



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

**Full Year Financial Statements and Dividend Announcement for the year ended 31 December 2016**

**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 FULL YEAR ENDED 31 DECEMBER 2016**

**(i) Consolidated Income Statement**

	Year Ended		Increase/ (Decrease)
	2016	2015 (Restated) [2]	
	US\$'000	US\$'000	%
<b>Revenue</b>	165,725	148,836	11.35
Cost of sales	(146,385)	(144,755)	1.13
<b>Gross profit</b>	19,340	4,081	373.90
<b>Other items of income:</b>			
Interest income	662	714	(7.28)
Other income	700	1,026	(31.77)
<b>Other items of expense:</b>			
Research and development	(2,905)	(3,678)	(21.02)
Marketing and distribution	(2,515)	(3,210)	(21.65)
General administration	(6,228)	(5,920)	5.20
Other expenses	(910)	(430)	111.63
Finance costs	(145)	(153)	(5.23)
Profit/(Loss) before income tax [1]	7,999	(7,570)	205.67
Income tax (expense)/benefit	(918)	204	(550.00)
<b>Profit/(Loss) for the year</b>	<b>7,081</b>	<b>(7,366)</b>	<b>196.13</b>
Profit/(Loss) for the year attributable to:			
Owners of the Company	6,073	(6,648)	191.35
Non-controlling interests	1,008	(718)	240.39
	<b>7,081</b>	<b>(7,366)</b>	<b>196.13</b>
Earnings/(Loss) per share attributable to owners of the Company (cents per share):			
- Basic	1.87	(2.15)	
- Diluted	1.87	(2.15)	

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

[1] Profit/(Loss) before income tax is stated after (charging)/crediting the following:

	Year Ended		Increase/ (Decrease)
	2016 US\$'000	2015 (Restated) US\$'000	%
Interest income from:			
- Short-term deposits	138	47	193.62
- Available-for-sale financial assets	524	667	(21.44)
Net gain on disposal of property, plant and equipment	19	77	(75.32)
Allowance for doubtful debts, net	(49)	(614)	(92.02)
Depreciation of property, plant and equipment	(1,072)	(1,180)	(9.15)
Property, plant and equipment written off	(2)	(915)	(99.78)
Amortisation of intangible assets	(960)	(1,128)	(14.89)
Intangible assets written off	(811)	(1,238)	(34.49)
Reversal/(Allowance) for stock obsolescence	3,755	(4,467)	184.06
Net foreign exchange gain/(loss)	53	(293)	118.09
Interest expense on:			
- Hire purchase payables	(15)	(16)	(6.25)
- Term loans and bank overdrafts	(130)	(137)	(5.11)

[2] Comparative results for FY2015 have been restated to include adjustments which results in corresponding restatements of the following item as set out below:

	US\$'000	Explanation
Decrease in cost of sales	(725)	Decrease in cost of sales is due to reversal of depreciation charges in relation to certain assets that were transferred to Racer Technology Pte Ltd ("Racer Technology"), a subsidiary of the Company as capital contribution in kind. These assets have since been re-transferred back to the original vendor.

(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		%
	FY2016	FY2015 (Restated)	Increase/ (Decrease)
<b>Profit/(Loss) for the year</b>	<b>7,081</b>	<b>(7,366)</b>	<b>196.13</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Net fair value changes on investment securities	10	(477)	102.10
Foreign currency translation	(277)	(1,644)	(107.73)
Other comprehensive income for the year, net of tax	(267)	(2,121)	(94.48)
<b>Total comprehensive income for the year</b>	<b>6,814</b>	<b>(9,487)</b>	<b>173.41</b>
Total comprehensive income for the year			
Attributable to:			
Owners of the Company	6,005	(7,805)	178.86
Non-controlling interests	809	(1,682)	148.10
	6,814	(9,487)	173.41

**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 SHEETS as at	GROUP		COMPANY	
	31 Dec 2016	31 Dec 2015 (Restated) [1]	31 Dec 2016	31 Dec 2015
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	10,314	10,143	13	6
Intangible assets	3,566	5,161	1,601	1,809
Investment in subsidiaries	-	-	3,485	5,225
Investment in associates	-	-	5	5
Quoted investments	12,244	8,749	12,244	8,749
Unquoted investments	180	182	-	-
	<b>26,304</b>	<b>24,235</b>	<b>17,348</b>	<b>15,794</b>
<b>Current assets</b>				
Inventories	10,294	22,518	-	-
Trade and other receivables	17,107	15,934	563	26,140
Prepayments	259	265	76	8
Short term deposits	16,519	4,781	7,794	-
Cash at banks and on hand	12,716	19,475	1,287	393
	<b>56,895</b>	<b>62,973</b>	<b>9,720</b>	<b>26,541</b>
<b>Total assets</b>	<b>83,199</b>	<b>87,208</b>	<b>27,068</b>	<b>42,335</b>
<b>Current liabilities</b>				
Trade payables and accruals	14,464	29,476	121	81
Other payables	5,106	2,328	1,069	318
Hire purchase payables	151	154	-	-
Term loans and bank overdrafts	1,774	1,249	-	-
Income tax payable	1,244	768	-	-
	<b>22,739</b>	<b>33,975</b>	<b>1,190</b>	<b>399</b>
<b>Net current assets</b>	<b>34,156</b>	<b>28,998</b>	<b>8,530</b>	<b>26,142</b>
<b>Non-current liabilities</b>				
Term loans	434	500	-	-
Deferred taxation	698	457	-	-
Hire purchase payables	159	150	-	-
	<b>1,291</b>	<b>1,107</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>24,030</b>	<b>35,082</b>	<b>1,190</b>	<b>399</b>
<b>Net assets</b>	<b>59,169</b>	<b>52,126</b>	<b>25,878</b>	<b>41,936</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	37,828	37,829	37,828	37,829
Treasury shares	(298)	(284)	(262)	(248)
Revenue reserve	3,648	(2,470)	(12,473)	3,716
Capital reserve	2,717	2,717	-	-
Asset revaluation reserve	2,029	2,029	-	-
Translation reserve	(1,003)	(925)	-	-
Other reserves	(2,749)	(2,958)	785	639
	<b>42,172</b>	<b>35,938</b>	<b>25,878</b>	<b>41,936</b>
Non-controlling interests	16,997	16,188	-	-
<b>Total equity</b>	<b>59,169</b>	<b>52,126</b>	<b>25,878</b>	<b>41,936</b>
<b>Total liabilities and equity</b>	<b>83,199</b>	<b>87,208</b>	<b>27,068</b>	<b>42,335</b>

[1] Comparative results for FY2015 have been restated to include adjustments which results in corresponding restatements of the following items as set out below:

	Group	Explanation
Decrease in property, plant and equipment	(2,816)	Decrease in property, plant and equipment and increase in trade and other receivables are due to certain assets that were transferred to Racer Technology as capital contribution in kind. These assets have since been re-transferred back to the original vendor.
Increase in trade and other receivables	3,519	
Increase in revenue reserve	137	Increase in revenue reserve, decrease in translation reserve and increase in non-controlling interests are due to reversal of depreciation charges in relation to the certain assets as explained above.
Decrease in translation reserve	(22)	
Increase in non-controlling interests	588	

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

**Amount repayable in one year or less, or on demand**

As at 31 December 2016		As at 31 December 2015	
US\$'000		US\$'000	
Secured	Unsecured	Secured	Unsecured
1,925	-	1,403	-

**Amount repayable after one year**

As at 31 December 2016		As at 31 December 2015	
US\$'000		US\$'000	
Secured	Unsecured	Secured	Unsecured
593	-	650	-

**Details of any collateral:**

The Group's motor vehicles, plant and machinery with carrying amount of US\$480,798 (FY2015: US\$384,732) were pledged as collaterals to 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 STATEMENT OF CASH FLOW for the year ended 31 December**

	Year ended 31 December 2016	2015 (Restated)
	US\$'000	US\$'000
<b>Cash flow from operating activities:</b>		
Profit/(Loss) before income tax	7,999	(7,570)
Adjustments for:		
Amortisation of intangible assets	960	1,128
Intangible assets written off	811	1,238
Depreciation of property, plant and equipment	1,072	1,180
Property, plant and equipment written off	2	915
Impairment loss on property, plant and equipment	212	-
Net fair value loss/(gain) on investment securities (transferred from equity on disposal of investment securities)	10	(329)
Net gain on disposal of property, plant and equipment	(19)	(77)
Allowance for doubtful debts, net	49	614
(Reversal)/Allowance for stock obsolescence	(3,755)	4,467
Share based payment	244	442
Interest income	(662)	(714)
Interest expenses	145	153
Unrealised foreign exchange losses	(259)	(260)
<b>Operating cash flows before changes in working capital</b>	<b>6,809</b>	<b>1,187</b>
(Increase)/Decrease in trade and other receivables, and prepayments	(1,265)	18,420
Decrease/(Increase) in inventories	16,004	(14,342)
(Decrease)/Increase in trade and other payables	(12,245)	3,342
<b>Cash flows generated from operating activities</b>	<b>9,303</b>	<b>8,607</b>
Interest received	138	47
Interest paid	(145)	(153)
Income tax paid	(191)	(77)
<b>Net cash generated from operating activities</b>	<b>9,105</b>	<b>8,424</b>
<b>Cash flow from investing activities</b>		
Proceeds from disposal of property, plant and equipment	25	213
Proceeds from disposal of investment securities	4,937	7,345
Purchase of property, plant and equipment	(1,346)	(1,168)
Purchase of quoted investments	(8,433)	(6,865)
Consideration received in relation to the disposal of subsidiary in previous year	-	79
Payment for patent and trademark registration expenses	(20)	(14)
Payment for development expenditures	(156)	(716)
Interest income from available-for-sale investment	524	667
<b>Net cash used in investing activities</b>	<b>(4,469)</b>	<b>(459)</b>
<b>Cash flow from financing activities</b>		
Purchase of treasury shares	(15)	(248)
Proceeds from exercise of employee share options	-	64
Proceeds from share placement exercise	-	8,477
Repayment of hire purchase instalments	(220)	(242)
Repayment of term loans	(88)	(4,567)
Proceeds from term loans	574	-
Capital contribution from non-controlling interest	-	3,085
Payment of dividends	-	(1,123)
<b>Net cash generated from financing activities</b>	<b>251</b>	<b>5,446</b>
Net increase in cash and cash equivalents	4,887	13,411
Cash and cash equivalents at beginning of year	23,453	10,162
Effect of foreign exchange difference	84	(120)
<b>Cash and cash equivalents at end of year</b>	<b>28,424</b>	<b>23,453</b>

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

	2016 US\$'000	2015 US\$'000
Cash at banks and on hand	12,716	19,475
Short-term deposits	16,519	4,781
Bank overdrafts	(811)	(803)
	<b>28,424</b>	<b>23,453</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**

	Attributable to owners of the Company							Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Revenue Reserve	Capital Reserve	Asset Revaluation Reserve	Translation Reserve	Other Reserves			
	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 2015</b>	29,605	(257)	5,301	2,717	2,029	(511)	579	39,463	7,936	47,399
Increase in share through exercise of share options	64	-	-	-	-	-	-	64	-	64
Tax exempt (one-tier) dividends (@ S\$0.005 cts @ 1.322 = US\$0.00378 per share)	-	-	(1,123)	-	-	-	-	(1,123)	-	(1,123)
Sale of treasury shares via placements of shares	-	221	-	-	-	-	95	316	-	316
Issuance of shares through placement exercise	8,160	-	-	-	-	-	-	8,160	-	8,160
Share buyback	-	(248)	-	-	-	-	-	(248)	-	(248)
Grant of equity-settled share options to employees	-	-	-	-	-	-	442	442	-	442
Dilution of subsidiary	-	-	-	-	-	266	(3,597)	(3,331)	8,681	5,350
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	1,253	1,253
Total comprehensive income for the year	-	-	(6,648)	-	-	(680)	(477)	(7,805)	(1,682)	(9,487)
<b>Balance at 31 December 2015 (Restated)</b>	<b>37,829</b>	<b>(284)</b>	<b>(2,470)</b>	<b>2,717</b>	<b>2,029</b>	<b>(925)</b>	<b>(2,958)</b>	<b>35,938</b>	<b>16,188</b>	<b>52,126</b>
<b>Balance at 1 January 2016</b>	37,829	(284)	(2,470)	2,717	2,029	(925)	(2,958)	35,938	16,188	52,126
Share buyback	-	(14)	-	-	-	-	-	(14)	-	(14)
Transaction cost in relation to share buyback	(1)	-	-	-	-	-	-	(1)	-	(1)
Share-based payment	-	-	45	-	-	-	199	244	-	244
Total comprehensive income for the year	-	-	6,073	-	-	(78)	10	6,005	809	6,814
<b>Balance at 31 December 2016</b>	<b>37,828</b>	<b>(298)</b>	<b>3,648</b>	<b>2,717</b>	<b>2,029</b>	<b>(1,003)</b>	<b>(2,749)</b>	<b>42,172</b>	<b>16,997</b>	<b>59,169</b>

	Share Capital US\$'000	Treasury Shares US\$'000	Revenue Reserve US\$'000	Other Reserves US\$'000	Total Equity US\$'000
<b>THE COMPANY</b>					
<b>Balance at 1 January 2015</b>	29,605	(221)	6,618	579	36,581
Increase in share through exercise of share options	64	-	-	-	64
Tax exempt (one-tier) dividends (@ S\$0.005 cts @ 1.322 = US\$0.00378 per share)	-	-	(1,123)	-	(1,123)
Sale of treasury shares via placements of shares	-	221	-	95	316
Issuance of shares through placement exercise	8,160	-	-	-	8,160
Share buyback	-	(248)	-	-	(248)
Grant of equity-settled share options to employees	-	-	-	442	442
Total comprehensive income for the year	-	-	(1,779)	(477)	(2,256)
<b>Balance at 31 December 2015</b>	<b>37,829</b>	<b>(248)</b>	<b>3,716</b>	<b>639</b>	<b>41,936</b>
<b>Balance at 1 January 2016</b>	37,829	(248)	3,716	639	41,936
Share buyback	-	(14)	-	-	(14)
Transaction cost in relation to share buyback	(1)	-	-	-	(1)
Share-based payment	-	-	45	136	181
Total comprehensive income for the year	-	-	(16,234)	10	(16,224)
<b>Balance at 31 December 2016</b>	<b>37,828</b>	<b>(262)</b>	<b>(12,473)</b>	<b>785</b>	<b>25,878</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 were no changes in the issued and paid-up capital of the Company, since the previous period reported on. During the 4QFY2016, 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 31 December 2016 is as follows:

<b>Unexercised share options</b>	<b>No. of shares</b>
Balance as at 1 January 2016	6,727,500
Share options forfeited during the year	(1,745,000)
<b>Balance as at 31 December 2016</b>	<b>4,982,500</b>

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

As at 31 December 2016, the share capital of the Company is as follows:

<b>Ordinary shares issued and fully paid</b>	<b>No. of shares</b>	<b>US\$</b>
Balance as at 1 January 2016	324,116,925	37,828,942
Transaction cost in relation to share buyback	-	(698)
<b>Balance as at 31 December 2016</b>	<b>324,116,925</b>	<b>37,828,244</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 year, 71,900 new treasury shares were acquired by the Company to acquire shares pursuant to the Share Purchase Mandate to be held as "Treasury Shares".

	No. of shares	US\$
Balance as at 1 January 2016	1,450,100	(283,123)
Repurchase of shares and held as Treasury Shares	71,900	(14,451)
<b>Balance as at 31 December 2016</b>	<b>1,522,000</b>	<b>(297,574)</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**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2015.

**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**

Not applicable.

**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	Year Ended 31 December	
	2016	2015 (Restated)
Profit/(Loss) net of tax attributable to ordinary equity holders of the Company used in computation of basic earnings per share (US\$'000)	6,073	(6,648)
Weighted average number of ordinary shares for basic earnings per share computation (in '000)	324,117	308,937
Weighted average number of ordinary shares for diluted earnings per share computation (in '000)	324,117	308,937
<b>(Amount in USD cents)</b>		
Earnings/(Loss) per ordinary share for the year after deducting any provision for preference dividends:-		
(i) Basic earnings/(loss) per share (in cents)	1.87	(2.15)
(ii) Diluted earnings per share (in cents)	1.87	(2.15)

**Note:**

*Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.*

*Diluted earnings per share amounts are calculated by dividing profit for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year 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.*



**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	
	31 Dec 2016	31 Dec 2015 (Restated)	31 Dec 2016	31 Dec 2015
Number of ordinary shares (in '000)	324,117	324,117	324,117	324,117
<b>(Amount in USD cents)</b>				
Net assets value per ordinary share based on issued share capital at the end of the year	<b>13.01</b>	<b>11.09</b>	<b>7.98</b>	<b>12.94</b>

Net asset value represents total assets less total liabilities and non-controlling interests.

**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 full year ended 31 December 2016, the Group reported a 11.4% year on year ("yoy") increase in revenue to US\$165.7 million. Gross profit increased 373.9% yoy to US\$19.3 million, while gross profit margin increased from 2.7% to 11.7%. The Group reported a 191.4% yoy increase in net profit attributable to owners of the Company to US\$6.1 million.

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

**Revenue**

The increase in revenue of 11.4% was mainly due to increase in both Interactive Consumer Solutions ("ICS") division and licensing fees. The Group's ICS division continues to be a key revenue generator, accounting for 98.4% of the overall revenue in FY2016.

**Profitability**

Gross profit margin improved from 2.7% to 11.7% yoy in FY2016, which was mainly attributed to the Group's containment of cost of goods sold and expanded WiFi module applications.

**Expenses**

The Group's total expenses amounted to US\$12.7 million in FY2016 (FY2015: US\$13.4 million) representing a decrease of 5.2% yoy. The factors contributing to the changes are:

- Research and development expenses reported a decrease of 21.0% yoy to US\$2.9 million in FY2016 (FY2015: US\$3.7 million). The decrease was mainly due to a decrease in intangible assets written off and amortisation expense of intangible assets in FY2016.
- Marketing and distribution expenses decreased 21.7% yoy to US\$2.5 million for FY2016 (FY2015: US\$3.2 million) mainly due to decrease in marketing activities regionally.
- General administrative expenses increased 5.2% yoy to US\$6.2 million for FY2016 (FY2015: US\$5.9 million) mainly due to increase in professional fees and decrease in property, plant and equipment written off.
- Other expenses increased 111.6% yoy to US\$0.9 million in FY2016 (FY2015: US\$0.4 million) mainly due to provision made for potential claims by a customer.

**Net profit after tax attributable to owners of the Company**

The Group reported a net profit attributable to owners of the Company of US\$6.1 million in FY2016 (FY2015: loss of US\$6.7 million) despite the challenging economic environment.

### **Other Financial Highlights**

#### **Group**

- **Property, plant and equipment** – The increase in the Group's property, plant and equipment was mainly due to additions and offset by depreciation charge and impairment loss during the year.
- **Intangible assets** – The Group's intangible assets decreased by US\$1.6 million was mainly due to write-off of capitalised development cost to profit or loss and amortisation during the year.
- **Quoted investments** – The Group's investment in quoted investment increased by US\$3.5 million to US\$12.2 million as at 31 December 2016 compared to US\$8.7 million as at 31 December 2015. This was due to additional investments made in quoted investments.
- **Inventories** – The Group's inventories amounted to US\$10.3 million as at 31 December 2016, a decrease by US\$12.2 million from US\$22.5 million as at 31 December 2015. Inventory turnover is 26 days in FY2016 (FY2015: 57 days).
- **Trade and other receivables** – The Group's trade and other receivables amounted to US\$17.1 million as at 31 December 2016 compared to US\$15.9 million as at 31 December 2015. Trade receivables turnover is 20 days in FY2016 (FY2015: 20 days).
- **Trade payables and accruals** – The Group's trade payables and accruals amounted to US\$14.5 million as at 31 December 2016 compared to US\$29.5 million as at 31 December 2015. Trade payables turnover is 36 days in FY2016 (FY2015: 74 days).

#### **Company**

- **Investment in subsidiaries** – The Company's investment in subsidiaries decreased by US\$1.7 million was mainly due to impairment made during the year.
- **Trade and other receivables** – The Company's trade and other receivables decreased by US\$25.5 million was mainly due to repayments made by subsidiaries amounting to US\$13.1 million and impairment made on long outstanding receivables from subsidiaries amounting to US\$12.4 million.

#### **Cashflow**

The Group's cash and cash equivalents as at 31 December 2016 amounted to US\$28.4 million compared to US\$23.5 million as at 31 December 2015 which was reflective in the net cash generated from operating activities and net cash used in investing activities.

#### **IPT Inquiry and other matters**

Apart from the above, shareholders and investors are advised to refer to the cautionary statement set out in the Appendix on page 16.

#### **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 31 December 2016, the Group has US\$28.4 million in net cash and cash equivalents, and quoted investments of US\$12.2 million.

Going forward, the Group expects that business conditions will continue to be challenging. The Group will continue to invest and commit into developing new innovative solutions for the future.

Barring any unforeseen circumstances, the Group is cautiously optimistic despite continued global economics uncertainties.

#### **IPT Inquiry and other matters**

Apart from the above, shareholders and investors are advised to refer to the cautionary statement set out in the Appendix on page 16.

## 11. Dividend

### (a) Current Financial Year 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 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 Group does not have any general mandate from shareholders pursuant to Rule 920.

### **IPT Inquiry and other matters**

Shareholders and investors are advised to refer to the cautionary statement set out in the Appendix on page 16.

## 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.

Not applicable.

## 15. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule 720(1)).

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

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

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

16. **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**

	Customised Solutions	Interactive Consumer Solutions	Licensing	Adjustments	Note	Total
	US\$'000	US\$'000	US\$'000	US\$'000		US\$'000
<b>Year ended 31 December 2016</b>						
Sales to external customers	2,399	163,112	214	-		165,725
Inter-segment sales*	-	-	-	-		-
Total revenue	2,399	163,112	214	-		165,725
<b>Results:</b>						
Depreciation and amortisation Property, plant and equipment written off	16	2,015	1	-		2,032
Intangible assets written off	-	2	-	-		2
Impairment loss on property, plant and equipment	-	811	-	-		811
Allowance for doubtful debts, net	3	209	-	-		212
Segment profit	1	48	-	-		49
	108	7,365	9	517	A	7,999
Additions to non-current assets	25	1,721	-	-	B	1,746
Segment assets	1,060	66,149	3,566	12,424	C	83,199
Segment liabilities	309	19,261	-	4,460	D	24,030
	Customised Solutions	Interactive Consumer Solutions	Licensing	Adjustments	Note	Total
	US\$'000	US\$'000	US\$'000	US\$'000		US\$'000
<b>Year ended 31 December 2015 (Restated)</b>						
Sales to external customers	7,554	141,176	106	-		148,836
Inter-segment sales*	-	-	-	-		-
Total revenue	7,554	141,176	106	-		148,836
<b>Results:</b>						
Depreciation and amortisation Property, plant and equipment written off	60	2,098	150	-		2,308
Intangible assets written off	-	915	-	-		915
Allowance for doubtful debts, net	-	1,238	-	-		1,238
Segment loss	32	582	-	-		614
	(524)	(7,437)	(191)	561	A	(7,591)
Additions to non-current assets	45	2,014	-	-	B	2,059
Segment assets	3,763	69,353	5,161	8,931	C	87,208
Segment liabilities	1,636	30,168	-	3,278	D	35,082

\* - There were no inter-segment sales during the year.

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A The following items are added to/(deducted from) segment profit/(loss) to arrive at "Profit/(Loss) before income tax" presented in the consolidated income statement:

	Group	
	2016	2015
	US\$'000	US\$'000
Interest income	662	714
Finance costs	(145)	(153)
	517	561

B Additions to non-current assets consist of additions to property, plant and equipment and intangible assets. During the year, the Group acquired plant and equipment with an aggregate cost of US\$224,000 (2015: US\$161,000) by means of hire purchase.

C The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group	
	2016	2015
	US\$'000	US\$'000
Quoted investments	12,244	8,749
Unquoted investments	180	182
	12,424	8,931

D The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group	
	2016	2015
	US\$'000	US\$'000
Hire purchase payables (current)	151	154
Hire purchase payables (non-current)	159	150
Income tax payable	1,244	768
Deferred taxation	698	457
Term loans and bank overdrafts (current)	1,774	1,249
Term loans (non-current)	434	500
	4,460	3,278

### Segment Results by Geographical Segment

#### Sales to external customers

(US\$'000)	Revenue		Non-current assets	
	2016	2015	2016	2015
	US\$'000	US\$'000	US\$'000	US\$'000
China/Hong Kong	92,429	3,942	3	4
Malaysia	28,096	2,028	1,061	576
Singapore	22,103	116,669	11,679	13,451
Taiwan	12,113	10,119	-	-
United States of America	4,483	4,695	-	-
Europe	1,819	3,251	-	-
India	1,519	1,130	7	-
Japan	1,017	3,256	-	-
Thailand	264	313	-	-
Others	1,882	3,433	1,130	1,273
	165,725	148,836	13,880	15,304

Non-current assets information presented above consists of property, plant and equipment and intangible assets as presented in the consolidated balance sheet.

China/Hong Kong was the main contributor for the Group's revenue in FY2016, with yoy growth by more than 100%. Malaysia also saw an increase by more than 100%.

Revenue of US\$117.1 million are derived from 5 external customers (FY2015: US\$111.3 million from 5 external customers).

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

**Segmental Analysis – by Business Segments**

By business segments, the core ICS division dominates as the key revenue generator accounting for 98.4% of its revenue. The Group's ICS solutions/products comprise Thumbdrive®, Flucard®, Security Solutions, WiFi Memory Modules for embedded devices continue to dominate as the main engine of growth for the ICS business segment.

**Segmental Analysis – by Geography**

In FY2016, notwithstanding the market competition, the Group focused on key markets like China/Hong Kong and Malaysia, which saw an increase of more than 100%.

Singapore saw a drop by 81.1% due to shift in focus to China/Hong Kong and Malaysia.

**18. A breakdown of sales**

		Group		
		US\$'000		%
		Latest Full Year 2016	Previous Full Year 2015	Change
(a)	Sales reported for first half year	81,595	68,647	18.86
(b)	Operating profit reported for first half year	1,846	1,902	(2.94)
(c)	Sales reported for second half year	84,130	80,189	4.91
(d)	Operating profit/(loss) reported for second half year	5,235	(9,268)	156.48

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

Not applicable

**20. Disclosure of person occupying a managerial position in the issues of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director/or CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Boon Tat	58	Brother of Mr Tan Henry @ Henn Tan	Director of Trek Technology (Singapore) Pte Ltd (wholly-owned subsidiary of the Company) and Store Manager of the Company, since 31 October 1995.  Duties : - To oversee the proper distribution of inventory for the Company and its subsidiaries ("the Group"); and  - To ensure that goods and materials are delivered to the Group's customers in a timely and proper manner.	Nil
Tan Boon Liew	51	Brother of Mr Tan Henry @ Henn Tan	Assistant Manager in the Company, since 15 July 1997.  Duties: - To manage and oversee the despatch of goods to the Group's customers.	Nil
Tan Joon Yong Wayne	29	Son of Mr Tan Henry @ Henn Tan	Director of Cloud Stringers (S) Pte Ltd, a subsidiary of Trek Technology (Singapore) Pte Ltd, since 13 March 2014. He resigned on 18 April 2016 and re-appointed subsequently on 3 January 2017.  Duties: - To manage and oversee the business development and corporate action plans on its secured online ecosystem platform for content owners to store, view, share, exchange and transact with others.	Nil
Tan Boon Siong	54	Brother of Mr Tan Henry @ Henn Tan	Director of Trek Technology (Singapore) Pte Ltd, since 1 July 1989 but he retired on 22 January 2016.  Duties: - To provide business advisory services	Nil

\* Henn Tan is the Chairman and Chief Executive Officer of Trek 2000 International Ltd.

BY ORDER OF THE BOARD

**EDWIN LONG MING FAI**  
Executive Director  
28 March 2017

## Appendix

### CAUTIONARY STATEMENT

For the period commencing from 25 February 2016 to date, announcements have been made by the Company in relation to *inter alia* (1) the IPT Inquiry by TSMP Law Corporation on certain interested party transactions involving T-Data Systems (S) Pte. Ltd. ("T-Data"), (2) documentation deficiencies observed by the auditors, and following which, the report made by the auditors to the Accounting and Corporate Regulatory Authority (ACRA) in respect of matters that have come to their attention in the course of their audit of the FY2015 financial statements, and (3) investigations conducted by the Commercial Affairs Department (CAD) as announced on 1 June 2016. Further information can be found in the announcements dated 25 February 2016, 1 March 2016, 14 March 2016, 17 March 2016, 7 April 2016, 26 April 2016, 25 May 2016, 1 June 2016 and 8 June 2016.

As announced on 8 June 2016, RSM Corporate Advisory Pte Ltd ("RSM") had been appointed as forensic accountants to review and carry out inquiry on *inter alia* the interested party transactions involving T-Data, and opine on the financial impact of such transactions on the Group. The review by RSM and the IPT Inquiry are still ongoing. Pending such inquiry/review, there are uncertainties as to the full implications and impact of the aforesaid developments on the FY2015 and FY2016 financial statements, in particular, as to whether adjustments are required to be made.

In view of the foregoing, shareholders and investors are advised to carefully monitor and refer to further announcements released by the Company for updates, and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take. They are therefore cautioned against placing undue reliance on the same.