



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

FYFOR IMMEDIATE RELEASE

Trek records turnaround in net profit to US\$0.4 million for 1QFY2021

- Revenue declines marginally by 5.6% yoy to US\$8.1 million for 1QFY2021 despite the competitive market environment and supply chain challenges amid the COVID-19 pandemic
- Core operations continues to generate positive operating cash flows of US\$3.3 million for 1QFY2021, bolstering balance sheet strength with cash and cash equivalents, and quoted and unquoted investments held for trading totalling US\$36.9 million
- Leveraging on its R&D capabilities and established track record, the Group is well-positioned to capture the growing demand for innovative solutions in the 5G, artificial intelligence and renewable energy markets

Singapore, 12 May 2021 – TREK 2000 INTERNATIONAL LTD. (“Trek 2000”, “Trek”, together with its subsidiaries, “the Group”) has announced its financial results for the first quarter (“1QFY2021”) ended 31 March 2021.

Financial Highlights (US\$ millions)	1QFY2021	1QFY2020	Change
Revenue	8.1	8.5	(5.6)
Gross Profit	0.7	1.0	(25.4)
Gross Profit Margin (%)	8.8	11.2	(2.4) ppt
Net Profit Attributable to Owners of the Company	0.4	(1.1)	N.M.
Net Profit Margin (%)	4.4	(13.1)	N.M.
Basic Earnings Per Share (US cents)	0.11	(0.35)	N.M.

The competitive market environment and challenges along the supply chain including an acute shortage of strategic components such as semiconductors, which form part of the Group’s solutions, has caused adverse disruptions to operations. Notwithstanding these headwinds, revenue declined only marginally by 5.6% year-on-year (“yoy”) to US\$8.1 million for 1QFY2021. Correspondingly, gross profit margin contracted marginally by 2.4 percentage points to 8.8%.

On the other hand, gain on disposal of financial assets, foreign exchange gains and government grants received led the Group to record a significant increase in other income to US\$522,000 for 1QFY2021 from US\$34,000 for 1QFY2020.

In spite of higher research & development and marketing & distribution expenses as the Group continues to pursue its growth and innovation initiatives, total expenses declined 57.7% yoy to US\$1.0 million for 1QFY2021 from US\$2.3 million for 1QFY2020. This was primarily attributable to a 30.3% yoy decrease in general administration expenses to US\$0.3 million and a 95.1% yoy decrease in other expenses to US\$67,000 for 1QFY2021 from US\$1.4 million for 1QFY2020.



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As a result of the above, the Group charted an earnings turnaround to report net profit attributable to shareholders of US\$0.4 million for 1QFY2021.

Backed by positive operating cash flows of US\$3.3 million for 1QFY2021, the Group's resilient balance sheet continued to strengthen with cash and cash equivalents, and quoted and unquoted investments held for trading amounting to US\$36.9 million as at 31 March 2021.

"Having successfully transitioned to a new management team since we embarked on our restructuring exercise back in 2018, we are pleased to note that we have been able to turn things around and post positive results for our financial scorecard early on in the year. Furthermore, efforts to rebuild our reputation and relationships with our various stakeholders have contributed to us securing a slew of significant supply contracts with globally renowned technology firms during the quarter.

While we continue to garner momentum for our core Interactive Consumer Solutions segments, we have also diversified our suite of offerings to meet the demand for innovative tech solutions surrounding 5G, artificial intelligence and sustainable energy. Deepening our footprint in these segments are not only crucial for us to remain relevant amid a fast-evolving tech sector, but will also open up new opportunities for us to chart long-term sustainable growth. As we remain very much an R&D company, we believe that our relentless pursuit of innovation will continue to set us apart from our industry peers, ensure business sustainability and ultimately deliver value to our stakeholders. We look forward to sharing more on these growth initiatives in time to come."

- *Mr Wayne Tan, Deputy Chairman, Executive Director and Group President of Trek 2000 International Ltd.*

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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.

Trek sets itself apart as the key differentiator in the digital industry through its creativity, innovativeness and ingenuity. Trek has always been at the forefront of the digital industry, and it is reflected in the solutions it offers consumers. Trek has moved from its original 'plug and play' technology to its new wireless 'insert and play' capabilities, once again staying ahead of the market.

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Issued for and on behalf of Trek 2000 International Ltd.

Contact Information

Financial PR

Mr. Jonathan Wee
Investor Relations Consultant
T: (65) 6438 2990
E: staff@financialpr.com.sg

Trek 2000 International Ltd

Mr. Wayne Tan
Deputy Chairman, Executive Director & Group President
T: (65) 6546 6088
Website: <http://www.trek2000.com.sg>