



Trek 2000 International Ltd
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FOR IMMEDIATE RELEASE

Trek posts 18.9% growth in revenue to US\$81.6 million for 1H2016 driven by uptick in demand for Wi-Fi memory modules and solutions

- **Net profit increased 12.4% to US\$1.8 million underpinned by the Group's business strategy to gain market share with its core ICS division**
- **Ability to generate positive operating cash flow of US\$2.6 million in 2Q2016 contributed to a resilient balance sheet comprising US\$21.7 million of cash and cash equivalents**
- **Continues to leverage on the Group's expertise in R&D to develop new innovations and expand suite of product offerings**

SINGAPORE – August 19, 2016 - Trek 2000 International Ltd. (Trek), 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 (2Q2016) and half year ended 30 June 2016 (1H2016).

Financial Highlights (US\$ millions)	2Q2016	2Q2015	Change	1H2016	1H2015	Change
Revenue	48.8	41.8	16.6%	81.6	68.6	18.9%
Gross Profit	3.4	3.9	(13.6%)	6.8	7.1	(4.9)
Gross Profit Margin (%)	6.9	9.3	(2.4ppt)	8.3	10.4	(2.1ppt)
Net Profit Attributable to Owners of the Company	1.1	1.0	3.3%	1.8	1.6	12.4%
Net Profit Margin (%)	2.0	2.6	(0.6ppt)	2.2	2.4	(0.2ppt)
Earnings per share (US cents)	0.34	0.36	(5.6%)	0.56	0.55	1.8%

The Group posted a 18.9% year-on-year (yoy) growth in revenue to US\$81.6 million for 1H2016 backed by a robust demand for its Wi-Fi memory modules and solutions. This is in line with the Group's overarching strategy for its core Interactive Consumer Solutions (ICS) business division, which was to secure higher volume in sales and increase market share. Despite this compressing gross profit margin slightly by 2.1 percentage points yoy to 8.3% for 1H2016, the Group successfully maintained its cost structure.

Despite the growth in sales, the Group was able to drive down overall expenses as it declined 5.9% yoy to US\$5.5 million for 1H2016. In particular, marketing and distribution expenses declined 31.2% yoy to US\$0.8 million. Coupled with the research and development (R&D) expenses remaining stable at US\$2.4 million, it translated to the Group's stable net profit margin as net profit climbed 12.4% yoy to US\$1.8 million for 1H2016.

In 2Q2016, the Group generated positive operating cash flow amounting US\$2.6 million which contributed to the Group's resilient balance sheet comprising cash and cash equivalents of US\$21.7 million. The Group maintains a net cash position of US\$18.8 million as at 30 June 2016.

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

**Trek posts 18.9% growth in revenue to US\$1.6 million for 1H2016
driven by uptick in demand for Wi-Fi memory modules and solutions**

“Our continued focus on the core ICS business has yielded us positive returns for 1H2016 as we grew both our top and bottom line figures. While this puts us back to profitability from preceding financial year, it is also important to recognise that our FY2015 financial results were affected largely due to one-off non-cash impact write-downs of inventories and obsolescence as well as reclassification of expenses.

Leveraging on our R&D expertise, we commit efforts to developing new innovations and expansion of product offerings. This will allow us to capitalise on our strategy effectively where we had increased market share gradually in the preceding quarters. Looking forward, we remain cautiously optimistic despite the continued global economic uncertainties.”

- 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/>

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