



Trek 2000 International Ltd
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FOR IMMEDIATE RELEASE

Trek extends growth momentum as revenue jumps 57.8% to US\$41.8 million for 2Q2015

- 57.8% jump in revenue to US\$41.8 million as demand for proprietary ICS products gains traction among new and existing MNC customers
- Net profit surges to 424.8% to US\$ 1.1 million attributable to owners of the company
- Continues to generate positive operating cash flow leading to a strong balance sheet with net cash position of US\$13.1 million
- Capital boost of S\$11.6 million from recent placement proceeds to fuel R&D initiatives and working capital requirements to drive growth in IoT market

SINGAPORE – August 12, 2015 - Trek 2000 International Ltd. (Trek), inventor and patent owner of the ThumbDrive™ and Flucard®, board director of SD Card Association¹ and co-chairman of iSDIO forum, is pleased to announce a 57.8% year-on-year (yoy) growth in revenue to US\$41.8 million and a 424.8% yoy increase in net profit attributable to owners of the company to US\$1.1 million for the three months ended 30 June 2015 (2Q2015).

Financial Highlights (US\$ millions)	2Q2015	2Q2014	Change	1H2015	1H2014	Change
Revenue	41.8	26.5	57.8%	68.6	41.4	65.7%
Gross Profit	3.9	3.7	6.8%	7.1	6.1	18.0%
Gross Profit Margin (%)	9.3	13.8	(4.5ppt)	10.4	14.6	(4.2ppt)
Net Profit Attributable to Owners of the Company	1.1	0.2	424.8%	1.6	0.7	144.0%
Net Profit Margin (%)	2.6	0.8	1.8ppt	2.4	1.6	0.8ppt
Earnings per share (US cents)	0.36	0.07	414.3%	0.55	0.22	150.0%

"In maintaining our growth momentum, it is imperative for us to focus on our value propositions particularly towards our customers. Differentiating our R&D competencies and proprietary technology offerings, we secured orders from new MNC customers for our ICS products while gaining market share with existing customers. Our strategy in securing higher volume business leverages on our asset-light operating model as we continue to expand our top and bottom line contributions."

- Mr Henn Tan, Executive Chairman and CEO of Trek 2000 International Ltd

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

The growth in the Group's revenue was driven by its mainstay Interactive Consumer Solutions (ICS) division, which spearheaded a 60.0% yoy increase to US\$39.3 million for 2Q2015. This was mainly led by an increase in sales of Flucard® and Wi-Fi memory modules to new and existing customers. In addition, licensing revenue also increased substantially with a 47.5% yoy jump to US\$0.6 million for 2Q2015 due to the improvement in sales from third party licensing customers. With 436 patents granted worldwide and growing, the rise in licensing revenue aligns itself with the Company's strategy to expand its Intellectual Property portfolio.

While gross profit for 2Q2015 increased 6.8% yoy to US\$3.9 million, gross profit margin decreased from 13.8% to 9.3% over the same period. This was a result of the Group's strategy to secure higher volume business and growing market share.

The Group's continued focus on Research and Development (R&D) resulted in a 43.8% yoy increase in R&D expenses to US\$1.4 million in 2Q2015. As a result, total expenses increased 8.5% to US\$3.1 million in 2Q2015. Despite the rise in expenses, the Group consistently generates positive operating cash flow with US\$2.7 million in 2Q2015 which improved the Group's net cash position. As at 30 June 2015, the Group's cash and cash equivalents amounted to US\$15.8 million compared to US\$12.0 million as at 31 December 2014.

Mr Tan concluded, "As a mark of confidence in Trek's expertise in developing innovative and disruptive technologies, we recently carried out a share placement exercise which raised US\$8.4 million (\$\$11.6 million). This capital boost enhanced our resources for our R&D initiatives but also supplements our working capital requirements to drive sustainable growth going forward.

Trek is and always will be a R&D-focused company that is dedicated to the vision of becoming a leader in the IoT segment. With a well-planned roadmap, we continue to execute our robust growth strategy with new innovations and expansion of services within the three pillars of technology – Consumer Wearable, Medical and Cloud.

Despite the ongoing global uncertainties, we are confident of the success of our ongoing initiatives in the IoT space such as our revolutionary Cloudstringers. I believe we are set in motion to propel ourselves for the next phase of growth."

-The End -

About Trek 2000 International Ltd

Trek 2000 International Ltd (Trek), an industry leader, innovator, original inventor and patent owner of the ThumbDrive® (i.e. USB Flash Drive) and Flucard® 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. More recently, the company was awarded Asia-Pacific Enterprise Leadership Awards for Spirit of Innovation Award in 2013 as well as the SD Association Awards of Excellence 2014.

Trek®, ThumbDrive®, DivaDrive® and Flucard® are trademarks or registered trademarks of Trek Group of Companies in Singapore and / or other countries.

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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