An allowance for impairment loss of loans and receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

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3. Summary of significant accounting policies (Continued)

3.9 Financial assets (Continued)

Accounting for financial assets from 1 January 2018

The Group shall recognise a financial asset in its combined statement of financial position when, and only when, the Group become a party to the contractual provisions of the instrument.

The Group classifies its financial assets into one of the categories below, depending on the Group's business models for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's accounting policies for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the combined statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

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3. Summary of significant accounting policies (Continued)

3.9 Financial assets (Continued)

Accounting for financial assets from 1 January 2018 (Continued)

Amortised cost (Continued)

The Group's financial assets measured at amortised cost comprise trade and other receivables, fixed deposits and cash and bank balances in the combined statements of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.11 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

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3. Summary of significant accounting policies (Continued)

3.12 Financial liabilities

Financial liabilities are recognised on the combined statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of their financial liabilities at initial recognition.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises their financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing liability is replaced by another form from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

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3. Summary of significant accounting policies (Continued)

3.14 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. The Group's revenue are derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

The Group's sales of goods is involved in developing and selling of advance power strip and surge protectors to its customers. Revenue from sales of these products is recognised at point in time when the products are delivered to customers. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 90 days.

The Group does not operate any loyalty programme. Revenue from these contracts is recognised based on the contract price specified in the contract. At the end of each reporting period, the Group reviews and updates the transaction price when necessary.

3.15 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented in profit or loss under "Other income". Grants related to an asset may be presented in the combined statements of financial position by deducting the grant in arriving at the carrying amount of the asset.

3.16 Leases

When the Group is the lessee of operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

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3. Summary of significant accounting policies (Continued)

3.17 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised leave as a result of services rendered by employees up to the end of the reporting period.

3.18 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years. Taxable income differs from profit reported as profit or loss because it excluded items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

Deferred tax is provided, using the balance sheet liability method, for temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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3. Summary of significant accounting policies (Continued)

3.18 Income tax (Continued)

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and its probable that the temporary difference will not reverse in the foreseeable future.

3.19 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by shareholders.

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

4. Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the combined financial statements except as discussed below.

(i) *Allowance for impairment loss on doubtful receivables*

The Group makes allowances for expected credit losses based on an assessment of the recoverability of trade and other receivables. The impairment provisions for trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.1 Critical judgements made in applying the accounting policies (Continued)

(i) *Allowance for impairment loss on doubtful receivables (Continued)*

The identification of loss allowance requires use of estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying amount of the trade and other receivables and loss allowance in the period in which such estimates has been charged. The carrying amounts of trade and other receivables of the Group as at 31 December 2016, 2017 and 2018 were US\$2,675,753, US\$1,541,767 and US\$1,958,682 respectively.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) *Inventory obsolescence*

Inventories are stated at the lower of cost and net realisable value. The management determines cost of inventories using the first in, first out. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provides for excess and obsolete inventories based on historical usage, estimated future demand and related pricing. In determining excess quantities, the management considers recent sales activities, related margin and market positioning of the products. However, factors beyond its control, such as demand levels, technological advances and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories. The carrying amounts of inventories of the Group as at 31 December 2016, 2017 and 2018 were US\$2,735,266, US\$4,259,855 and US\$6,940,719 respectively.

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5. Plant and equipment

	Computer US\$	Tools and equipment US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Total US\$
Cost						
Balance at 1 January 2016	47,604	282,773	12,682	–	12,793	355,852
Additions	8,881	14,221	8,482	1,910	19,028	52,522
Balance at 31 December 2016	56,485	296,994	21,164	1,910	31,821	408,374
Accumulated depreciation						
Balance at 1 January 2016	23,237	170,901	9,918	–	6,100	210,156
Depreciation charged	11,115	39,750	1,107	43	2,376	54,391
Balance at 31 December 2016	34,352	210,651	11,025	43	8,476	264,547
Net carrying amount						
Balance at 31 December 2016	22,133	86,343	10,139	1,867	23,345	143,827

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5. Plant and equipment (Continued)

	Computer US\$	Tools and equipment US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Machinery US\$	Total US\$
Cost							
Balance at 1 January 2017	56,485	296,994	21,164	1,910	31,821	–	408,374
Additions	13,456	–	24,689	4,819	9,017	8,851	60,832
Written off	(13,406)	–	–	(525)	–	–	(13,931)
Balance at 31 December 2017	56,535	296,994	45,853	6,204	40,838	8,851	455,275
Accumulated depreciation							
Balance at 1 January 2017	34,352	210,651	11,025	43	8,476	–	264,547
Depreciation charged	14,148	34,120	3,834	600	7,283	590	60,575
Written off	(13,387)	–	–	(114)	–	–	(13,501)
Balance at 31 December 2017	35,113	244,771	14,859	529	15,759	590	311,621
Net carrying amount							
Balance at 31 December 2017	21,422	52,223	30,994	5,675	25,079	8,261	143,654

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5. Plant and equipment (Continued)

	Computer US\$	Tools and equipment US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Machinery US\$	Total US\$
Cost							
Balance at 1 January 2018	56,535	296,994	45,853	6,204	40,838	8,851	455,275
Additions	5,735	–	884	–	–	3,510	10,129
Written off	(6,463)	–	–	–	–	–	(6,463)
Currency re-alignment	(8)	–	–	–	–	–	(8)
Balance at 31 December 2018	55,799	296,994	46,737	6,204	40,838	12,361	458,933
Accumulated depreciation							
Balance at 1 January 2018	35,113	244,771	14,859	529	15,759	590	311,621
Depreciation charged	13,549	30,449	7,470	1,241	7,668	1,770	62,147
Written off	(6,457)	–	–	–	–	–	(6,457)
Balance at 31 December 2018	42,205	275,220	22,329	1,770	23,427	2,360	367,311
Net carrying amount							
Balance at 31 December 2018	13,594	21,774	24,408	4,434	17,411	10,001	91,622

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6. Intangible assets

	Patents and trademarks US\$	Technical know-how US\$	Total US\$
Cost			
Balance at 1 January 2016	27,341	242,871	270,212
Written off	(27,341)	–	(27,341)
Balance at 31 December 2016	–	242,871	242,871
Accumulated amortisation			
Balance at 1 January 2016	6,869	36,431	43,300
Amortisation for the financial year	–	48,574	48,574
Written off	(6,869)	–	(6,869)
Balance at 31 December 2016	–	85,005	85,005
Net carrying amount			
Balance at 31 December 2016	–	157,866	157,866
Cost			
Balance at 1 January 2017 and 31 December 2017	–	242,871	242,871
Accumulated amortisation			
Balance at 1 January 2017	–	85,005	85,005
Amortisation for the financial year	–	48,574	48,574
Balance at 31 December 2017	–	133,579	133,579
Net carrying amount			
Balance at 31 December 2017	–	109,292	109,292

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6. Intangible assets (Continued)

	Technical know-how US\$	Development cost US\$	Total US\$
Cost			
Balance at 1 January 2018	242,871	–	242,871
Additions	–	155,938	155,938
Balance at 31 December 2018	242,871	155,938	398,809
Accumulated amortisation			
Balance at 1 January 2018	133,579	–	133,579
Amortisation for the financial year	48,574	–	48,574
Balance at 31 December 2018	182,153	–	182,153
Net carrying amount			
Balance at 31 December 2018	60,718	155,938	216,656

Amortisation expense was included in “Administrative expenses” line item of profit or loss.

7. Deferred tax assets/(liabilities)

	2016 US\$	2017 US\$	2018 US\$
Balance at beginning of financial year	–	–	172,954
Credited/(Charged) to profit or loss	–	172,954	(175,250)
Balance at end of financial year	–	172,954	(2,296)

Deferred tax assets/(liabilities) are attributable to the following temporary differences computed at the income tax rates of respective countries in which the entities operate:

	2016 US\$	2017 US\$	2018 US\$
Accelerated tax depreciation	–	–	(2,296)
Unutilised tax losses	–	170,411	–
Others	–	2,543	–
	–	172,954	(2,296)

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7. Deferred tax assets/(liabilities) (Continued)

As at 31 December 2017, the Group has unutilised tax losses of US\$765,549 available for offset against future taxable profits subject to the agreement by the tax authorities and provisions of the tax legislations countries in which the Group operates.

As at 31 December 2017, the total unutilised tax losses of the Group included a subsidiary which is in the United States of America amounting to US\$765,549 can only be utilised for set-off against its future taxable profits within twenty years from the date the tax losses were incurred. The breakdown of total unutilised tax losses of a subsidiary which is in United States of America are as follows:

Year of losses	2017	
	US\$	Expiry date
2017	765,549	Dec-2037

Unrecognised deferred tax assets

	2016	2017	2018
	US\$	US\$	US\$
Balance at beginning of financial year	246,922	246,519	246,647
Utilisation of deferred tax assets previously not recognised	(342)	–	(261)
Currency re-alignment	(61)	128	(23)
Balance at end of financial year	246,519	246,647	246,363

Unrecognised deferred tax assets are attributable to the temporary differences of unutilised tax losses computed at the respective countries' statutory income tax rate.

Unutilised tax losses of approximately US\$1,492,000, US\$1,492,000 and US\$1,491,000 as at 31 December 2016, 2017 and 2018 respectively are available for set-off against future taxable profits subject to the agreement by tax authorities in Hong Kong and Malaysia.

These tax benefits have not been recognised in the financial statements due to the uncertainty of the sufficiency of future taxable profits to be generated for the subsidiaries in the foreseeable future. Accordingly, these deferred tax assets have not been recognised in the financial statements of the Group in accordance with the accounting policy in Note 3.18 to the financial statements.

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8. Inventories

	2016	2017	2018
	US\$	US\$	US\$
Goods for resale	2,735,266	4,259,855	6,940,719

The cost of inventories recognised as an expense and included in “Cost of sales” line item in profit or loss amounted to US\$5,423,543, US\$6,440,968 and US\$8,331,086 for the financial years ended 31 December 2016, 2017 and 2018 respectively.

Obsolete inventories written off recognised as an expense and included in “Cost of sales” line item in profit or loss amounted to US\$4,951, US\$276,840 and US\$32 for the financial years ended 31 December 2016, 2017 and 2018 respectively.

9. Trade and other receivables

	2016	2017	2018
	US\$	US\$	US\$
Trade receivables			
– third parties	1,862,605	850,761	1,794,783
Allowance for impairment loss on doubtful trade receivables	(10,000)	(10,000)	(10,000)
	1,852,605	840,761	1,784,783
Other receivables			
– third parties	196	4,564	231
– related parties	–	51,154	–
– corporate shareholder	–	25,000	–
– immediate holding company	621,787	444,762	–
Deposits	178,040	175,526	173,668
Goods and services tax recoverable, net	23,125	–	–
	2,675,753	1,541,767	1,958,682

Trade receivables are generally on 30 to 90 days credit terms.

The non-trade amounts due from immediate holding company, related parties and corporate shareholder are unsecured, non-interest bearing and repayable on demand.

Third party trade receivables written off was included in “Administrative expenses” line item in profit or loss amounted to US\$Nil, US\$21,855 and US\$Nil for the financial years ended 31 December 2016, 2017 and 2018 respectively as the third party was loss-making and the balance was deemed to be irrecoverable.

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9. Trade and other receivables (Continued)

Movements in allowance for impairment loss on doubtful trade receivables were as follows:

	2016	2017	2018
	US\$	US\$	US\$
Balance at beginning and end of financial year	10,000	10,000	10,000

As at 31 December 2018, the lifetime expected loss provision for trade receivables are as follows:

	Current	Past due less than	Past due 1 to	Past due 2 to	Past due over	Total
	US\$	1 month	2 months	3 months	3 months	US\$
	US\$	US\$	US\$	US\$	US\$	US\$
Expected loss rate	–	–	–	–	–	
Gross carrying amount						
– Trade receivables	1,415,993	237,375	125,205	3,473	12,737	1,794,783
Loss allowance						
– Credit impaired	–	–	–	–	10,000	10,000

Management believes that no allowances for expected credit losses is necessary in respect of trade receivables as these are substantially companies with good collection track record and no recent history of default, hence the expected credit loss is not material.

As at the end of the respective reporting periods, the age analysis of trade receivables past due but not impaired is as follows:

	2016	2017
	US\$	US\$
Past due less than 1 month	215,620	227,005
Past due 1 to 2 months	5,080	23,885
Past due 2 to 3 months	30,153	8,900
Past due over 3 months	182,443	11,417

Non-trade receivables from related parties, corporate shareholder and immediate holding company are considered to be of low credit risk and subject to immaterial credit loss. Credit risk for these assets has not increased significantly since their initial recognition.

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9. Trade and other receivables (Continued)

The currency profiles of trade and other receivables as at the end of the respective reporting periods are as follows:

	2016	2017	2018
	US\$	US\$	US\$
United States dollar	2,651,385	1,540,667	1,957,609
Canadian dollar	23,809	–	–
Ringgit Malaysia	363	904	1,072
Others	196	196	1
	<u>2,675,753</u>	<u>1,541,767</u>	<u>1,958,682</u>

10. Fixed deposits

Fixed deposit is placed for a period of 1 to 12 months and bear an effective interest rate of 3.25% to 3.85% per annum for the financial years ended 31 December 2016, 2017 and 2018 respectively.

The currency profiles of fixed deposit on the combined statement of financial position as at the end of the reporting period is Ringgit Malaysia.

11. Cash and bank balances

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise the following amounts as at the end of the reporting period:

	2016	2017	2018
	US\$	US\$	US\$
Fixed deposit with a bank	89,589	86,826	7,253
Cash and bank balances	2,270,495	1,491,081	1,546,396
Cash and cash equivalents on combined statement of cash flows	<u>2,360,084</u>	<u>1,577,907</u>	<u>1,553,649</u>

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11. Cash and bank balances (Continued)

The currency profiles of cash and bank balances as at the end of the respective reporting periods are as follows:

	2016	2017	2018
	US\$	US\$	US\$
United States dollar	2,219,734	1,436,058	1,498,093
Ringgit Malaysia	50,761	55,023	22,892
Singapore dollar	–	–	25,411
	<u>2,270,495</u>	<u>1,491,081</u>	<u>1,546,396</u>

12. Share capital

	2016	2017	2018
	US\$	US\$	US\$
Issued and fully-paid ordinary share capital of:			
– TrickleStar Limited	–	–	1
– TrickleStar HK	4,490,329	4,490,329	4,490,329
	<u>4,490,329</u>	<u>4,490,329</u>	<u>4,490,330</u>

As the Company was incorporated on 31 October 2018, for the purpose of these combined financial statements, the share capital as at 31 December 2016, 31 December 2017 and 31 December 2018 represents the aggregation of the Group's interest in the issued and paid up capital of the Company and TrickleStar HK.

On 31 October 2018, the Company issued 2 subscribers' shares of S\$2 each for cash at the date of incorporation and the Company's share capital as at 31 December 2018 represents the actual share capital.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

13. Foreign currency translation account

The foreign currency translation account represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency are different from that of the Group's presentation currency.

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14. Trade and other payables

	2016 US\$	2017 US\$	2018 US\$
Trade payables			
– third parties	3,411,276	7,357	123
– corporate shareholder	–	2,847,424	5,172,513
	<u>3,411,276</u>	<u>2,854,781</u>	<u>5,172,636</u>
Other payables			
– third parties	61,548	126,455	580,262
– directors of the Company	218	–	–
Accrued expenses	65,879	260,219	102,322
Advances from customers	500,000	500,000	9,431
Goods and services tax payable, net	433	169	256
	<u>4,039,354</u>	<u>3,741,624</u>	<u>5,864,907</u>

Trade payables are unsecured, non-interest bearing and are normally settled within 75 days' credit terms.

The non-trade amounts due to related parties and directors of the Company are unsecured, non-interest bearing and repayable on demand.

The currency profiles of trade and other payables as at the end of the respective reporting periods are as follows:

	2016 US\$	2017 US\$	2018 US\$
United States dollar	4,020,776	3,721,426	5,858,662
Ringgit Malaysia	18,578	20,198	5,901
Singapore dollar	–	–	344
	<u>4,039,354</u>	<u>3,741,624</u>	<u>5,864,907</u>

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15. Revenue

The Group has disaggregated revenue into various categorical in the following table which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data.

	Sales of advanced power strips and other energy saving electrical products		
	2016	2017	2018
	US\$	US\$	US\$
<i>Primary geographical markets</i>			
Canada	351,656	22,112	248,316
United States of America	8,542,421	10,291,350	12,592,999
Others	–	8,187	160
	8,894,077	10,321,649	12,841,475
<i>Timing of transfer of goods</i>			
A point in time	8,894,077	10,321,649	12,841,475

16. Other income

	2016	2017	2018
	US\$	US\$	US\$
Interest income	4,362	1,938	1,736
Management fee income	–	50,629	–
Foreign exchange gain, net	–	–	872
Others	11,021	33,008	7,425
	15,383	85,575	10,033

17. (Loss)/Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the combined financial statements, the above includes the following charges:

	2016	2017	2018
	US\$	US\$	US\$
<i>Cost of sales</i>			
Cost of inventories	5,423,543	6,440,968	8,331,086
Inventories written off	4,951	276,840	32

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17. (Loss)/Profit before income tax (Continued)

	2016 US\$	2017 US\$	2018 US\$
<i>Selling and distribution expenses</i>			
Employee benefits expense			
– Salaries, bonuses and other staff benefits	354,465	395,401	473,989
– Contributions to defined contribution plans	31,218	41,696	40,719
	385,683	437,097	514,708
Freight outwards	385,477	194,610	147,123
Sales commission	106,510	198,476	205,713
Inventories processing fees	70,369	94,000	56,918
Storage fees	48,269	69,247	42,307
<i>Administrative expenses</i>			
Amortisation of intangible assets	48,574	48,574	48,574
Bad debts written off	–	21,855	–
Depreciation of plant and equipment	54,391	60,575	62,147
Engineering fees	220,139	310,101	68,625
Employee benefits expense			
– Directors' fee	396,900	416,760	140,760
– Salaries, bonuses and other staff benefits	239,363	335,696	243,303
– Contributions to defined contribution plans	20,498	26,350	33,266
	656,761	778,806	417,329
Foreign exchange loss, net	77,260	26,287	–
Intangible assets written off	20,472	–	–
Management fee	945,000	–	–
Operating lease expenses	29,112	46,256	56,475
Plant and equipment written off	–	430	6
Professional fees	267,364	391,154	200,708
Research and testing	2,465	40,288	1,052

Included in the employee benefits expense were the remuneration of Directors of the Company as disclosed in Note 22 to the combined financial statements.

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18. Income tax

	2016 US\$	2017 US\$	2018 US\$
Current income tax			
– current financial year	7,685	2,137	169,728
Deferred tax			
– current financial year	–	(172,954)	175,250
	<u>7,685</u>	<u>(170,817)</u>	<u>344,978</u>

Reconciliation of effective income tax rate

	2016 US\$	2017 US\$	2018 US\$
(Loss)/Profit before income tax	(248,600)	475,836	2,312,671
Income tax calculated at Singapore's statutory income tax rate of 17%, 17%, and 17% respectively	(42,262)	80,892	393,154
Effect of different tax rate in other countries	(19,320)	(43,741)	42,490
Tax effect of income not subject to income tax	(18,052)	(213,536)	(183,887)
Tax effect of non-deductible expenses for income tax purposes	87,661	4,837	93,482
Utilisation of previously unrecognised tax losses	(342)	–	(261)
Others	–	731	–
	<u>7,685</u>	<u>(170,817)</u>	<u>344,978</u>

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19. (Loss)/Earnings per share

The calculation for (loss)/earnings per share is based on:

	2016	2017	2018
(Loss)/Profit attributable to owners of the parent (US\$)	(256,285)	646,653	1,967,693
Weighted average number of ordinary shares in issue during the financial year applicable to (loss)/earnings per share	66,791,925	66,791,925	66,791,925
(Loss)/Earnings per share (in US cents) – Basic and diluted	(0.38)	0.97	2.95

The calculations of basic (loss)/earnings per share for the relevant periods are based on (loss)/profit attributable to owners of the parent for the financial years ended 31 December 2016, 2017 and 2018 divided by the pre-placement number of ordinary shares as these reflects the weighted average number of ordinary shares in relevant periods adjusted for the shares issued in the restructuring exercise and share split.

The diluted (loss)/earnings per share for the relevant periods are same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares for the relevant periods.

20. Dividends

	2016	2017	2018
	US\$	US\$	US\$
TrickleStar HK paid the following dividends:			
Tax exempt interim dividend of approximately US\$0.25, US\$0.26 and US\$0.40 per ordinary share in respect of financial years ended 31 December 2016, 2017 and 2018 respectively	587,194	610,682	952,010

The dividend declared in the financial year ended 31 December 2017 was set off against amount due from immediate holding company of US\$610,682.

The dividend declared in the financial year ended 31 December 2018 was partially set off against amount due from immediate holding company and corporate shareholder of US\$444,755 and US\$25,000 respectively.

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21. Operating lease commitments

The Group as lessee

The Group leases office under non-cancellable operating leases. The operating lease commitments are based on existing rental rates. The leases have lease term range from 1 to 3 years and rentals are fixed during the lease term.

As at the end of the respective reporting periods, the future minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities were as follows:

	2016	2017	2018
	US\$	US\$	US\$
Within one financial year	24,996	42,883	51,780
After one financial year but within five financial years	–	74,489	22,258
	<u>24,996</u>	<u>117,372</u>	<u>74,038</u>

22. Significant related party transactions

For the purpose of these combined financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or *vice versa*, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the information disclosed elsewhere in the combined financial statements, the following were significant related party transactions at rates and terms agreed between the Group and its related parties during the financial years ended 31 December 2016, 2017 and 2018:

	2016	2017	2018
	US\$	US\$	US\$
With corporate shareholder			
Advances to	–	25,000	–
Dividend paid	–	–	50,000
Purchase of goods	–	9,309,552	9,863,040
	<u>–</u>	<u>9,309,552</u>	<u>9,863,040</u>

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22. Significant related party transactions (Continued)

	2016 US\$	2017 US\$	2018 US\$
With immediate holding company			
Advances to	2,180,448	444,755	450,000
Dividend paid	587,194	610,682	902,010
Management fee expense	945,000	–	–
Payment made on behalf by	234,925	11,106	552,800
Payment made on behalf of	3,736	–	102,800
Repayment from	400,000	–	–
With related parties			
Advances to	78,712	–	–
Management fee	–	50,629	–
Payment made on behalf by	7,950	–	–
Repayment from	124,819	–	51,154
With director of the Company			
Rental expenses	14,393	23,623	22,933

Compensation of key management personnel

Key management personnel are directors of the Group and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

The remuneration of key management personnel of the Group during the financial years ended 31 December 2016, 2017 and 2018 were as follows:

	2016 US\$	2017 US\$	2018 US\$
Directors of the Group			
– Directors' fees	396,900	416,760	140,760
– Short-term employee benefits	66,150	104,190	13,665
– Post employee benefits	–	–	1,640
	463,050	520,950	156,065

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22. Significant related party transactions (Continued)

Compensation of key management personnel (Continued)

	2016	2017	2018
	US\$	US\$	US\$
Other key management personnel			
– Short-term employee benefits	37,106	40,720	64,752
– Post employee benefits	4,646	5,093	8,147
	41,752	45,813	72,899
	41,752	45,813	72,899

23. Segment information

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has only one primary business segment, which is that of licensing technology, developing and selling advanced power strips and surge protectors.

Geographical information

Revenues from external customers

The breakdown of the Group's revenue by geographical market are disclosed in Note 15 to the financial statements.

Locations of non-current assets

Non-current assets consist of plant and equipment and intangible assets.

	2016	2017	2018
	US\$	US\$	US\$
United States of America	–	34,670	30,865
Malaysia	301,693	218,276	277,413
	301,693	252,946	308,278
	301,693	252,946	308,278

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23. Segment information (Continued)

Major customers

The Group's revenue attributable to 5 customers represents approximately 74.21%, 88.08% and 86.11% of total revenue. Revenue from certain customers (named alphabetically A to E) represents US\$6,600,318, US\$9,091,587 and US\$11,058,236 of the Group's revenue during financial years ended 31 December 2016, 2017 and 2018 respectively. The details of these customers which individually contributed 5 percent or more of the Group's revenue in the financial years are as follows:

	2016		2017		2018	
	US\$	%	US\$	%	US\$	%
Customer A	3,849,343	43.28	3,731,835	36.16	4,786,323	37.27
Customer B	1,511,901	17.00	2,412,540	23.37	2,900,827	22.59
Customer C	438,595	4.93	1,253,368	12.14	1,611,254	12.55
Customer D	21,239	0.24	791,965	7.67	1,055,635	8.22
Customer E	779,240	8.76	901,879	8.74	704,197	5.48
	<u>6,600,318</u>	<u>74.21</u>	<u>9,091,587</u>	<u>88.08</u>	<u>11,058,236</u>	<u>86.11</u>

24. Financial instruments, financial risks and capital management

The Group's activities expose it to credit risks and liquidity risks arising in the ordinary course of business. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which the risks are managed and measured. The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

**TRICKLESTAR LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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24. Financial instruments, financial risks and capital management (Continued)

24.1 Credit risks

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except as follows:

- (a) The Group has outstanding trade receivables from 3 customers which represent 71.93%, 72.03%, 63.73% of total trade receivables balance as at 31 December 2016, 2017 and 2018 respectively.

The carrying amounts of financial assets recorded in the combined financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risks. The Group does not hold any collateral.

The Group's major classes of financial assets are trade and other receivables, fixed deposits and cash and bank balances.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group.

Credit risk also arises from cash and bank balances and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired are provided in Note 9 to the financial statements.

Cash and cash equivalents

The Group held cash and bank balances and fixed deposit of US\$2,360,084, US\$1,577,907 and US\$1,553,649 as at 31 December 2016, 2017 and 2018 respectively. The cash and bank balances and fixed deposits are held with bank and financial institution counterparties, which are rated AA/A, based on Moody's and Fitch ratings.

Impairment on cash and bank balances and fixed deposit have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances and fixed deposit have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances and fixed deposits is negligible.

The Group uses a similar approach for assessment of ECLs for cash and bank balances and fixed deposit to those used for trade and other receivables.

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24. Financial instruments, financial risks and capital management (Continued)

24.2 Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group actively manages its operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Contractual maturity analysis

The following tables detail the Group's remaining contractual maturity for its non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to pay.

	Within one financial year		
	2016	2017	2018
	US\$	US\$	US\$
<u>Financial liabilities</u>			
Other financial liabilities, at amortised costs	3,538,921	3,241,455	5,855,220

24.3 Capital management policies and objectives

The Group manages capital to ensure that it is able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management reviews the capital structure to ensure that the Group is able to service any debt obligations (including principal repayment and interest) based on operating cash flows. The Group's overall strategy remains unchanged during the financial years ended 31 December 2016, 2017 and 2018.

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24. Financial instruments, financial risks and capital management (Continued)

24.3 Capital management policies and objectives (Continued)

The Group monitors capital based on a gearing ratio, which is net debt divided by total equity plus net debt. The Group's net debt includes trade and other payables less cash and cash equivalents. Equity attributable to the owners of the Company comprises share capital and reserves.

	2016 US\$	2017 US\$	2018 US\$
Trade and other payables	4,039,354	3,741,624	5,864,907
Less: Cash and cash equivalents	(2,360,084)	(1,577,907)	(1,553,649)
Net debt	1,679,270	2,163,717	4,311,258
Total equity	4,067,085	4,126,787	5,137,399
Total capital	5,746,355	6,290,504	9,448,657
Gearing ratio	29%	34%	46%

The Group did not have externally imposed capital requirements for the financial years ended 31 December 2016, 2017 and 2018.

24.4 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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24. Financial instruments, financial risks and capital management (Continued)

24.4 Fair value of financial assets and financial liabilities (Continued)

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

24.5 Categories of financial instruments

Fair value of financial instruments that are not carried at fair value

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The following table sets out the financial instruments as at the end of the respective reporting periods:

	2016	2017	2018
	US\$	US\$	US\$
Financial assets			
Financial assets/Loans and receivables, at amortised cost	5,012,712	3,119,674	3,512,331
Financial liabilities			
Other financial liabilities, at amortised cost	3,538,921	3,241,455	5,855,220

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25. Events after the reporting period

25.1 Pursuant to written resolutions passed on 17 May 2019, the shareholders of the Company approved, inter alia, the following:

- (a) the share sub-division;
- (b) the allotment and issue of the placement shares which are the subject of the placement, on the basis that the placement shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the existing shares;
- (c) the adoption of the TrickleStar Performance Share Plan and the authorisation of the Directors, pursuant to Section 161 of the Companies Act, to allot and issue shares upon the vesting of awards granted under the TrickleStar Performance Share Plan;
- (d) the adoption of the TrickleStar Employee Share Option Scheme and the authorisation of the Directors, pursuant to Section 161 of the Companies Act, to allot and issue shares upon the exercise of options granted under the TrickleStar Employee Share Option Scheme;
- (e) pursuant to Section 161 of the Companies Act and the Catalist Rules, authority be given to the Directors to:
 - (A) (i) allot and issue shares whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (each an “Instrument” and collectively, “Instruments”) that might or would require shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) convertible securities, options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (B) allot and issue shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force (notwithstanding the authority conferred by this resolution may have ceased to be in force),

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25. Events after the reporting period (Continued)

25.1 Pursuant to written resolutions passed on 17 May 2019, the shareholders of the Company approved, inter alia, the following: (Continued)

provided that:

- (1) the aggregate number of shares (including the shares to be allotted and issued in pursuance of Instruments made or granted pursuant to such authority) and Instruments to be allotted and issued pursuant to such authority shall not exceed 100.0% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be allotted and issued other than on a pro rata basis to the existing shareholders (including the shares to be allotted and issued in pursuance of Instruments made or granted pursuant to such authority) other than on a pro rata basis to the existing shareholders shall not exceed 50.0% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (calculated in accordance with sub-paragraph (2) below);
- (2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of shares that may be allotted and issued (including shares to be allotted and issued pursuant to the Instruments made or granted pursuant to such authority) under sub-paragraph (1) above, the percentage of shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), after adjusting for:
 - (i) new shares arising from the conversion or exercise of the Instruments or convertible securities;
 - (ii) new shares arising from the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time such authority is passed; and
 - (iii) any subsequent bonus issue, consolidation or sub-division of shares;
- (3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company for the time being; and
- (4) unless revoked or varied by the Company in general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier;

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25. Events after the reporting period (Continued)

25.1 Pursuant to written resolutions passed on 17 May 2019, the shareholders of the Company approved, inter alia, the following: (Continued)

(f) that:

(A) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all powers of the Company to purchase or acquire issued Shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

- (i) on-market purchases on the SGX-ST (“Market Purchases”); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act (“Off-Market Purchases”),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST be authorised and approved generally and unconditionally (the “Share Buy-back Mandate”);

(B) unless revoked or varied by the Company in general meeting, the authority conferred by this resolution shall continue in force until (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required by law to be held; (iii) the date when the Share Buy-back Mandate is revoked or varied by the shareholders in general meeting; or (iv) the date on which the share buy-back is carried out to the full extent mandated, whichever is earliest; and

(C) in this resolution:

- (i) “Average Closing Price” means the average of the closing market prices of the shares over the last five (5) market days (on which transactions in the shares were recorded) immediately before the date of a Market Purchase by the Company and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) market day period;

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25. Events after the reporting period (Continued)

25.1 Pursuant to written resolutions passed on 17 May 2019, the shareholders of the Company approved, inter alia, the following: (Continued)

- (ii) “Maximum Price” in relation to a share, means the purchase price as determined by the Directors and not exceeding:
 - (I) in the case of a Market Purchase, 105.0% of the Average Closing Price of the shares; and
 - (II) in the case of an Off-Market Purchase, 105.0% of the highest price at which the share is transacted on the SGX-ST on the market day (on which transactions in the shares are recorded) immediately before the date the Company announces an Off-Market Purchase offer stating the purchase price and the relevant terms of the equal access scheme; and
- (iii) “Prescribed Limit” means the number of issued shares in the capital of the Company representing 10.0% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this resolution;
- (g) the conversion of the Company into a public company limited by shares and the consequential change of the name to “TrickleStar Limited”; and
- (h) the adoption of a new set of Constitution.

25.2 On 29 March 2019, the Group declared tax exempt interim dividend of US\$0.35 per ordinary share on 2,473,775 ordinary shares in respect of the financial year ending 31 December 2019.

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APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution.

The instrument that constitutes and defines our Company is the Constitution of our Company.

REGISTRATION NUMBER

Our Company is registered in Singapore with the Accounting and Corporate Regulatory Authority of Singapore, and our company registration number is 201837106C.

SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

The following summarises selected provisions of our Constitution relating to:

1. Directors

- (a) **Director's power to vote on a proposal, arrangement or contract in which he or she is interested:**

Regulation 100

Subject to the listing rules of the Designated Stock Exchange, a Director shall not vote in respect of any contract or proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

- (b) **Director's power to vote on remuneration (including pension or other benefits) for himself or herself or for any other Director, and whether the quorum of a meeting of the Board to vote on Director's remuneration may include the Director whose remuneration is the subject of the vote:**

Regulation 77

The fees of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees is payable shall be entitled only to rank in such division for a proportion of fees related to the period during which he has held office. The fees of the Directors (in the case of a non-executive Director) shall be a fixed sum, and not by a commission or on a percentage of profits or turnover.

Regulation 78

- (A) *The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover.*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

- (B) *Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine; Provided always that such extra remuneration (in case of an executive Director) shall not be by way of commission on or a percentage of turnover and (in the case of a non-executive Director) shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.*

Regulation 80

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Regulation 81

- (A) *Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement or transaction with the Company either as vendor, purchaser or otherwise nor shall such contract, arrangement or transaction or any contract, arrangement or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract, arrangement or transaction by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be.*
- (B) *A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company.*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

(C) *The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of fees to the directors of such company) and any such Director may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.*

Regulation 87

The remuneration of a Managing Director or Chief Executive Officer or President of the Company (or a person holding an equivalent position) shall from time to time be fixed by the Directors and may, subject to this Constitution, be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

Regulation 96

(D) *An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any fees and/or remuneration except only such part (if any) of the fees and/or remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct; Provided always that any fees payable to him shall be deducted from his principal's fees and/or remuneration.*

(c) Borrowing powers exercisable by the Directors and how such borrowing powers may be varied:

Regulation 108

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The borrowing powers exercisable by our Directors under Regulation 108 of our Constitution may be varied by special resolution passed at a general meeting of shareholders of our Company.

(d) Retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in our Constitution relating to the retirement or non-retirement of a Director under an age limit requirement.

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

(e) Shareholding qualification of a Director:

Regulation 76

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at General Meetings.

2. Share capital

(a) Rights, preferences and restrictions attaching to each class of shares:

We currently have one (1) class of shares, namely ordinary Shares.

Right to notice

Regulation 48

Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than those who are not under the provisions of the Act and this Constitution entitled to receive such notices from the Company; Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and*
- (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95% of the total voting rights of all the Members having a right to vote at thereat;*

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least 14 days' notice in writing (excluding the date of notice and the date of meeting) of any General Meeting shall be given to shareholders by advertisement in the daily press and in writing to the Designated Stock Exchange; Provided always that in the case of any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least 21 days' notice in writing (excluding the date of notice and the date of meeting) of such Annual General Meeting and Extraordinary General Meeting shall be given to shareholders by advertisement in the daily press and in writing to the Designated Stock Exchange.

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

Dividends, distributions and restrictions on dividends

Regulation 123

The Company may by Ordinary Resolution declare Dividends but no such dividends shall exceed the amount recommended by the Directors.

Regulation 124

If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying fixed Dividends expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Regulation 125

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.*

For the purposes of this Regulation 125, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Regulation 126

- (A) No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed Dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from the date they are first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such monies unclaimed after 6 years from the date they are first payable shall be forfeited and shall revert to the Company; Provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such Dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of 6 years has elapsed from the date of the declaration of such Dividend or the date on which such other monies are first payable.*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

- (B) *A payment by the Company to the Depository of any Dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.*

Regulation 127

No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

Regulation 128

- (A) *The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.*
- (C) *A transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.*

Regulation 131

Any Dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if 2 or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Regulation 131 and the provisions of Regulation 133, the payment by the Company to the Depository of any Dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

Regulation 133

Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.

Regulation 147

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members of different classes of Members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Restrictions

Regulation 4

The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

Voting rights

Regulation 52

The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as Chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within 15 minutes after the time appointed for holding the General Meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be Chairman of the General Meeting. In the event that no Director is present or if all the Directors present decline to take the chair, the chairman of the General Meeting shall be decided in the following manner:

- (a) If there is only one candidate being put forward by the Members as the chairman of the General Meeting, such candidate shall preside as the chairman of the General Meeting.*
- (b) If there is more than one candidate being put forward by the Members as the chairman of the General Meeting, the Members shall decide on the chairman of the General Meeting by way of poll.*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

If required by the listing rules of the Designated Stock Exchange, all General Meetings shall be held in Singapore, unless prohibited by relevant laws and regulations of the jurisdiction of the Company's incorporation, or unless such requirement is waived by the Designated Stock Exchange.

Regulation 55

The Chairman of any General Meeting at which a quorum is present may with the consent of the General Meeting (and shall if so directed by the General Meeting) adjourn the General Meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned General Meeting except business left unfinished at the General Meeting from which the adjournment took place. The Members shall decide on the adjournment of any General Meeting by way of poll. Where a General Meeting is adjourned sine die, the time and place for the adjourned General Meeting shall be fixed by the Directors. When a General Meeting is adjourned for 30 days or more or sine die, not less than 7 days' notice of the adjourned General Meeting shall be given in like manner as in the case of the original General Meeting.

Regulation 58

- (A) *If required by the listing rules of the Designated Stock Exchange, a resolution put to the vote at any General Meeting shall be decided by a poll (unless such requirement is waived by the Designated Stock Exchange).*
- (B) *Subject to Regulation 58(A), at any General Meeting, a resolution put to the vote of the General Meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote at the General Meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) *the Chairman of the General Meeting; or*
 - (b) *not less than 2 Members present in person or by proxy and entitled to vote at the General Meeting; or*
 - (c) *any Member or Members present in person or by proxy, or where such a Member has appointed 2 or more proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than 5% of the total voting rights of all the Members having the right to vote at the General Meeting; or*
 - (d) *any Member or Members present in person or by proxy, or where such a Member has appointed 2 or more proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, on which an aggregate sum has been paid-up equal to not less than 5% of the total sum paid-up on all the shares conferring that right.*

A demand for a poll made pursuant to this Regulation 58(B) may be withdrawn only with the approval of the General Meeting.

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

- (C) *If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.*

Regulation 62

- (A) *Subject and without prejudice to any special rights, privileges or restrictions as to voting attached by or in accordance with this Constitution to any class of shares, and to Regulation 4, each Member entitled to vote may vote in person or by proxy.*
- (B) *On a show of hands, every Member who is present in person or by proxy shall have one vote; Provided always that:*
- (a) *in the case of a Member who is not a relevant intermediary and who is represented by 2 proxies, only one of the 2 proxies as determined by that Member or, failing such determination, by the Chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and*
- (b) *in the case of a Member who is a relevant intermediary and who is represented by 2 or more proxies, each proxy shall be entitled to vote on a show of hands.*
- (C) *For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.*
- (D) *On a poll, every Member who is present in person or by proxy shall have one vote for every share which he holds or represents.*

Regulation 67

On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Regulation 73

Subject to the Statutes and this Constitution, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

(b) Any change in capital:

Regulation 3

- (A) *Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in a General Meeting, but subject thereto and the terms of such approval and to Regulation 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and whether or not subject to the payment of any part of the amount (if any) thereof in cash or otherwise as the Directors may think fit, and any shares may, be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act; Provided always that no options shall be granted over unissued shares except in accordance with the Act and the listing rules of the Designated Stock Exchange.*
- (B) *The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered in the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*
- (C) *Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be issued subject to the provisions of the Statutes and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.*
- (D) *Except as herein provided, no person shall exercise any rights or privileges of a Member until his name is entered in the Register of Members or (as the case may be) the Depository Register as a Member and shall have paid all calls and other monies due for the time being on every share held by him.*

Regulation 5

- (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares, the offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of the aforesaid time, or on the receipt of an intimation from the person to whom*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this Regulation 5(A).

- (B) *Notwithstanding Regulation 5(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*
- (a) (i) *issue shares whether by way of rights, bonus or otherwise; and/or*
 - (ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
 - (b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force;*

Provided always that:

- (1) *the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;*
 - (2) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and this Constitution; and*
 - (3) *(unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).*
- (C) *The Company may, notwithstanding Regulations 5(A) and 5(B) above, authorise the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

- (D) *No shares may be issued to transfer a controlling interest without prior approval of the Company in a General Meeting.*

Regulation 10

- (A) *The Company may by Ordinary Resolution:*

- (a) *consolidate and divide all or any of its shares;*
- (b) *sub-divide its shares, or any of them (subject nevertheless to the provisions of the Statutes and this Constitution); Provided always that in such sub-division the proportion between the amount paid and the amount (if any) unpaid on each sub-divided share shall be same as it was in the case of the share from which the sub-divided share is derived;*
- (c) *subject to the provisions of the Act and this Constitution, convert its share capital or any class of shares from one currency to another currency; and/or*
- (d) *cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.*

- (B) *The Company may by Special Resolution, subject to and in accordance with the Act, the listing rules of the Designated Stock Exchange and this Constitution, convert one class of shares into another class of shares.*

Regulation 11

- (A) *The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorised, and consent or confirmation required, by law.*
- (B) *The Company may, subject to and in accordance with the Act and the listing rules of the Designated Stock Exchange, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Act and the listing rules of the Designated Stock Exchange. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to the Act and this Constitution, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

- (c) **Any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:**

Regulation 9

- (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be 2 or more persons at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him; Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within 2 months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.*
- (B) *The provisions in Regulation 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the special rights attached to preference shares or any class thereof.*
- (C) *The special rights attached to any class of shares having preferential or other rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*
- (d) **Any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates:**

Regulation 126

- (A) *No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed Dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from the date they are first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such monies unclaimed after 6 years from the date they are first payable shall be forfeited and shall revert to the Company;*

APPENDIX B – SUMMARY OF SELECTED PROVISIONS OF OUR CONSTITUTION

Provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such Dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of 6 years has elapsed from the date of the declaration of such Dividend or the date on which such other monies are first payable.

(B) A payment by the Company to the Depository of any Dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

3. Share rights and restrictions

(a) Limitation on the right to own shares:

Save as set out above, there are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are residents of Singapore, to hold shares or vote.

(b) Limitations on foreign or non-resident shareholders to hold or exercising voting rights on the shares:

There are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are regarded as non-residents of Singapore, to hold shares or vote.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

1.1 This performance share plan shall be called the “**TrickleStar Performance Share Plan**”.

2. DEFINITIONS

2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; or
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Auditors”** : The auditors of the Company from time to time
- “Award”** : A contingent award of Shares under the Plan
- “Award Letter”** : A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
- “Board”** : The board of Directors of the Company from time to time
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee” or “Remuneration Committee”	:	The remuneration committee of the Company from time to time
“Company”	:	TrickleStar Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Constitution”	:	The constitution of the Company, as may be amended or modified from time to time
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Date of Grant”	:	The date on which an Award is granted to a Participant under the Plan in accordance with the Rules of the Plan
“Directors”	:	The directors of the Company from time to time
“EPS”	:	Earnings per Share
“Financial Year”	:	Financial year of the Company ended or ending 31 December (as the case may be)
“Group”	:	The Company and its subsidiaries collectively
“Group Employee”	:	Has the meaning ascribed to it in Rule 4 of the Plan

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

“Group Executive Director”	:	Has the meaning ascribed to it in Rule 4 of the Plan
“immediate family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
“Independent Directors”	:	The independent directors of the Company from time to time
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of an Award under the Plan
“Non-Executive Directors”	:	The non-executive Directors of the Company from time to time
“Participant”	:	A person who is eligible and who is selected by the Committee to participate in the Plan in accordance with the Rules of the Plan
“performance period”	:	In relation to an Award, a period, the duration of which is to be determined by the Committee on the Date of Grant, during which the performance target(s) are to be met
“performance target(s)”	:	The performance target(s) prescribed by the Committee to be fulfilled by a Participant for any particular period determined by the Committee
“Plan”	:	This TrickleStar Performance Share Plan, as may be amended or modified from time to time
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business on which Shareholders must be registered with the Company and/or CDP, as the case may be, in order to participate in any such dividends, rights, allotments or other distributions
“Rules”	:	The rules of the Plan, as may be amended or modified from time to time, and any reference to a particular Rule shall be construed accordingly

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

“ Securities Account(s) ”	:	The securities account(s) maintained by Depositors with CDP, but not including the securities account(s) maintained with a Depository Agent
“ SFA ”	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended or modified from time to time
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ Share(s) ”	:	Ordinary share(s) in the capital of the Company
“ Shareholders ”	:	The registered holders of the Shares in the register of members of the Company, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to those Shares held by CDP and where the context so admits, mean the persons named as Depositors whose Securities Accounts such Shares are credited
“ Substantial Shareholder ”	:	A person who has an interest or interests in voting shares in the Company representing not less than 5.0% of all the voting shares
“ Vesting Period(s) ”	:	The period(s) at the end of which an Award is vested in a Participant, as determined by the Committee at the Date of Grant

Currencies, Units and Others

“ % ”	:	Per centum or percentage
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- 2.2 The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the same meanings ascribed to them respectively by Section 81SF of the SFA. The terms “**associated company**”, “**subsidiary**”, “**treasury shares**” and “**subsidiary holdings**” shall have the same meanings ascribed to them respectively in the Catalist Rules and the Companies Act, as the case may be.
- 2.3 Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.
- 2.4 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Catalist Rules, the Companies Act, the SFA or any statutory modification thereof and used in the Plan shall, where applicable, have the same meaning assigned to it under the Catalist Rules, the Companies Act, the SFA or any statutory modification thereof, as the case may be, unless the context requires otherwise.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

2.5 Any reference in the Plan to a time of day or date shall be a reference to Singapore time and dates, unless otherwise stated.

2.6 The headings in the Plan are inserted for convenience only and shall be ignored in construing the Plan.

3. OBJECTIVES OF THE PLAN

3.1 The objectives of the Plan include:

- (a) to motivate Participants to perform at an optimal level of efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and profitability of the Group;
- (c) to instil loyalty and a strong sense of identity in the Participants;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

4. ELIGIBILITY

4.1 Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Plan:

- (a) any confirmed employee of the Group (including a Director of the Company and/or a director of the Company's subsidiaries, as the case may be, who performs an executive function ("**Group Executive Director**")) selected by the Committee to participate in the Plan in accordance with the Rules of the Plan ("**Group Employee**"); and
- (b) Directors of the Company (including Non-Executive Directors of the Company).

PROVIDED THAT, as at the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine.

4.2 Subject to the absolute discretion of the Committee, a Controlling Shareholder or an Associate of a Controlling Shareholder who meets the criteria as set out above is eligible to participate in the Plan, PROVIDED THAT his participation in the Plan and the grant of Awards to him, including the actual number of Shares and terms of Awards to be granted to him, shall be subject to independent Shareholders' approval at a general meeting in separate resolutions for participation by each Controlling Shareholder or Associate of a Controlling Shareholder in the Plan, and for the grant of Awards to each Controlling Shareholder or Associate of a Controlling Shareholder. The circular to Shareholders to seek independent

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

Shareholder's approval for such matters shall disclose the rationale and justification for his participation in the Plan and for the grant of Awards, including the actual number of Shares and the terms of such Awards.

- 4.3 The selection of a Group Employee (including a Group Executive Director) to participate in the Plan, and the grant of Awards to him, including the actual number of Shares and terms of Awards to be granted to him shall be determined at the absolute discretion of the Committee and recommended by the Committee to the Board for approval, taking into account, *inter alia*, the following criteria:
- (a) the financial performance of the Group;
 - (b) such person's rank, length of service, achievements, job performance and potential for future development, and his contribution to the success and development of the Group; and
 - (c) the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period(s). The performance target(s) shall be set by the Committee based on such person's job scope and responsibilities.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option scheme, performance share plan or share incentive scheme implemented or to be implemented by the Company or any other company within the Group.
- 4.5 Subject to the Companies Act, the Catalist Rules and any other requirements of the SGX-ST, the eligibility criteria to participate in the Plan may be amended or modified from time to time at the absolute discretion of the Committee.

5. SIZE AND DURATION OF THE PLAN

- 5.1 The aggregate number of Shares available under the Plan, when added to all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of the Company then in force, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.
- 5.2 The Plan shall continue in force at the absolute discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which Shareholders' approval at a general meeting is obtained for the adoption of the Plan by the Company. Subject to compliance with any applicable laws and regulations in Singapore, the Plan may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and the approval of any relevant authorities which may then be required.
- 5.3 The Plan may be terminated at any time by the Committee, or by Shareholders by ordinary resolution at a general meeting subject to all approvals of any relevant authorities which may then be required, and if the Plan is so terminated, no further Awards shall be granted by the Company hereunder.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

5.4 The termination, discontinuance or expiry of the Plan shall not affect the Awards which have been granted and accepted in accordance with the Plan, whether such Awards have been vested (whether fully or partially) or not.

6. GRANT OF AWARDS

6.1 Subject to Rule 5.1 of the Plan, the Committee may recommend such grants of Awards to Participants as the Committee may decide in its absolute discretion to the Board for approval at any time during the period when the Plan is in force, PROVIDED THAT in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second (2nd) Market Day from the date on which the aforesaid announcement is made.

6.2 The Committee shall, in its absolute discretion, decide in relation to each Award to be recommended by the Committee:

- (a) the Participant;
- (b) the Date of Grant;
- (c) the number of Shares which are the subject of the Award;
- (d) the performance target(s) and the performance period(s);
- (e) the Vesting Period(s);
- (f) the extent to which Shares which are the subject of that Award shall be vested on the prescribed performance target(s), if any, being satisfied (whether fully or partially) or exceeded at the end of the performance period(s), or at the end of the prescribed Vesting Period(s), as the case may be; and
- (g) such other terms which the Committee may determine in relation to the Award.

PROVIDED THAT the grant of Awards to Participants who are Controlling Shareholders or Associates of a Controlling Shareholder shall be subject to independent Shareholders' approval at a general meeting in separate resolutions for the grant of Awards to each Controlling Shareholder or Associate of a Controlling Shareholder, and the actual number of Shares which are the subject of such Awards shall comply with the following limits:

- (i) the aggregate of the number of Shares available to Controlling Shareholders and Associates of Controlling Shareholders under the Plan shall not exceed 25.0% of the Shares available under the Plan; and
- (ii) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10.0% of the Shares available under the Plan.

PROVIDED FURTHER THAT the aggregate number of Shares available under the Plan, when added to all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of the Company then in force, shall not

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

6.3 The Committee may recommend the amendment or waiver of the performance target(s), performance period(s) and/or Vesting Period(s) in respect of any Award to the Board for approval:

(a) in the event of a take-over offer (whether conditional or unconditional) being made for the Company, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Singapore court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or

(b) if anything happens which causes the Committee to conclude that:

(i) an amended performance target, performance period or Vesting Period would be a fairer measure of performance and would be no less difficult to satisfy; or

(ii) the performance target, performance period or Vesting Period should be waived,

and the Committee shall notify the Participants of such amendment or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such amendment or waiver).

6.4 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

(a) the Date of Grant;

(b) the number of Shares which are the subject of the Award;

(c) the performance target(s) and the performance period(s);

(d) the extent to which Shares which are the subject of that Award shall be vested on the prescribed performance target(s), if any, being satisfied (whether fully or partially) or exceeded at the end of the performance period(s), or at the end of the prescribed Vesting Period(s), as the case may be; and

(e) such other terms which the Committee may determine in relation to the Award.

6.5 Participants are not required to pay for the grant of Awards.

6.6 Awards represent the right of a Participant to receive fully paid Shares in the Company free of charge upon the Participant satisfying or exceeding prescribed performance target(s) at the end of the performance period(s) and/or otherwise having performed well and/or made a significant contribution to the Group. Awards are vested and the Shares which are the subject of the Award are delivered to the Participant at the end of the performance period(s), once the Committee is, at its sole discretion, satisfied that the prescribed performance target(s) have been satisfied. The Committee may also grant an Award where in its opinion a Participant has performed well and/or made a significant contribution to the Group.

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6.7 An Award is personal to the Participant to whom it is granted and it may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse and shall forthwith become void and cease to have effect. However, the Shares received by a Participant pursuant to the vesting of Awards granted under the Plan may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

7. ACCEPTANCE OF AWARDS OFFERED

7.1 The grant of an Award to a Participant may only be accepted by the Participant within 15 days from the Date of Grant by completing, signing and returning to the Company an acceptance form in such form as the Committee shall approve, PROVIDED THAT the Participant remains eligible to participate in the Plan in accordance with the Rules of the Plan on the date which the Committee receives such acceptance form. The Participant may accept or refuse the whole but not part of the Award offered. The Committee shall within 15 days of receipt of the acceptance form, acknowledge receipt of the same.

7.2 If the grant of the Award is not accepted by the Participant in the manner as provided in Rule 7.1 of the Plan, the Award offered shall, upon expiry of the 15 day period referred to in Rule 7.1 of the Plan, automatically lapse and shall forthwith become void and cease to have effect.

8. EVENTS PRIOR TO THE VESTING OF AWARDS

8.1 An Award, to the extent which Shares which are the subject of that Award have not yet vested, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) the Participant, being a Group Employee, ceasing for any reason whatsoever to be in the employment of the Group, or in the event the company, which the Participant is employed in, ceases to be a company in the Group;
- (b) the Participant, being an Executive Director, ceasing to be a Director of the Company for any reason whatsoever;
- (c) the Participant commits any breach of any of the terms of his Award;
- (d) the Participant commits any misconduct or any breach of any of the terms of his employment contract as determined by the Committee in its absolute discretion;
- (e) bankruptcy of a Participant;
- (f) winding-up of the Company; or
- (g) any other event approved by the Committee in its absolute discretion.

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For the purpose of paragraph (a) above, a Group Employee shall be deemed to have ceased to be in the employment of the Group on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Group Employee has (with the consent of the Group) withdrawn such notice of termination.

For the purpose of paragraph (b) above, an Executive Director shall be deemed to have ceased to be a Director of the Company on the date on which he gives notice of resignation as a Director of the Company, unless prior to the date on which resignation takes effect, the Executive Director has (with the consent of the Company) withdrawn his notice of resignation.

For the avoidance of doubt, no Award shall lapse and shall forthwith become void and cease to have effect pursuant to paragraphs (a) or (b) above in the event of any transfer of employment of a Participant within the Group or upon the cessation of employment of an Executive Director who shall continue to serve as a Non-Executive Director of the Company.

- 8.2 The Committee may, in its absolute discretion, recommend the preservation of all or any part of any Award on such terms as it deems fit to the Board for approval notwithstanding Rule 8.1 and the provisions of the Plan. Upon approval of the Board, such Awards shall be deemed not to have lapsed and not to have become void nor ceased to have effect in accordance with Rule 8.1 of the Plan.

9. VESTING OF AWARDS

- 9.1 As soon as reasonably practicable after the end of the performance period(s), the Committee shall review the performance target(s) prescribed in the Award, and determine whether it has been satisfied or exceeded, and if so, the extent to which it has been satisfied or exceeded. If the Committee determines in its absolute discretion that the performance target(s) prescribed in the Award has/have not been satisfied or exceeded at the end of the performance period(s), that Award shall lapse and shall forthwith become void and cease to have effect.
- 9.2 The Committee shall have the absolute discretion to determine whether the performance target(s) prescribed in the Award has/have been satisfied (whether fully or partially) or exceeded at the end of the performance period(s) and, in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to:

- (a) the Committee having determined that the performance target(s) has/have been satisfied or exceeded at the end of the performance period(s);
- (b) the Participant (being a Group Employee) having continued to be a Group Employee from the Date of Grant up to the end of the performance period(s), or the Participant (being an Executive Director) having continued to be a Director of the Company from the Date of Grant up to the end of the performance period(s), as the case may be;

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- (c) the Committee being of the opinion that the performance of the Participant has been satisfactory;
- (d) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (e) compliance with the terms of the Award, the Plan and the Constitution of the Company;
- (f) where New Shares are to be allotted and issued or treasury shares (if any) transferred on the vesting of an Award, the Participant having a Securities Account maintained with CDP or a securities sub-account maintained with a Depository Agent, and compliance with the applicable requirements of CDP; and
- (g) where New Shares are to be allotted and issued on the vesting of an Award, the Company being satisfied that the New Shares which are the subject of the vested Award will be listed and quoted on the Official List of Catalist,

upon the expiry of the performance period(s) in relation to an Award, the Company shall deliver to the Participant the Shares which are the subject of the Award the vesting date.

9.3 Subject to the prevailing legislation, the Catalist Rules and the Constitution of the Company, the Company shall have absolute discretion to deliver Shares to Participants upon vesting of their Awards by way of:

- (a) an allotment and issue of New Shares; or
- (b) a transfer of treasury shares (if any).

In determining whether to allot and issue New Shares or transfer treasury shares (if any) for delivery to Participants upon vesting of their Awards, the Company will take into account factors, including but not limited to the number of Shares to be delivered, the prevailing market price of the Shares and the financial effects on the Company of either allotting and issuing New Shares or transferring treasury shares (if any).

9.4 Shares which are the subject of a vested Award shall be delivered to a Participant on the vesting date, which shall be a Market Day falling as soon as practicable after the vesting of such Award in accordance with Rule 9.1 of the Plan, and the Company shall within 10 Market Days after the vesting date, allot and issue the New Shares and deposit the share certificate(s) with CDP, or in the case of a transfer of treasury shares (if any), do such acts or things which are necessary for the transfer to be effective.

9.5 Where New Shares are allotted and issued upon the vesting of any Award, the Company shall, as soon as practicable after such allotment and issue, apply to the SGX-ST for the listing and quotation of such New Shares.

9.6 New Shares which are allotted and issued or transferred on the vesting of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the Participant's Securities Account maintained with CDP or the Participant's securities sub-account maintained with a Depository Agent.

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9.7 New Shares allotted and issued and/or treasury shares (if any) transferred, upon the vesting of an Award shall:

- (a) be subject to the provisions of the Constitution of the Company; and
- (b) rank *pari passu* in all respects with the then existing issued Shares of the Company except for any dividend, right, allotment or other distribution, the Record Date of which is before the vesting date.

10. VARIATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or the number of Shares which are the subject of an Award, to the extent which such Shares have not yet vested, and the rights attached thereto; and/or
- (b) the class and/or the number of Shares in respect of future Awards granted under the Plan,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate.

10.2 Notwithstanding the provisions of Rule 10.1 of the Plan:

- (a) no adjustment shall be made:
 - (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (ii) if such adjustment will result in the aggregate number of Shares available under the Plan, when added to all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of the Company then in force, to exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time; and
 - (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

10.3 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requirement adjustment:

- (a) a private placement of Shares;
- (b) an allotment and issue of Shares:
 - (i) as consideration for an acquisition of any assets;
 - (ii) upon the exercise of securities convertible into, or with rights to acquire or subscribe for Shares; and
 - (iii) pursuant to the Plan and any other share option scheme, performance share plan or share incentive scheme of the Company then in force; and
- (c) a cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on Catalist during the period when a share buyback mandate granted by Shareholders (including any renewal of such mandate) is in force.

10.4 Upon any adjustment being made pursuant to Rule 10 of the Plan, the Company shall notify each Participant (or his duly appointed personal representative(s), where applicable) in writing and deliver to him (or his duly appointed personal representative(s), where applicable) a statement setting forth the class and/or the number of Shares which are the subject of the adjusted Award, to the extent which such Shares have not vested, and the date on which such adjustment shall take effect.

11. AMENDMENTS, MODIFICATIONS AND/OR ALTERATIONS TO THE PLAN

11.1 Any or all the provisions of the Plan may be amended, modified and/or altered at any time and from time to time by resolution of the Board on the recommendation of the Committee, except that:

- (a) any amendment, modification or alteration which shall materially and adversely alter the rights attached to any Award granted prior to such amendment, modification or alteration may only be made with the consent in writing of such number of Participants whose Shares which are the subject of their Awards represent not less than three quarters of the aggregate number of Shares which are the subject of all Awards held by all Participants who respond to the Company's request for such consent within 21 days of the Company's despatch of the request; and
- (b) any amendment, modification or alteration which would be to the advantage of the Participants under the Plan shall be subject to Shareholders' approval at a general meeting.

For the purposes of paragraphs (a) and (b) above, the opinion of the Committee as to whether any amendment, modification or alteration would materially and adversely alter the rights attached to any Award granted prior to such amendment, modification or alteration, or which would be to the advantage of the Participants under the Plan shall be final and conclusive.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

11.2 Notwithstanding anything to the contrary contained in Rule 11.1 of the Plan, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST, if necessary) amend, modify and/or alter the Plan in any way to the extent necessary to cause the Plan to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

11.3 Written notice of any amendment, modification and/or alteration made in accordance with Rule 11 of the Plan shall be given to all Participants (but accidental omission to give notice to any Participant(s) shall not invalidate any such amendment, modification and/or alteration).

12. ADMINISTRATION OF THE PLAN

12.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, PROVIDED THAT a Participant who is a member of the Committee shall not be involved in its deliberation or decision in respect of Awards granted or to be granted to him or held by him, and PROVIDED FURTHER THAT where Awards are proposed to be granted to Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee), except for those Directors, Controlling Shareholders or their Associates, will be involved in the deliberation or decision on the same.

12.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, and to give effect to the provisions of the Plan, as it may, in its absolute discretion, think fit.

12.3 Any decision of the Committee, made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the Plan or any Rule, regulation or procedure thereunder or as to any rights under the Plan).

12.4 The Company shall bear the costs of establishing and administering the Plan.

12.5 Shareholders who are eligible to participate in the Plan shall abstain from voting on any resolution relating to the Plan.

13. NOTICES

13.1 Any notice required to be given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

13.2 Any notices or documents required to be given by the Company to a Participant or any correspondences to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be sent to him by post or delivered to his home address stated in the records of the Company or his last known address, and if sent by post, shall be deemed to have been given on the day following the date of posting.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

14. TERMS OF EMPLOYMENT UNAFFECTED

14.1 Notwithstanding the provisions of the Plan:

- (a) the Plan or any Award shall not form part of any contract of employment between the Company or any of the Company's subsidiaries (as the case may be) and any Participant, and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Plan or any right which he may have to participate in it or any Award which he may be granted, and the Plan or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and
- (b) the Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company or any of the Company's subsidiaries (as the case may be) directly or indirectly, or give rise to any cause of action at law or in equity against any such company within the Group, its directors or employees.

15. TAXES, COSTS AND EXPENSES OF THE PLAN

15.1 Notwithstanding the provisions of the Plan, each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the allotment and issue of any New Shares in CDP's name or the transfer of treasury shares (if any) pursuant to the vesting of any Award, the deposit of share certificate(s) with CDP, the Participant's Securities Account maintained with CDP or the Participant's securities sub-account maintained with a Depository Agent.

15.2 The Participants shall be responsible for obtaining consent from any governmental regulatory or other relevant authority or body that may be required by any country or jurisdiction in order to permit the grant or vesting of the relevant Award. All taxes (including income tax) arising from the grant or vesting of any Award under the Plan shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Plan.

16. DISCLAIMER OF LIABILITY

16.1 Notwithstanding the provisions of the Plan, the Company, the Board, the Committee or its employees shall not under any circumstances be held liable for any costs, losses, expenses, liabilities or damages (including interest arising thereof) whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to any delay or failure in allotting and issuing the Shares or procuring the transfer of the treasury shares or to apply for or procure the listing and quotation of the New Shares on the SGX-ST in accordance with Rule 9.5 of the Plan.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

17. DISCLOSURES IN ANNUAL REPORT

17.1 The Company shall make the following disclosures in its annual report for the duration of the Plan:

- (a) the names of the members of the Committee administering the Plan;
- (b) the information required in the table below for the following Participants:
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders or Associates of Controlling Shareholders; and
 - (iii) Participants, other than those in paragraphs (i) and (ii) above, who receive 5.0% or more of the total number of Shares available under the Plan.

Name of Participant	Awards granted during Financial Year under review (including terms)	Aggregate Awards granted since commencement of the Plan to end of Financial Year under review	Aggregate Awards vested since commencement of the Plan to end of Financial Year under review	Aggregate Awards not yet vested as at end of Financial Year under review

17.2 If any of the requirements in Rule 17.1 of the Plan is not applicable, an appropriate negative statement will be included in the annual report.

18. DISPUTES

18.1 Any disputes or differences of any nature arising hereunder (other than matters to be certified by the Auditors) shall be referred to the Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Plan or any Rule, regulation, procedure thereunder or as to any rights under the Plan).

19. GOVERNING LAW

19.1 The Rules of the Plan are subject to the Companies Act and such other laws and regulations as may from time to time be applicable.

19.2 The Plan shall be governed by, and construed in accordance with, the laws of Singapore. The Participants, by accepting Awards in accordance with the Plan, and the Company irrevocably submit to the exclusive jurisdiction of the Singapore courts.

APPENDIX C – RULES OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

20. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

20.1 For the purposes of implementing and administering the Plan, and in order to comply with any applicable laws, listing rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Award Letter and/or any other notice or communication given or received pursuant to the Plan, and/or which is otherwise collected from the Participants (or their authorised representative(s)). By participating in the Plan, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third-parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third-parties to the Company in connection with the Plan, he has obtained the prior consent of such third-parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

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APPENDIX D – RULES OF THE TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

RULES OF THE TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This employee share option scheme shall be called the “**TrickleStar Employee Share Option Scheme**”.

2. DEFINITIONS

2.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Auditors”** : The auditors of the Company from time to time
- “Board”** : The board of Directors of the Company from time to time
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended or modified from time to time

**APPENDIX D – RULES OF THE TRICKLESTAR
EMPLOYEE SHARE OPTION SCHEME**

“CDP”	:	The Central Depository (Pte) Limited
“Committee” or “Remuneration Committee”	:	The remuneration committee of the Company from time to time
“Company”	:	TrickleStar Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Consideration”	:	Has the meaning ascribed to it in Rule 8 of the Scheme
“Constitution”	:	The constitution of the Company, as may be amended or modified from time to time
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
“Date of Grant”	:	The date on which an Option is granted to a Participant under the Scheme in accordance with the Rules of the Scheme
“Directors”	:	The directors of the Company from time to time
“EPS”	:	Earnings per Share
“Exercise Notice”	:	Has the meaning ascribed to it in Rule 12 of the Scheme
“Exercise Price”	:	The price at which a Grantee shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9 of the Scheme, or such adjusted price as may be applicable in accordance with Rule 10 of the Scheme

APPENDIX D – RULES OF THE TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

“Financial Year”	:	Financial year of the Company ended or ending 31 December (as the case may be)
“Grantee”	:	The person to whom an offer of any Option is made
“Group”	:	The Company and its subsidiaries collectively
“Group Employee”	:	Has the meaning ascribed to it in Rule 4 of the Scheme
“Group Executive Director”	:	Has the meaning ascribed to it in Rule 4 of the Scheme
“immediate family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
“Independent Directors”	:	The independent Directors of the Company from time to time
“Letter of Offer”	:	Has the meaning ascribed to it in Rule 7 of the Scheme
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Market Price”	:	The average of the last dealt prices for a Share determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date of the Option, provided always that in the case of a Market Day on which the Shares of the Company are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent
“Non-Executive Directors”	:	The non-executive Directors of the Company from time to time
“NTA”	:	Net tangible assets
“Offer Date”	:	The date on which an offer to grant an Option is made in accordance with the Rules of the Scheme

APPENDIX D – RULES OF THE TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

- “Option”** : The right to subscribe for Shares granted pursuant to the Scheme in accordance with the Rules of the Scheme
- “Option Period”** : The period for the exercise of an Option being:
- (a) in the case of an Option granted with the Exercise Price set at the Market Price, a period commencing after the first (1st) anniversary of the Date of Grant of that Option and expiring on the 10th anniversary of such Date of Grant, subject to Rule 11 and Rule 15 of the Scheme and any other conditions as may be determined by the Committee from time to time; and
 - (b) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, a period commencing after the second (2nd) anniversary of the Date of Grant of that Option and expiring on the 10th anniversary of such Date of Grant, subject to Rule 11 and Rule 15 of the Scheme and any other conditions as may be determined by the Committee from time to time
- “Participant”** : In relation to any dividends, rights, allotments or other distributions, the date as at the close of business on which Shareholders must be registered with the Company and/or CDP, as the case may be, in order to participate in any such dividends, rights, allotments or other distributions
- “Record Date”** : A person who is eligible and who is selected by the Committee to participate in the Scheme in accordance with the Rules of the Scheme
- “Rules”** : The rules of the Scheme, as may be amended or modified from time to time, and any reference to a particular Rule shall be construed accordingly
- “Scheme”** : The TrickleStar Employee Share Option Scheme, as may be amended or modified from time to time
- “Securities Account(s)”** : The securities account(s) maintained by Depositors with CDP, but not including the securities account(s) maintained with a Depository Agent

APPENDIX D – RULES OF THE TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to those Shares held by CDP and where the context so admits, mean the persons named as Depositors whose Securities Accounts such Shares are credited
“Substantial Shareholder”	:	A person who has an interest or interests in voting shares in the Company representing not less than 5.0% of all the voting shares

Currencies, Units and Others

“S\$”	:	Singapore dollars, the lawful currency of the Republic of Singapore
“%”	:	Per centum or percentage

- 2.2 The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the same meanings ascribed to them respectively by Section 81SF of the SFA. The terms “**associated company**”, “**subsidiary**”, “**treasury shares**” and “**subsidiary holdings**” shall have the same meanings ascribed to them respectively in the Catalist Rules and the Companies Act, as the case may be.
- 2.3 Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.
- 2.4 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Catalist Rules, the Companies Act, the SFA or any statutory modification thereof and used in the Scheme shall, where applicable, have the same meaning assigned to it under the Catalist Rules, the Companies Act, the SFA or any statutory modification thereof, as the case may be, unless the context requires otherwise.
- 2.5 Any reference in the Scheme to a time of day or date shall be a reference to Singapore time and dates, unless otherwise stated.

APPENDIX D – RULES OF THE TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

2.6 The headings in the Scheme are inserted for convenience only and shall be ignored in construing the Scheme.

3. OBJECTIVES OF THE SCHEME

3.1 The objectives of the Scheme are as follows:

- (a) to motivate Participants to perform at an optimal level of efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and profitability of the Group;
- (c) to instil loyalty and a strong sense of identity in the Participants;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Scheme:

- (a) any confirmed employee of the Group (including a Director of the Company and/or a director of the Company's subsidiaries, as the case may be, who performs an executive function ("**Group Executive Director**")) selected by the Committee to participate in the Scheme in accordance with the Rules of the Scheme ("**Group Employee**"); and
- (b) Directors of the Company (including Non-Executive Directors of the Company),

provided that, as at the Offer Date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine.

4.2 Subject to the absolute discretion of the Committee, the Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Scheme, provided that the participation of the Controlling Shareholder and/or his Associate and each grant of an Option to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution setting out the specific number and terms of such grants. The Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholders and/or their Associates any Options (including the rationale for any discount to the Market Price, if so proposed).

4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option scheme, performance share plan or share incentive scheme implemented or to be implemented by the Company or any other company within the Group.

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4.4 Subject to the Catalist Rules, the Companies Act and any other requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the eligibility criteria for participation in the Scheme may be amended or modified from time to time at the absolute discretion of the Committee.

5. MAXIMUM ENTITLEMENT

5.1 Subject to Rule 4 and Rule 6 of the Scheme, the number of Shares over which Options may be granted to a Participant for subscription under the Scheme shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Participant's rank, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Participant and the prevailing market and economic conditions.

6. SIZE OF THE SCHEME

6.1 The aggregate number of Shares over which Options may be granted on any date under the Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted under the Scheme; and
- (b) all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of the Company then in force,

shall not exceed 15.0% of the total issued Shares excluding treasury shares and subsidiary holdings in the Company from time to time.

6.2 The aggregate number of Shares over which Options may be granted under the Scheme to the Controlling Shareholders and their Associates shall not exceed 25.0% of the Shares available under the Scheme, and the number of Shares over which an Option may be granted under the Scheme to each Controlling Shareholder or each of their Associates shall not exceed 10.0% of the Shares available under the Scheme.

7. OFFER DATE

7.1 Save as provided in Rule 4, Rule 5 and Rule 6 of the Scheme, the Committee may offer to grant Options to such Participants as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that, for so long as the Shares are listed and quoted on the Catalist, no Options shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's half year and/or full year results (whichever the case may be). In addition, in the event that an announcement is made on any matter of an exceptional nature involving unpublished price sensitive information, offers to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is made.

7.2 An offer to grant an Option to a Participant shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Schedule 1, subject to such amendments or modifications as the Committee may determine from time to time.

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8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee in accordance with Rule 7 of the Scheme may only be accepted by the Grantee within 30 days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date by (a) completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Schedule 2, subject to such amendments or modifications as the Committee may determine from time to time accompanied by the payment of S\$1.00 as consideration (the “**Consideration**”) or such other amounts and such other documentation as the Committee may require; and (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with the Rules of the Scheme.
- 8.2 The Grantee may accept or refuse the whole or part of the Option offered. If only part of the Option offered is accepted, the Grantee shall accept the Option offered in multiples of 1,000 Shares. The Committee shall within 15 Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.
- 8.3 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, the Option offered shall, upon the expiry of the 30 day period referred to in Rule 8.1 of the Scheme, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.4 The Company shall be entitled to reject any purported acceptance of a grant of an Option made in accordance with this Rule 8 or Exercise Notice given in accordance with Rule 12 of the Scheme which does not comply strictly with the Rules of the Scheme.
- 8.5 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Grantee’s duly appointed personal representative(s) as provided in Rule 11.6 of the Scheme in the event of the death of such Grantee.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted strictly in the manner as provided in Rule 8.1 of the Scheme within the 30 day period referred to therein;
 - (b) the Grantee dies prior to his acceptance of the Option;
 - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;

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- (d) the Grantee, being a Group Employee or a Director, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or
- (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

9.1 Subject to any adjustment in accordance with Rule 10 of the Scheme, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at:

- (a) the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Price (or such other percentage or amount prescribed or permitted by the SGX-ST) and shall be approved by the Shareholders at a general meeting in a separate resolution.

9.2 In making any determination under Rule 9.1(b) of the Scheme on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company and its subsidiaries, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (b) the years of service and individual performance of the eligible Participant;
- (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and
- (d) the prevailing market and economic conditions.

10. VARIATION OF CAPITAL

10.1 If a variation in the issued share capital of the Company (whether by way of rights issue, capital reduction, subdivision, consolidation of Shares or distribution, or otherwise), shall take place, then:

- (a) the Exercise Price in respect of the Shares comprised in any Option(s) to the extent unexercised; and/or
- (b) the class and/or number of Shares comprised in any Option(s) to the extent unexercised and the rights attached thereto,

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may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of the exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting as experts and not as arbitrators), that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 of the Scheme above:

- (a) no such adjustment shall be made:
 - (i) if as a result, the Grantee receives a benefit that a Shareholder does not receive;
 - (ii) if such adjustment will result in the number of Shares issued and/or issuable in respect of all Options granted under the Scheme or all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of the Company then in force to exceed 15.0% of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company from time to time; and
 - (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

10.3 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment:

- (a) issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on Catalist, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees including directors or employees of the Company and/or any of its subsidiaries pursuant to share option schemes, performance share plans or share incentive schemes of the Company approved by Shareholders in general meeting, including the Scheme;
- (d) an issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

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10.4 Upon any adjustment required to be made pursuant to Rule 10 of the Scheme, the Company shall notify each Grantee (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option(s) so far as unexercised. Any adjustment shall take effect upon such written notification being given.

11. OPTION PERIOD

11.1 Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Grantee after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the 10th anniversary of the relevant Date of Grant except in the case of Options granted to Non-Executive Directors and Independent Directors of the Company where the exercise period may not exceed five (5) years from the Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

11.2 Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) at any time, by a Grantee after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall be exercised before the 10th anniversary of the relevant Date of Grant except in the case of Options granted to Non-Executive Directors and Independent Directors of the Company where the exercise period may not exceed five (5) years from the Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company in the following circumstances:

- (a) subject to Rule 11.4, Rule 11.5 and Rule 11.6 of the Scheme, upon the Grantee ceasing to be a Group Employee or a Director for any reason whatsoever; or
- (b) upon the bankruptcy of the Grantee or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of events resulting in termination for cause including but not limited to gross negligence, wilful misconduct, insubordination or incompetence on the part of the Grantee, as determined by the Committee in its absolute discretion.

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For the purpose of Rule 11.3(a) of the Scheme, the Grantee shall be deemed to have ceased being so employed as at the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its effective date. For the avoidance of doubt, no Option shall lapse in accordance with Rule 11.3(a) of the Scheme in the event of any transfer of employment of a Grantee within the Group or upon the cessation of employment of a Director.

11.4 Where a Grantee who is a Director, ceases to be a Director for any reason whatsoever, he shall, notwithstanding Rule 11 and Rule 12 of the Scheme, be entitled to exercise in full all unexercised Options from the date he ceases to be a Director until the end of the relevant Option Period.

11.5 If a Grantee ceases to be in the employment of the Group by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before the legal retirement age with the consent of the Committee;
- (e) the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or
- (f) for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period, and upon the expiry of such period, the Option shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

11.6 If a Grantee dies and at the date of his death holds any unexercised Option(s), such Option(s) may, at the absolute discretion of the Committee, be exercisable by the duly appointed legal personal representative(s) of the Grantee from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void and of no effect.

11.7 The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

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12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Grantee giving notice in writing to the Company in or substantially in the form set out in Schedule 3 (the “**Exercise Notice**”), subject to such amendments or modifications as the Committee may determine from time to time. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the Committee may require. All payment shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Scheme and the Constitution of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Grantee but in any event within 10 Market Days (or such other period as may be permitted by the Catalist Rules) after the date of the exercise of the said Option in accordance with Rule 12.1 of the Scheme, allot and issue the Shares in respect of which such Option has been exercised by the Grantee and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to the Grantee or, if the Shares are listed and quoted on Catalist, to CDP for the credit of the Securities Account or securities sub-account or CPF investment account of that Grantee by ordinary post or such other mode of delivery as the Committee may deem fit.

12.3 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Grantee pursuant to any adjustments made in accordance with Rule 10 of the Scheme.

12.4 Shares which are allotted on the exercise of an Option by a Grantee shall be issued, as the Grantee may elect, in his name or, if the Shares are listed and quoted on Catalist, in the name of CDP to the credit of the Securities Account of the Grantee maintained with CDP or the Grantee’s securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.

12.5 Shares allotted and issued upon the exercise of an Option shall be subject to all provisions of the Catalist Rules, the Companies Act, the SFA and the Constitution of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the

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Company) and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which is prior to the date such Option is exercised.

12.6 Except as set out in Rule 12.2 of the Scheme and subject to Rule 10 of the Scheme, an Option does not confer on a Grantee any right to participate in any new issue of Shares.

12.7 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. AMENDMENTS, MODIFICATIONS AND/OR ALTERATIONS TO THE SCHEME

13.1 Any or all of the provisions of the Scheme may be amended, modified and/or altered at any time and from time to time by resolution of the Committee except that:

- (a) any amendment, modification or alteration which shall adversely alter the rights attached to any Options granted prior to such amendment, modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option(s) granted prior to such amendment, modification or alteration may only be made with the consent in writing of such number of Grantees who, if they exercised their Options in full, would thereby become entitled to not less than three quarters of the total number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
- (b) any amendment, modification or alteration which would be to the advantage of Grantees under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no amendment, modification or alteration shall be made without the prior approval of the SGX-ST (if required) or any other stock exchange on which the Shares may be listed or quoted from time to time, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a) of the Scheme, the opinion of the Committee as to whether any amendment, modification or alteration would adversely alter the rights attaching to any Option shall be final and conclusive.

13.2 Notwithstanding anything to the contrary contained in Rule 13.1 of the Scheme, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST, if necessary) amend, modify and/or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

13.3 Written notice of any amendment, modification or alteration made in accordance with this Rule 13 shall be given to all Grantees under the Scheme.

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14. DURATION OF THE SCHEME

14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and the approval of any relevant authorities which may then be required.

14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted in accordance with Rule 8 of the Scheme, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING-UP OF THE COMPANY

15.1 In the event of a take-over offer being made for the Company, Grantees (including Grantees holding Options which are then not exercisable in accordance with the provisions of Rule 11.1 and/or Rule 11.2 of the Scheme) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 of the Scheme but subject to Rule 15.5 of the Scheme, be entitled to exercise such Options in full or in part during the period commencing on the date on which such take-over offer is made or, if such take-over offer is conditional, the date on which the take-over offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
- (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option(s) then remaining unexercised shall immediately lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Grantees that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Grantees until such specified date or the expiry of the respective Option Periods relating thereto, whichever is earlier.

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Any Option not so exercised by the said specified date shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company, provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11 of the Scheme, remain exercisable until the expiry of the Option Period. For the avoidance of doubt, the provisions of this Rule 15.1 shall not come into operation in the event that a take-over offer which is conditional does not or is not declared unconditional.

- 15.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Grantees (including Grantees holding Options which are then not exercisable in accordance with the provisions of Rule 11.1 or Rule 11.2 of the Scheme) shall notwithstanding Rule 11 of the Scheme but subject to Rule 15.5 of the Scheme, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option(s) shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company, provided always that the date of exercise of any Option(s) shall be before the expiry of the relevant Option Period.
- 15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.
- 15.5 If in connection with the making of a take-over offer referred to in Rule 15.1 of the Scheme above or the compromise or arrangement referred to in Rule 15.2 of the Scheme above or the winding-up referred to in Rule 15.4 of the Scheme above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Grantees, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Grantee holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option in accordance with this Rule 15.

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15.6 If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

16. ADMINISTRATION OF THE SCHEME

16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.

16.2 The Committee shall have the power, from time to time, to make regulations or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.

16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes and uncertainty as to the interpretation of the Scheme or any Rule, regulation, or procedure thereunder or as to any rights under the Scheme).

16.4 As a safeguard against abuse, pursuant to the Catalist Rules, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) except for those Directors, Controlling Shareholders or their Associates, will be involved in deliberation on the same.

17. NOTICES

17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.

17.2 Any notice or documents required to be given by the Company to a Participant or any correspondences to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be sent to the Participant by hand or sent to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The Scheme or any Option shall not form part of any contract of employment between the Company or any of the Company's subsidiaries (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may be entitled to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

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19. TAXES

19.1 All taxes (including income tax) arising from the exercise of any Option granted to any Grantee under the Scheme shall be borne by that Grantee.

20. COSTS AND EXPENSES OF THE SCHEME

20.1 Each Grantee shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares in CDP's name pursuant to the exercise of any Option, the deposit of share certificate(s) with CDP, the Grantee's Securities Account maintained with CDP or the Grantee's securities sub-account maintained with a Depository Agent or CPF investment account maintained with a CDP agent bank and all taxes referred to in Rule 19 of the Scheme which shall be payable by the relevant Grantee.

20.2 Save for the taxes referred to in Rule 19 of the Scheme and such costs and expenses expressly provided in the Scheme to be payable by the Grantees, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

21.1 Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages (including any interest arising thereof), whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in allotting and issuing the Shares or in applying for or procuring the listing of and quotation for the Shares allotted pursuant to the exercise of any Option on Catalist or, if applicable, any other stock exchanges on which the Shares may be listed or quoted from time to time.

22. CONDITION OF OPTION

22.1 Every Option shall be subject to the condition that no Share shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

23. DISCLOSURE IN ANNUAL REPORTS

23.1 The Company shall, for so long as the Scheme continues in operation, make the following disclosure in its annual report:

- (a) the names of the members of the Committee administering the Scheme;

**APPENDIX D – RULES OF THE TRICKLESTAR
EMPLOYEE SHARE OPTION SCHEME**

- (b) the information required in the table below for the following Grantees (which for avoidance of doubt, shall include Grantees who have exercised all their Options in any particular Financial Year):
- (i) Grantees who are Directors of the Company;
 - (ii) Grantees who are Controlling Shareholders and their Associates; and
 - (iii) Grantees, other than those in (i) and (ii) above, who receive 5.0% or more of the total number of Options available under the Scheme;

Name of Participant	Options granted during the Financial Year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of Financial Year under review	Aggregate Options exercised since commencement of Scheme to end of Financial Year under review	Aggregate Options outstanding as at the end of Financial Year under review

- (c) the number and proportion of Options granted at a discount during the Financial Year under review in respect of every 10.0% discount range, up to the maximum quantum of discount granted; and
- (d) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

24. DISPUTES

24.1 Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

25. ABSTENTION FROM VOTING

25.1 Shareholders who are eligible to participate in the Scheme must abstain from voting on any resolution relating to the Scheme.

APPENDIX D – RULES OF THE TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

26. GOVERNING LAW

26.1 The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Grantees, by accepting the offer of the grant of Options in accordance with the Scheme, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

27. COLLECTION, USE AND DISCLOSURE OF PERSONAL DATA

27.1 For the purposes of implementing and administering the Scheme, and in order to comply with any applicable laws, listing rules, regulations and/or guidelines, the Company will collect, use and disclose the personal data of the Participants, as contained in each Letter of Offer and/or any other notice or communication given or received pursuant to the Scheme, and/or which is otherwise collected from the Participants (or their authorised representative(s)). By participating in the Scheme, each Participant consents to the collection, use and disclosure of his personal data for all such purposes, including disclosure of data to related corporations of the Company and/or third-parties who provide services to the Company (whether within or outside Singapore), and to the collection, use and further disclosure by such parties for such purposes. Each Participant also warrants that where he discloses the personal data of third-parties to the Company in connection with the Scheme, he has obtained the prior consent of such third-parties for the Company to collect, use and disclose their personal data for the abovementioned purposes, in accordance with any applicable laws, regulations and/or guidelines. Each Participant shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Participant's breach of this warranty.

**APPENDIX D – RULES OF THE TRICKLESTAR
EMPLOYEE SHARE OPTION SCHEME**

Schedule 1

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the TrickleStar Employee Share Option Scheme (the “**Scheme**”), you have been nominated to participate in the Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of TrickleStar Limited (the “**Company**”) to administer the Scheme. Terms as defined in the Scheme shall have the same meanings when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”) to subscribe for and be allotted _____ Shares at the price of S\$_____ for each Share (the “**Exercise Price**”).
3. The Option is personal to you and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered by you, in whole or in part or in any way whatsoever, except with the prior written approval of the Committee.
4. The Option shall be subject to the Rules of the Scheme, a copy of which is available for inspection at the registered address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of the Company,

Name:
Designation:

**APPENDIX D – RULES OF THE TRICKLESTAR
EMPLOYEE SHARE OPTION SCHEME**

Schedule 2

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No. _____

Private and Confidential

To: The Committee,
TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME
TrickleStar Limited
[Address]

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

Exercise Price for each Share : S\$_____

Total Amount Payable : S\$_____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or options to subscribe for such Shares.

I agree to keep all information pertaining to the grant of the Option to me confidential. I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitutes the entire agreement between us relating to the offer.

**APPENDIX D – RULES OF THE TRICKLESTAR
EMPLOYEE SHARE OPTION SCHEME**

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Please delete accordingly.

Notes:

1. The Option must be accepted in full or in multiples of 1,000 Shares.
2. The Acceptance Form must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Grantee shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

**APPENDIX D – RULES OF THE TRICKLESTAR
EMPLOYEE SHARE OPTION SCHEME**

Schedule 3

TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME

FORM OF EXERCISE OF OPTION

Serial No. _____

Private and Confidential

To: The Committee,
TRICKLESTAR EMPLOYEE SHARE OPTION SCHEME
TrickleStar Limited
[Address]

Total number of ordinary shares (the “**Shares**”) offered at S\$_____ for each Share (the “**Exercise Price**”) under the Scheme on _____ (Date of Grant) : _____

Number of Shares previously allotted thereunder : _____

Outstanding balance of Shares to be allotted thereunder : _____

Number of Shares now to be subscribed : _____

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in TrickleStar Limited (the “**Company**”) at S\$_____ for each Share.
2. I enclose a *cheque/cashier’s order/banker’s draft/postal order no. _____ for S\$_____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Scheme and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in *my name/the name of The Central Depository (Pte) Limited (the “**CDP**”) for credit of my *Securities Account with CDP/sub-account with the Depository Agent/CPF investment account with the CPF agent bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

**APPENDIX D – RULES OF THE TRICKLESTAR
EMPLOYEE SHARE OPTION SCHEME**

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

* Please delete accordingly.

Notes:

1. An Option may be exercised, in whole or in part, provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The Exercise Notice must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Grantee shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

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APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for the Placement Shares at the Placement Price for each Placement Share, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 100 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF SUBJECT TO A MINIMUM OF 1,000 PLACEMENT SHARES. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of the Application Form or other such forms of application as the Sponsor, Issue Manager and Placement Agent may deem appropriate.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Placement Shares.**

If you, not being an approved nominee company, have submitted an application for the Placement Shares in your own name, you should not submit any other application for the Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company and the Sponsor, Issue Manager and Placement Agent.

Joint applications shall be rejected. Multiple applications for the Placement Shares may be rejected at the discretion of our Company and the Sponsor, Issue Manager and Placement Agent. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary, may be rejected at the discretion of our Company and the Sponsor, Issue Manager and Placement Agent.

By submitting an application for the Placement Shares, you declare that you do not possess more than one (1) individual direct securities account with CDP.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Form) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.

APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you have more than one (1) individual direct Securities Account with CDP, your application shall be rejected.
8. If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondences from CDP will be sent to your address last registered with CDP.
9. **Our Company, in consultation with the Sponsor, Issue Manager and Placement Agent, reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or which does not comply with the terms and conditions of this Offer Document or in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or remittances which are not honoured upon their first presentation.**

Our Company and the Sponsor, Issue Manager and Placement Agent further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company, the Sponsor, Issue Manager and Placement Agent, as agents of our Company, have been authorised to accept, for and on behalf of our Company such other forms of application as the Sponsor, Issue Manager and Placement Agent deem appropriate.

10. Our Company, in consultation with the Sponsor, Issue Manager and Placement Agent, reserves the right to reject or accept, in whole or in part, any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company, will be entertained. In deciding the basis of allotment, which shall be at our discretion, in consultation with the Sponsor, Issue Manager and Placement Agent, due consideration will be given to the desirability of allotting the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

11. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted to you if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company or the Sponsor, Issue Manager and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee, any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted to you.
12. Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Placement Shares through the Placement Agent or its designated sub-placement agents by way of an Application Form or such other forms of application as the Sponsor, Issue Manager and Placement Agent deem appropriate.
13. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company;
 - (b) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Sponsor, Issue Manager and Placement Agent in determining whether to accept your application and/or whether to allot any Placement Shares to you;
 - (c) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company upon application; and
 - (d) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Sponsor, Issue Manager and Placement Agent will infringe any such laws as a result of the acceptance of your application.
14. Our acceptance of applications will be conditional upon, *inter alia*, our Company and the Sponsor, Issue Manager and Placement Agent, being satisfied that:
 - (a) permission has been granted by the SGX-ST to deal in, and for the listing and quotation of, all our existing Shares, the Placement Shares, the Award Shares and the Option Shares on Catalist;
 - (b) the Management Agreement and the Placement Agreement referred to in the subsection entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled; and

APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (c) the Authority, SGX-ST acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority, has not issued a stop order (“**Stop Order**”) which directs that no further shares to which this Offer Document relates be allotted or issued.
15. In the event that a Stop Order in respect of the Placement Shares is served by the Authority, SGX acting as agent on behalf of the Authority (to the extent applicable) or any other competent authority and applications to subscribe for the Placement Shares have been made prior to the Stop Order, and:
- (a) in the case where the Placement Shares have not been issued, we will (as required by law), and subject to the SFA deem all applications withdrawn and cancelled and our Company shall refund (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days from the date of the Stop Order; or
- (b) in the case where the Placement Shares have already been issued but trading has not commenced, the issue of the Placement Shares shall (as required by law) be deemed to be void, and our Company shall, within 14 days from the date of the Stop Order, refund (at your own risk) all monies paid on account of your application for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk), and you shall not have any claims against our Company or the Sponsor, Issue Manager and Placement Agent.

This shall not apply where only an interim Stop Order has been served.

In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority, SGX as agent on behalf of the Authority (to the extent applicable) or any other competent authority, no Placement Shares shall be issued during the time when the interim Stop Order is in force.

The Authority, SGX as agent on behalf of the Authority (to the extent applicable) or any other competent authority is not able to serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and listed for quotation on a securities exchange and trading in the Placement Shares has commenced.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST website (<http://www.sgx.com>) and/or in a local newspaper(s).

We will not hold any application in reserve.

16. We will not allot Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority.
17. You hereby consent to the collection, use and disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number, CPF Investment Account number (if applicable) share application amount and other personal

APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

data (“**Personal Data**”) to the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd (“**SCCS**”), SGX-ST, CDP, our Company, the Sponsor, Issue Manager and Placement Agent (collectively, the “**Relevant Persons**”), for the purpose of facilitating your application for the Placement Shares, (i) consent that the Relevant Persons may disclose or share Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transaction, and consultants and professional advisers, (ii) consent that the Relevant Persons may transfer your Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Placement Shares, (iii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the consent of the beneficial owners to paragraphs (i) and (ii) and that any disclosure of Personal Data to our Company is in compliance with applicable law (iv) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if our Company or the Sponsor, Issue Manager and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (v) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties (collectively, the “**Personal Data Privacy Terms**”). If any Personal Data is transferred to a country or territory outside of Singapore, the Relevant Persons will ensure that the recipient of the Personal Data provides a standard of protection that is comparable to the protection which Personal Data enjoys under the laws of Singapore, and where these countries or territories do not have personal data protection laws which are comparable to that in Singapore, the Relevant Persons will enter into legally enforceable agreements with the recipients to ensure that they protect the Personal Data to the same standard as required under the laws of Singapore.

18. In the event that our Company lodges a supplementary or replacement offer document with SGX-ST acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for the Placement Shares and:

- (a) where the Placement Shares have not been issued, we shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application, and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;

APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to withdraw your application; or
 - (iii) (A) treat your application as withdrawn and cancelled, in which case your application shall be deemed to have been withdrawn and cancelled, and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, refund all monies you have paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and you shall not have any right or claim against our Company or the Sponsor, Issue Manager and Placement Agent; or
- (b) where the Placement Shares have been issued, we shall either:
- (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in, and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give you a copy of the supplementary or replacement offer document, as the case may be, and provide you with an option to return to us the Placement Shares which you do not wish to retain title in; or
 - (iii) (A) treat the issue of the Placement Shares as void, in which case the issue shall be deemed void and (B) we shall within seven (7) days from the date of lodgement of the supplementary or replacement offer document, refund all monies you have paid on account of your application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk and you shall not have any right or claim against our Company or the Sponsor, Issue Manager and Placement Agent.

An applicant who wishes to exercise his option under paragraph 18(a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we shall, within seven (7) days from the receipt of such notification, pay to the applicant all monies paid by the applicant on account of the applicant's application for the Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us, our Directors or the Sponsor, Issue Manager and Placement Agent.

APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

An applicant who wishes to exercise his option under paragraph 18(b)(i) or (ii) to return the Placement Shares issued to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Placement Shares, to us, whereupon we shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue of those Placement Shares shall be deemed to be void, and he will not have any claim against us, our Directors or the Sponsor, Issue Manager and Placement Agent.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement offer document, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement offer document.

19. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted to you pursuant to your application, to us, the Sponsor, Issue Manager and Placement Agent and any other parties so authorised by the foregoing persons.
20. All payments in respect of any application for the Placement Shares and any refund, shall be made in S\$.
21. Additional terms and conditions for applications by way of Application Form are set out in the section entitled “Additional Terms and Conditions for Applications using Application Form” below.
22. No person in any jurisdiction outside Singapore receiving this Offer Document or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any placement shares unless such offer or invitation could lawfully be made without compliance with any regulatory requirements in those jurisdiction.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORM

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in the “**TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” section in Appendix E to this Offer Document as well as the Constitution of our Company.

1. Your application for the Placement Shares must be made using the Application Form for Placement Shares accompanying and forming part of this Offer Document, or such other forms of application as the Sponsor, Issue Manager and Placement Agent may deem appropriate. **ONLY ONE (1) APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, in consultation with the Sponsor, Issue Manager and Placement Agent reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly**

APPENDIX E – TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

completed or which are accompanied by improperly drawn up or improper form of remittances or remittances which are not honoured upon their first presentation.

2. Your Application Form must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Form, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names as they appear in your identity card (if applicants have such identification documents) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with the Share Registrar and Share Transfer Office. Our Company and the Sponsor, Issue Manager and Placement Agent reserve the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You, whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

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7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of the Placement Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of "**TRICKLESTAR SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with your name, CDP Securities Account Number and address written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** We will reject remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings. We reserve the right to reject any application which is accompanied by combined Banker's Draft or Cashier's Order for different CDP Securities Accounts. No acknowledgement or receipt will be issued by our Company or the Sponsor, Issue Manager and Placement Agent for applications and application monies received.
8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Sponsorship and Management Agreement and/or the Placement Agreement, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of the Stop Order by the Authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
9. Capitalised terms used in the Application Form and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Sponsor, Issue Manager and Placement Agent and/or any party involved in the Placement, and if, in any event our Company, and/or the Sponsor, Issue Manager and Placement Agent do not receive your Application Form, you shall have no claim whatsoever against our Company, our Directors, the Sponsor, Issue Manager and Placement Agent and/or any party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 14 June 2019** or such other time or date as our Directors may, in consultation with the Sponsor, Issue Manager and Placement Agent, in their absolute discretion, decide:
 - (i) your application is irrevocable; and

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- (ii) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) neither our Company, the Sponsor, Issue Manager and Placement Agent nor any other party involved in the Placement will be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
 - (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Sponsor, Issue Manager and Placement Agent nor any other person involved in the Placement shall have any liability for any information not so contained;
 - (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
 - (h) you irrevocably agree and undertake to subscribe for the number of the Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted to you in respect of your application. In the event that our Company, the Sponsor, Issue Manager and Placement Agent decide to allot any smaller number of the Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.
12. By completing and delivering the Application Form, you declare that you do not possess more than one (1) individual direct Securities Account with CDP.

Applications for Placement Shares

1. Your application for the Placement Shares **MUST** be made using the Application Form or such other forms of application as the Sponsor, Issue Manager and Placement Agent may deem appropriate. **ONLY ONE (1) APPLICATION** should be enclosed in each envelope.
2. The completed and signed Application Form and your remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be

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enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if dispatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk** to **TrickleStar Limited c/o Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898** to arrive by **12.00 noon on 14 June 2019 or such other time as our Company may, in consultation with the Sponsor, Issue Manager and Placement Agent, in their absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or which are accompanied by improperly drawn up or improper form of remittances or which are not honoured upon their first presentation are liable to be rejected.

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