



**TREK 2000 INTERNATIONAL LTD** (Registration Number 199905744N)

**Third Quarter and 9 months Financial Statement Announcement for the period ended 30 September 2012**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED RESULTS FOR THE THIRD QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2012**

**(i) Consolidated Income Statement**

	Third Quarter		Increase/ (decrease)	9 months ended		Increase/ (decrease)
	2012 US\$'000	2011 US\$'000	%	2012 US\$'000	2011 US\$'000	%
<b>Revenue</b>	18,034	22,450	(19.67)	62,965	58,301	8.0
Cost of sales	(15,571)	(19,124)	(18.58)	(56,596)	(49,579)	14.15
<b>Gross profit</b>	<u>2,463</u>	<u>3,326</u>	(25.95)	<u>6,369</u>	<u>8,722</u>	(26.98)
<b>Other items of income</b>						
Interest Income	145	142	2.11	351	423	(17.02)
Other income	139	630	(77.94)	445	1,057	(57.90)
<b>Other items of expense</b>						
Research and development	(792)	(970)	(18.35)	(3,469)	(2,644)	31.20
Marketing and distribution	(711)	(653)	8.88	(2,368)	(1,487)	59.25
General administration	(927)	(908)	2.09	(2,502)	(2,492)	0.40
Finance costs	(23)	(25)	(8.00)	(73)	(69)	5.80
Other operating expenses	(103)	(69)	49.28	(277)	(165)	67.88
Share of profits of associates [1]	-	14	(100.00)	-	49	(100.00)
Profit/(loss) before income tax [2]	<u>191</u>	<u>1,487</u>	(87.15)	<u>(1,524)</u>	<u>3,394</u>	(144.90)
Income tax expense	(17)	11	(245.45)	280	(30)	(1,033.33)
<b>Profit/(loss) after tax for the period</b>	<u><b>174</b></u>	<u><b>1,498</b></u>	<b>(88.38)</b>	<u><b>(1,244)</b></u>	<u><b>3,364</b></u>	<b>(136.98)</b>
<b>Attributable to :</b>						
Non-Controlling Interest	3	121	(97.52)	218	349	(37.54)
Owners of the Parent	<u>171</u>	<u>1,377</u>	(87.58)	<u>(1,462)</u>	<u>3,015</u>	(148.49)
<b>Profit/(loss) for the period</b>	<u><b>174</b></u>	<u><b>1,498</b></u>	<b>(88.38)</b>	<u><b>(1,244)</b></u>	<u><b>3,364</b></u>	<b>(136.98)</b>
Earnings per share attributable to owners of the Parent (expressed in cents per share) :						
- Basic	0.06	0.46		(0.49)	1.01	
- Diluted	<u>0.06</u>	<u>0.46</u>		<u>(0.49)</u>	<u>1.01</u>	

**(ii) Breakdown and Explanatory notes to Consolidated Income Statement**

NM denotes not meaningful

- [1] Share of profit of associated companies is after tax and minority interest  
[2] Profit before income tax is stated after (charging)/crediting the following:

	3 <sup>rd</sup> Quarter		Increase/ (decrease) %	9 months		Increase/ (decrease) %
	2012 US\$'000	2011 US\$'000		2012 US\$'000	2011 US\$'000	
Interest income - fixed deposits	145	142	2.11	351	423	(17.02)
(Allowance)/writeback for doubtful debts	(114)	(67)	70.15	(544)	130	(518.46)
Depreciation of fixed assets	(143)	(134)	6.72	(401)	(385)	4.16
Amortization of intangible assets	(294)	(326)	(9.82)	(867)	(955)	(9.21)
Net foreign exchange gain	-	175	(100.00)	-	352	(100.00)
Net foreign exchange loss	(103)	(69)	49.28	(277)	(165)	67.88
Interest expenses – hire purchase	(2)	(8)	(75.00)	(8)	(21)	(61.90)
Interest on bank borrowings	(12)	(18)	(33.33)	(40)	(48)	(16.67)

**(iii) Statement of consolidated comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period**

	Group					
	US\$'000		%	US\$'000		%
	Q3 FY2012	Q3 FY2011	Increase/ (decrease)	9 Months FY2012	9 Months FY2011	Increase/ (decrease)
<b>Profit for the period</b>	<b>174</b>	<b>1,498</b>	(88.4)	<b>(1,244)</b>	<b>3,364</b>	(137.0)
Other comprehensive Income:						
Fair value adjustment on investment securities	233	(667)	(134.9)	192	(615)	(131.2)
Foreign currency translation	339	134	152.9	513	488	5.1
<b>Other comprehensive Income, net of tax:</b>	<b>572</b>	<b>(533)</b>	(207.3)	<b>705</b>	<b>(127)</b>	(655.1)
<b>Total Comprehensive Income for the period</b>	<b>746</b>	<b>965</b>	(22.7)	<b>(539)</b>	<b>3,237</b>	(116.7)
<b>ATTRIBUTABLE TO:</b>						
<b>Owners of the Parent</b>	727	829	(12.3)	(780)	3,027	(125.8)
<b>Non-Controlling Interest</b>	19	136	(86.0)	241	210	14.8
	<b>746</b>	<b>965</b>	(22.7)	<b>(539)</b>	<b>3,237</b>	(116.7)

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

BALANCE SHEET as at	GROUP		COMPANY	
	30 Sep 2012 US\$'000	31 Dec 2011 US\$'000	30 Sep 2012 US\$'000	31 Dec 2011 US\$'000
<b>Non-Current Assets</b>				
Plant, property and equipment	8,879	9,227	12	17
Intangible assets	14,152	12,623	6,701	5,836
Investment in subsidiaries	-	-	6,507	6,507
Investment in associates	-	-	5	5
Quoted investments	6,763	6,322	6,763	6,322
Unquoted investments	263	263	263	263
	<b>30,057</b>	<b>28,435</b>	<b>20,251</b>	<b>18,950</b>
<b>Current assets</b>				
Trade receivables	16,311	23,598	114	21
Inventories	10,094	9,431	-	-
Amounts due from subsidiaries	-	-	17,506	19,139
Amounts due from associates	209	248	-	-
Other receivables	2,212	2,131	108	370
Prepayments	1,194	339	1,001	-
Fixed deposits	4,005	5,153	1,613	3,912
Cash and bank balances	3,384	5,507	212	391
	<b>37,409</b>	<b>46,407</b>	<b>20,554</b>	<b>23,833</b>
<b>Total assets</b>	<b>67,466</b>	<b>74,842</b>	<b>40,805</b>	<b>42,783</b>
<b>Current liabilities</b>				
Trade payables and accruals	11,323	16,184	508	985
Other payables	4,198	3,777	1,056	447
Hire purchase payables	125	90	-	-
Term Loans	135	250	-	-
Income tax payable	417	913	183	183
	<b>16,198</b>	<b>21,214</b>	<b>1,747</b>	<b>1,615</b>
<b>Net current assets</b>	<b>21,211</b>	<b>25,193</b>	<b>18,807</b>	<b>22,218</b>
<b>Non-current liabilities</b>				
Term Loans	768	813	-	-
Deferred Taxation	1,093	1,090	331	331
Hire purchase payables	109	96	-	-
	<b>1,970</b>	<b>1,999</b>	<b>331</b>	<b>331</b>
<b>Total liabilities</b>	<b>18,168</b>	<b>23,213</b>	<b>2,078</b>	<b>1,946</b>
<b>Net assets</b>	<b>49,298</b>	<b>51,629</b>	<b>38,727</b>	<b>40,837</b>
<b>Capital and reserves attributable to the equity holders of the Company</b>				
Share capital	29,580	29,573	29,580	29,573
Treasury shares	(257)	(257)	(222)	(222)
Other reserves	674	482	674	482
Revaluation reserve	334	334	-	-
Revenue reserve	9,423	12,666	8,695	11,004
Capital reserve	2,717	2,717	-	-
Translation reserve	552	80	-	-
Non-controlling interest	6,275	6,034	-	-
	<b>49,298</b>	<b>51,629</b>	<b>38,727</b>	<b>40,837</b>
<b>Total equity and liabilities</b>	<b>67,466</b>	<b>74,842</b>	<b>40,805</b>	<b>42,783</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 30 September 2012 US\$'000		As at 31 December 2011 US\$'000	
Secured	Unsecured	Secured	Unsecured
260	-	340	-

Amount repayable after one year

As at 30 September 2012 US\$'000		As at 31 December 2011 US\$'000	
Secured	Unsecured	Secured	Unsecured
877	-	909	-

Details of any collateral :

The Group's motor vehicles at net book value of US\$12,500 (2011: US\$13,369) are pledged as collaterals to the hire purchase creditors.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

**CONSOLIDATED CASH FLOW STATEMENT for the periods ended 30<sup>th</sup> September**

	3Q 2012 US\$'000	3Q 2011 US\$'000	9mths 2012 US\$'000	9mths 2011 US\$'000
<b>Cash flow from operating activities:-</b>				
Profit before income tax	191	1,487	(1,524)	3,394
Adjustments for:-				
Amortisation of intangible assets	294	326	867	955
Depreciation of property, plant and equipment	322	134	855	385
Gain on disposal of property, plant and equipment	(4)	(1)	(2)	(51)
Provision/(writeback) for doubtful debts	114	67	544	(130)
Finance cost	73	25	73	69
Share of gain of associated companies	-	(14)	-	(49)
Interest income	(145)	(142)	(351)	(423)
Interest expenses	(49)	-	-	-
Translation difference	270	316	447	323
Share-based payment expenses	-	-	(220)	-
<b>Operating profit before changes in working capital</b>	<b>1,066</b>	<b>2,198</b>	<b>689</b>	<b>4,473</b>
(Increase)/decrease in trade receivables, other receivables and prepayments	4,625	(1,833)	4,952	(6,172)
(Increase)/decrease in inventories	(1,338)	(2,191)	(663)	(3,750)
(Decrease)/Increase in trade and other payables	(2,290)	(274)	(3,707)	1,786
<b>Cash (used in) / generated from operating activities</b>	<b>2,063</b>	<b>(2,100)</b>	<b>1,271</b>	<b>(3,663)</b>
Income tax paid	-	(66)	(17)	(130)
Interest received	145	142	351	423
Interest paid	(24)	(25)	(73)	(69)
<b>Net cash (used in) / generated from operating activities</b>	<b>2,184</b>	<b>(2,049)</b>	<b>1,532</b>	<b>(3,439)</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of investment securities	-	-	500	276
Proceeds from disposal of property, plant and equipment	5	1	23	51
Purchase of property, plant and equipment	(200)	(17)	(522)	(541)
Payment for patent and trademark registration expenses	(331)	(343)	(1,091)	(833)
Payment for development expenditures	(450)	(431)	(1,279)	(1,401)
Purchase of quoted investments	-	-	(497)	(1,599)
Acquisition of subsidiaries	-	-	-	-
<b>Net cash (used in)/ from investing activities</b>	<b>(976)</b>	<b>(790)</b>	<b>(2,866)</b>	<b>(4,047)</b>
<b>Cash flow from financing activities</b>				
Proceeds from term loans	-	-	144	-
Repayment of hire purchase instalments	115	95	47	60
Employees' share option exercised	-	-	7	-
Term loan / borrowings	(44)	395	(396)	793
Payment of dividends	-	-	(1,799)	(2,415)
<b>Net cash from /(used in) financing activities</b>	<b>71</b>	<b>490</b>	<b>(1,997)</b>	<b>(1,562)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,279</b>	<b>(2,349)</b>	<b>(3,331)</b>	<b>(9,048)</b>
Cash and cash equivalents as beginning of period	6,115	12,278	10,659	18,880
Effect of foreign exchange difference	(5)	(202)	60	(105)
<b>Cash and cash equivalents at end of period</b>	<b>7,389</b>	<b>9,727</b>	<b>7,389</b>	<b>9,727</b>

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

	30 <sup>th</sup> Sep 2012	30 <sup>th</sup> Sep 2011
	\$'000	\$'000
Cash and Bank Balances	3,384	5,876
Fixed Deposits	4,005	3,851
	<b>7,389</b>	<b>9,727</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Equity attributable to equity holders of the Company							Total	Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Capital Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserve	Revaluation reserve			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>THE GROUP</b>										
<b>Balance at 1 January 2011</b>	29,573	(257)	2,717	(119)	13,546	813	334	46,607	5,571	52,178
Total comprehensive income for the period	-	-	-	572	517	78	-	1,167	(2)	1,165
Balance at 31 March 2011	29,573	(257)	2,717	453	14,063	891	334	47,774	5,569	53,343
Total comprehensive income for the period	-	-	-	142	795	(26)	-	911	76	987
Tax exempt (one-tier) dividends @ 0.01 cts @ 1.226=US\$0.00815 per share	-	-	-	-	(2,416)	-	-	(2,416)	-	(2,416)
Balance at 30 June 2011	29,573	(257)	2,717	595	12,442	865	334	46,269	5,645	51,914
Total comprehensive income for the period	-	-	-	129	1,367	(667)	-	829	136	965
<b>Balance at 30 September 2011</b>	<b>29,573</b>	<b>(257)</b>	<b>2,717</b>	<b>724</b>	<b>13,809</b>	<b>198</b>	<b>334</b>	<b>47,098</b>	<b>5,781</b>	<b>52,879</b>
<b>Balance at 1 January 2012</b>	29,573	(257)	2,717	80	12,666	482	334	45,595	6,034	51,629
Total comprehensive income for the period	-	-	-	418	1,293	6	-	1,717	43	1,760
Balance at 31 March 2012	29,573	(257)	2,717	498	13,959	488	334	47,312	6,077	53,389
Total comprehensive income for the period	-	-	-	(269)	(2,908)	(47)	-	(3,224)	179	(3,045)
Increase in Shares through exercise of share options.	7	-	-	-	-	-	-	7	-	7
Tax exempt (one-tier) dividends @ 0.0075 cts @ 1.226=US\$0.00815 per share	-	-	-	-	(1,799)	-	-	(1,799)	-	(1,799)
Balance at 30 June 2012	29,580	(257)	2,717	229	9,252	441	334	42,296	6,256	48,552
Total comprehensive income for the period	-	-	-	323	171	233	-	727	19	746
<b>Balance at 30 September 2012</b>	<b>29,580</b>	<b>(257)</b>	<b>2,717</b>	<b>552</b>	<b>9,423</b>	<b>674</b>	<b>334</b>	<b>43,023</b>	<b>6,275</b>	<b>49,298</b>

**Equity attributable to equity holders of the Company**

	Share Capital	Treasury Shares	Capital Reserve	Foreign Currency Translation Reserve	Revenue Reserve	Other Reserve	Revaluation reserve	Total	Non-Controlling Interest	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>THE COMPANY</b>										
<b>Balance at 1 January 2011</b>	29,573	(221)	-	-	10,269	813	-	40,434	-	40,434
Total comprehensive income for the period	-	-	-	-	(199)	78	-	(121)	-	(121)
<b>Balance at 31 March 2011</b>	29,573	(221)	-	-	10,070	891	-	40,313	-	40,313
Total comprehensive income for the period	-	-	-	-	(191)	(26)	-	(217)	-	(217)
Tax exempt (one-tier) dividends @ 0.01 cts @ 1.226 = US\$0.00815 per share	-	-	-	-	(2,416)	-	-	(2,416)	-	(2,416)
<b>Balance at 30 June 2011</b>	29,573	(221)	-	-	7,463	865	-	37,680	-	37,680
Total comprehensive income for the period	-	-	-	-	142	(667)	-	(525)	-	(525)
<b>Balance at 30 September 2011</b>	<b>29,573</b>	<b>(221)</b>	<b>-</b>	<b>-</b>	<b>7,605</b>	<b>198</b>	<b>-</b>	<b>37,155</b>	<b>-</b>	<b>37,155</b>
<b>Balance at 1 January 2012</b>	29,573	(222)	-	-	11,004	482	-	40,837	-	40,837
Total comprehensive income for the period	-	-	-	-	(40)	6	-	(34)	-	(34)
<b>Balance at 31 March 2012</b>	29,573	(222)	-	-	10,964	488	-	40,803	-	40,803
Total comprehensive income for the period	-	-	-	-	(272)	(47)	-	(319)	-	(319)
Increase in Shares through exercise of share options.	7	-	-	-	-	-	-	7	-	7
Tax exempt (one-tier) dividends @ 0.0075 cts @ 1.226 = US\$0.00815 Per share	-	-	-	-	(1,799)	-	-	(1,799)	-	(1,799)
<b>Balance at 30 June 2012</b>	29,580	(222)	-	-	8,893	441	-	38,692	-	38,692
Total comprehensive income for the period	-	-	-	-	(198)	233	-	35	-	35
<b>Balance at 30 September 2012</b>	<b>29,580</b>	<b>(222)</b>	<b>-</b>	<b>-</b>	<b>8,695</b>	<b>674</b>	<b>-</b>	<b>38,727</b>	<b>-</b>	<b>38,727</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There was no change in the issued and paid-up capital of the Company since the previous period reported on.

During the 3Q 2012 no share options were granted under the Trek 2000 International Share Options Scheme 2011.

The outstanding share options under Trek 2000 International Share Options Scheme as at 30 September 2012 is as follows:

<b>Unexercised Share Option</b>	<u>No. of shares</u>
Balance as at 1 <sup>st</sup> January 2012	6,532,500
Share option withdrawn/lapsed	(160,000)
Share option exercised	(60,000)
Share option expired	(290,000)
<b>Balance as at 30 September 2012</b>	<b><u>6,022,500</u></b>

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

As at 30 September 2012, share capital of the Company is as follows:

	<u>No. of shares</u>	<u>US\$</u>
Ordinary Shares Issued and fully paid		
Balance as at 1 January 2012	296,401,925	29,573,684
Movement in Shares	60,000	6,972
<b>Balance as at 30 September 2012</b>	<b><u>296,461,925</u></b>	<b><u>29,580,656</u></b>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the period under review, no new treasury shares were acquired by the Company to acquire shares pursuant to the Share Purchase Mandate to be held as "Treasury Shares".

	<u>No. of shares</u>	<u>US\$</u>
Balance as at 1 January 2012	1,293,000	(256,914)
Repurchase of shares and held as Treasury Shares	-	-
<b>Balance as at 30 September 2012</b>	<b><u>1,293,000</u></b>	<b><u>(256,914)</u></b>

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard) or practice.**

The above figures have not been audited or reviewed by its auditors, Messrs Ernst & Young.

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

Not Applicable.

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

Accounting policies and methods of computation used in the consolidated financial statements for the third quarter ended 30 September 2012 are consistent with those applied in the financial statements for the year ended 31 December 2011, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2012. The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The adoption of the new/revised accounting standards and interpretations does not have any material effect on the financial statements of the Group.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

THE GROUP	Q3 FY		YTD	
	2012	2011	30 Sept 2012	30 Sept 2011
Profit after tax (US\$'000)	171	1,377	(1,462)	3,015
Weighted average number of ordinary shares in issue (in '000)	296,169	297,402	296,169	297,402
Weighted average number of ordinary shares in issue along with dilution effect (in '000)	296,967	298,350	296,967	298,350
<b>(Amount in USD cents)</b>				
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on existing issued share capital	<b>0.06</b>	<b>0.46</b>	<b>(0.49)</b>	<b>1.01</b>
(ii) On a fully diluted basis	<b>0.06</b>	<b>0.46</b>	<b>(0.49)</b>	<b>1.01</b>

**Note:**

Basic earnings per share amounts are calculated by dividing profit for the period that is attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share amounts are calculated by dividing profit for the period that is attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For 3Q FY11, some of the outstanding share options do not have any dilutive effect on the earnings per share as the exercise prices for the outstanding share options were higher than the average market price during the financial period.

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

NET ASSETS VALUE	GROUP		COMPANY	
	30 Sept 2012	30 Dec 2011	30 Sept 2012	30 Dec 2011
Number of ordinary shares (in '000)	296,462	296,196	296,462	296,196
<b>(Amount in USD cents)</b>				
Net assets value per ordinary share based on issued share capital at the end of the period	<b>16.63</b>	<b>17.43</b>	<b>13.06</b>	<b>13.79</b>



**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

For the quarter ended 30 September 2012 (Q3FY12), the Group reported a 19.7% decrease in revenues from US\$22.4 million (Q3FY11) to US\$18.0 million. Gross profit decreased by 25.9% from US\$3.3 million (Q3FY11) to US\$2.4 million in Q3FY12. The Group reported net profit after tax of US\$0.2 million.

For the 9 months ended 30 September 2012, the Group reported revenue of US\$62.9 million as against US\$58.3 million in previous corresponding period and net loss after tax of US\$1.2 million.

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

#### **Revenue**

- The decrease in Q3FY12 revenue by 19.7% from US\$22.4 million to US\$18.0 million is mainly attributable to lower demand from Mobile Media Solutions business unit. MMS which saw an decrease of 23.8% QoQ from US\$18.7 million to US\$14.5 million is mainly due the erosion of Nand flash memory price for the Thumbdrive sales.
- Licensing revenue in Q3FY12 dipped by 18.9% from US\$0.3 million to US\$ 0.2 million.

#### **Expenses**

Group's total expenses amounted to US\$2.5 million in (Q3FY11: US\$2.6 million) representing a decrease by 2.6%.

#### **Profitability**

- Gross profit margin decreased from 14.8% to 13.7% QoQ mainly due to "high volume low margin" Thumbdrive gross profit.

#### **Other Financial Highlights**

- **Property, plant and equipment** – There was a decrease of US\$0.3 million in property, plant and equipment from US\$9.2 million to US\$8.9 million assets YoY.
- **Intangible Assets** – There was a US\$1.5 million increase in intangible assets due to the registration of new patents from US\$12.6 million in FY2011 to US\$14.1 million as at 30 Sept 2012.
- **Quoted Investments** - Investments in quoted investments increased by US\$0.4 million from US\$6.3 million as at 31 December 2011 to US\$6.7 million, due to increased investments into short-term bonds.
- **Unquoted Investments** - Investments in unquoted investments remained unchanged at US\$0.3million.
- **Trade Debtors** – Trade debtors decreased from US\$23.6 million in FY2011 to US\$16.3 million coming from subsidiaries whose situation improved.
- **Inventory** – Group's inventory closed at US\$10.1 million, an increase from \$9.4 million in FY2011, which is line with the Group's FluCard product build up over the next periods onwards.

#### **Cashflow**

Cash and cash equivalents stood at US\$7.4 million compared to US\$10.7 million in FY2011. For the period 9 months FY12 cash were utilised mainly for dividend payments; investments into short-term bonds and working capital needs.

There are no other significant factors that affected the revenues, costs, and earnings of the Group for the current quarter under review.

Besides the factors mentioned above, there are no other material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current quarter under review.

There are no interested persons transactions during the current quarter under review.

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

Not Applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

As at 30 September 2012, the Group has US\$7.4 million (including fixed deposits amounting to US\$4.0 million) in cash and cash equivalents. The Group will continue to pursue R&D activities so as to introduce new innovations to the market.

Going forward, the Group expects that the business environment will continue to be challenging as the global economic situation remains uncertain. Barring any unforeseen circumstances, the Group expects to be profitable in 2<sup>nd</sup> Half FY12.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? **NO**

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial period?  
**NO**

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**12. If no dividend has been declared/(recommended), a statement to that effect**

No interim dividend has been declared/(recommended) for the current period under review.

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

The Company does not have any general mandate from shareholders pursuant to Rule 920.

**14. If the case of an announcement of interim financial statement (quarterly or half-yearly), the issuer's directors must confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false or misleading, in any material aspect. Please confirm that such a statement has been made.**

The Company have not issued any interim financial statements which may render the interim financial statements to be false or misleading, in any material aspect pursuant to Rule 705(5).

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not Applicable

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not Applicable

17. **A breakdown of sales**

Not Applicable

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not Applicable

BY ORDER OF THE BOARD

**GURCHARAN SINGH**

Executive Director  
8 November 2012

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

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period ended 30 September 2012 to be false and misleading in any material respect.

On behalf of the Directors

Signed

Signed

HENN TAN  
Director

GURCHARAN SINGH  
Director

8 November 2012