



Trek 2000 International Ltd
(Registration Number 199905744N)
30 Loyang Way, #07-13/14/15
Loyang Industrial Estate
Singapore 508769

FOR IMMEDIATE RELEASE

Trek records 70.7% increase in net profit to US\$1.8 million for 3Q2016 as core ICS segment spearheads growth

- **Focus on cost controls leads to a 19.1% decrease in total expenses to US\$3.0 million while gross profit margin expands 2.4 percentage points to 11.1%**
- **Net cash position remains healthy at US\$29.6 million**
- **Identifies the MedTech segment as the Group's next growth driver while seeking to further penetrate the IoT space through strategic partnerships and innovative solutions**

SINGAPORE – November 11, 2016 - Trek 2000 International Ltd. ("Trek" or "the Group"), inventor and patent owner of the ThumbDrive™, board director of SD Card Association¹ and co-chairman of iSDIO forum, reports its financial results for the three months ("3Q2016") and nine months ending 30 September 2016 ("9M2016").

Financial Highlights (US\$ millions)	3Q2016	3Q2015	Change	9M2016	9M2015	Change
Revenue	43.2	44.1	(1.9%)	124.8	112.7	10.7%
Gross Profit	4.8	3.8	25.3%	11.6	11.0	5.6%
Gross Profit Margin (%)	11.1	8.7	2.4ppt	9.3	9.7	(0.4ppt)
Net Profit Attributable to Owners of the Company	1.8	1.0	70.7%	3.6	2.7	35.2%
Net Profit Margin (%)	4.1	2.4	1.7ppt	2.9	2.4	0.5ppt
Earnings per share (US cents)	0.55	0.34	61.8%	1.11	0.88	26.1%

Amidst a challenging economic environment, the Group's revenue remained stable, reporting US\$43.2 million for 3Q2016. The Group's Interactive Consumer Solutions ("ICS") division continues to be the key revenue contributor, accounting for 98.7% of the overall revenue.

Despite the decline in revenue, gross profit surged 25.3% year-on-year ("yoy") to US\$4.8 million attributable to Group's ability in containing cost of goods sold, underpinned by the Group's strategy of securing higher sales volume and market share. Correspondingly, gross profit margin expanded 2.4 percentage points to 11.1%.

Driven by a focus on tightening cost controls, total expenses declined 19.1% yoy to US\$3.0 million for 3Q2016. This was the result of a 55.0% yoy decline in research and development ("R&D") expenses to US\$0.8 million coupled with a 30.9% yoy decline in marketing and distribution expenses to US\$0.5 million. The decrease was partially offset by a 63.4% yoy increase in general administrative expenses to US\$1.6 million arising from one-time legal and audit fees incurred. Consequently, the Group's net profit attributable to owners of the Company surged 70.7% yoy to US\$1.8 million.

¹ The SD Association is a global ecosystem of companies setting industry-leading memory card standards. (<https://www.sdcard.org/home/>)

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as core ICS segment spearheads growth**

The Group's core business segments continue to generate strong positive operating cash flows amounting US\$8.4 million for 3Q2016. This bolstered the Group's balance sheet strength as cash and cash equivalents increased significantly to US\$29.6 million as at 30 September 2016 (30 December 2015: US\$23.5 million).

"Despite the economic uncertainties, we focus on what can control; driving down costs and intensifying business development efforts in order to increase sales and grow our market share. This strategy led to a significant reduction in costs while our gross profit margin expanded to 11.1%.

Our core ICS segment continues to fuel growth as we strive to provide innovative products and solutions in three main segments: consumer wearables, cloud and medical technology. In particular, we see opportunities in the rapidly evolving medical technology ("MedTech") market which is expected to eclipse US\$500 billion in sales by 2021².

As an R&D focused company dedicated to becoming a leader in the Internet of Things ("IoT") segment, we continue to find success in securing strategic partnerships with international firms. Going forward, we intend to build upon our R&D capabilities and leverage on our patented solutions as we further develop disruptive technologies that transform the way we work, live and interact."

- Mr. Henn Tan, Executive Chairman and CEO of Trek 2000 International Ltd

-The End -

About Trek 2000 International Ltd

Trek 2000 International Ltd (Trek), an industry leader, innovator, original inventor and patent owner of the ThumbDrive® offers state-of-the-art design solutions ranging from Interactive Consumer Solutions, Wireless, Antipiracy, Compression and Encryption to sophisticated Enterprise Solutions all catering to the fast changing digital industry. Trek with its library of granted patents is represented all over the world and has offices in the U.S., Malaysia, Thailand, India, Hong Kong, Singapore, the Netherlands, China, the Philippines, Vietnam, Indonesia and Japan to serve the rapidly expanding markets across all regions.

A public listed company whose shares are quoted on the Singapore Stock Exchange (SGX:5AB), Trek was named by Forbes Global as one of the Best Small Companies in the World of 2000 and 2002. Trek also received the Best Managed small Company in Singapore by AsiaMoney (of Euromoney), the INVENT Singapore Award 2008 and the ASEAN Business Award for Innovation in 2011. The company was awarded Asia-Pacific Enterprise Leadership Awards for Spirit of Innovation Award in 2013, the SD Association Awards of Excellence in 2014 and conferred the One Asia – Avant-Garde Award and International Management Action Award in 2015. More recently in July 2016, the company was bestowed the prestigious Engineering Feats@IES-SG50 award by the Prime Minister of Singapore.

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For more information, visit our website at <http://www.trek2000.com.sg>, <http://www.thumbdrive.com>, <http://www.flu-card.com>, <https://www.cloudstringers.com/>

Contact Information

Financial PR Pte Ltd

Mr. Tok Chong Yap/Mr. James Bywater
Investor Relations
Tel: (65) 6438 2990 / Fax: (65) 6438 0064
Email: trek@finanicalpr.com.sg

Trek 2000 International Ltd

Dr. Edwin Long
Deputy Chief Executive Officer
Tel: (65) 6546 6088 / Fax: (65) 6546 6066
Website: <http://www.trek2000.com.sg>

² Forbes, Medical Technology Sales To Hit \$500B Within Five Years, 17 October 2016