



TREK 2000 INTERNATIONAL LTD
(Registration Number 199905744N)

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S UNAUDITED SECOND QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2019

The Board of Directors (the “**Board**”) of Trek 2000 International Ltd (the “**Group**” or “**Company**”) wishes to provide the following additional information in response to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in their email dated 21 August 2019 in relation to the Company’s unaudited second quarter results for the period ended 30 June 2019 announced on 7 August 2019.

Query by SGX-ST:

1. In relation to the Company’s response to Query #2, we note that for the audited financial statements for FY2018, the costs of individual inventory are evaluated with the net realizable value of the individual inventory, and provisions are made to write down the cost of inventory to the net realizable value for inventory with costs exceeding the net realizable value. Was the same process undertaken for the inventory balance as at 31 March 2019 and 30 June 2019 to arrive at the reversal of previous provisions made on inventory?

Company’s Response:

- (a) Yes, the same process was consistently done for inventory as at 31 March 2019 and 30 June 2019. The cost or book value of the individual inventory was evaluated with the inventory’s net realizable value, after the evaluation for the provision for inventory obsolescence was done. No additional provision for diminution of value in inventory was required during these periods.

Query by SGX-ST:

2. In relation to the Company’s response to Query #5, please note that “securities” is defined as debt securities, equity securities and investment funds in the Listing Manual. Please provide the disclosures required pursuant to Rules 704(17) and 704(18) for the Company’s trades in quoted investments during 2QFY2019.

Company’s Response:

- (a) The disclosures pursuant to Rules 704(17) and 704(18) for the Company’s trades in quoted shares during 2QFY2019 are as follows:

The Board of Directors (“**Board**”) of Trek 2000 International Ltd (“**Company**”, and together with its subsidiaries, “**Group**”) hereby discloses that in accordance with Rule 704(17), the Group has acquired quoted securities for a total value of approximately US\$ 4.6 million for the period 1 April 2019 to 30 June 2019. This is equivalent to 10.39% of the latest audited net tangible assets of the Group.

In accordance with Rule 704(18), the Group has sold quoted securities at cost of approximately US\$ 2.4 million for the period 1 April 2019 to 30 June 2019. This is equivalent to 5.51% of the latest audited consolidated net tangible assets of the Group.

Information in respect of such acquisitions and sales are as follows:



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		Prior to Acquisition/ Disposal (1 April 2019)	After the Acquisition/ Disposal (30 June 2019)
(i)	Aggregate cost of the Group's quoted investments (US\$'000)	18,107	20,266
(ii)	Aggregate cost of the Group's quoted investments as a percentage of the latest audited consolidated net tangible assets of the Group as at 31 December 2018 (%)	40.91%	45.79%
(iii)	Total market value of the Group's quoted investments (US\$'000)	17,217	19,806
(iv)	Amount of any provision for diminution in value of investments (US\$'000)	Nil	Nil
	* Audited consolidated net tangible assets of the Group as at 31 December 2018 (US\$'000)	44,262	44,262

(b) A disclosure on the above matter is also separately uploaded at the SGXNet.

Query by SGX-ST:

3. In relation to the Company's response to Query #6, we note that the investments in unquoted investments (other than the investment in Terrenus Energy Pte Ltd) can be liquidated by selling the funds to the Fund Managers. Please clarify whether and how the Company makes its assessment on impairment provisions for these investments.

Company's Response:

(a) The Company makes its assessment of the investments in unquoted investments in the 2 funds (an unquoted private equity of a financial institution and an unquoted fund (R3 Asian Gem)) on a monthly basis.

(b) The fair value of the investments was assessed based on the investment reports received from the Fund Managers on a monthly basis.

(c) Any gain or loss on revaluation of the fair value of the investments from the investment reports, if any, will be accounted by the Company on a monthly basis according to the requirements of accounting standards, FRS 105.

BY ORDER OF THE BOARD

Kuan Mun Kwong
Executive Director

27 August 2019